

Immigrant and foreign resident Guide

(Not including an immigrant who received Customs Grant)

2013

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Personal import definitions

Following are the definitions relevant for this guide:

"Rights"

Exemption of payment of taxes, or payment of reduced taxes - when releasing imported goods from customs, or acquiring Israeli manufactured appliances following arrival, as determined by the Israel Tax Authority.

"Goods"

Personal and household effects, belongings - tools, and so forth.

"Determining Entry"

The entry according to which the entrant's eligibility status is determined unless noted otherwise.

"Accompanied luggage" Imported goods by the entrant on determining entry to Israel

"Shipment"

- (a) Cargo containing personal/household effects – arriving by ship or aircraft.
 - (b) Personal and household effects – arriving by postal packages, provided packages were sent prior to the "Determining Entry" to Israel.
 - (c) Personal effects and household effects imported with the eligible person but not on "Determining Entry"
- (Eligible person may import a total of up to three shipments).

"Minor"

A minor is an entrant younger than 18 years of age.

"Eligibility period"

Period of time during which the entitled person may exercise his rights.

This period is calculated starting the "Determining Entry" date, as afore said.

Eligible for an exemption – as defined henceforth:

- 1) **"Immigrant" ("Oleh")** according to the Law of Return.
- 2) **"Returning minor"** – A person who holds a certificate of returning minor issued by the Ministry of Immigrant Absorption.
- 3) **"An immigrant citizen" ("Oleh citizen")**– A person who holds an Oleh citizen certificate issued by the Ministry of Immigrants Absorption
- 4) **A "permanent resident"**

Goods included in exemption

A. In General

The eligibility (rights) to import personal and household effects / local purchase of Israeli manufactured goods exempted from taxes, such as personal effects, belongings, household items, portable tools, and production machines, a motor vehicle (partial exemption).

Exemption will be granted provided the eligible person submitted proof of meeting the conditions listed above under "Procedures and conditions for determining eligibility".

B. Personal effects (imported in personal accompanied luggage)

- 1) Clothing, footwear and personal toiletry items - of the type and quantities normally carried in a travellers' hand carried luggage.
- 2) Wines and alcoholic beverages - liquors up to 1 liter; wine up to 2 liters - per each entrant 18 years of age and older.
- 3) Perfumes up to ¼ liter - per entrant.
- 4) Tobacco and tobacco products weighing up to 250 grams (cigarettes - up to 200 cigarettes - one pack).
- 5) Other items not listed above may be imported for the entrants' personal use or, as a gift, as long as the value does not exceed \$ 200 (U.S.) per each entrant as of the age of two. Within this amount, a total weight of up to 3 kg food items may be included on the condition that each type of food does not exceed 1kg. (Concerning items that are prohibited for import - see additional information herein in paragraph b).

The exemption is personal for each entrant. One may not combine- exemptions by using a number of person's eligibility to import an item which is valued more than \$200US. If the value of an item is greater than \$ 200US full taxes are due. The \$200US exemption will **not** be deducted from the full value of the item before tax is calculated.

Note:

- a) The exemption for above personal items, will apply only if the said items are imported in the said entrant's luggage on the same means of transportation.

- b) If an entrant has personal effects in quantities / values listed above, one may go through the green custom lane.
- c) If an entrant is carrying personal effects in quantities / values that exceed the above listed exemption limits, one must go through the red custom lane.

C. Imported Household effects -

Household items are generally the type of goods normally used in residential apartments, and **do not include** permanently installed equipment such as plumbing equipment and accessories, building materials, flooring or wall coverings (wallpaper, tiles, marble, etc.).

Note:

- a) Household effects included in the exemption – **may be shipped in up to three shipments.**
- b) An entitled person may import up to 2 TV units and 2 PC's, per family.
As for other electrical devices and major articles of furniture – one may import one item of each type.
- c) Make sure, the items arrive within the exemption rights period, which is three years from the date of entrance to Israel (i.e.- determining entry) .
- d) One may choose to import household effects in one's personal luggage (appx. 20Kg) upon entry (determining entry- as mentioned above) in which case no taxes will be charged on eligible items and it will not count as one of 3 shipments to which the entrant is entitled to.
The goods must be declared by passing through the red lane at the airport – afterwards await further instructions.
- e) Approval of the exemption is conditioned on proof of independent housekeeping by presentation of a contract or lease for an apartment in Israel

D. Portable Hand Tools

During the period of eligibility, one may import portable hand tools provided that:

- 1) Tools are designed for your professional needs, as determined by the customs officer.
- 2) That the tools are of portable hand held tools (as per their definition in item 84.67 of the Customs Tariff Law) as determined by the customs officer.
- 3) Total value of the portable tools, upon import, will not exceed an amount equal to \$1,650US.

E. Business machinery

Exemption of tax for the import of machinery, devices and tools designed for the establishment of the immigrants' business of a kind used in industry, crafts, agriculture or other, is subject to the approval by the Director*

The exemption is also subject to the following terms:

- 1) Total value of all the equipment does not exceed \$ 36,000US FOB, this amount includes portable work tools whose value does not exceed \$1,650US (see above paragraph E. - Portable Hand Tools).
- 2) The equipment will be maintained and used at the eligible immigrant's enterprise (workshop, farm, business).
- 3) If the eligible person is not the sole owner of the enterprise, but only a partner or a shareholder, one must present proof that one owns at least 50% of the said enterprise and that one is an active worker at the enterprise. In such a case the immigrant is entitled to lease the goods imported through exemption to the enterprise, provided that this fact is stated explicitly in the agreement contract between the eligible immigrant and the said enterprise and that these goods can stay leased as long as the immigrant is a partner or a shareholder in that enterprise.

In case of partnership dissolution prior to the passing of 5 years since the equipment has been released the goods will remain under the ownership of the immigrant, to be transferred to others only by custom's approval following tariffs payment.

As collateral against the tax exemption (if approved by the director) a bank guarantee at the sum of the tax will be required.

F. Importing goods by postal packages mail

A postal package containing household items will be considered as one of the shipments exempted from taxes to which the immigrant is entitled to. A mail package containing only clothing and footwear items, sent to Israel, prior to determining entering date - will be exempted of taxes and will not be considered a shipment, if reached Israel within 30 days prior to the date of the determining entry, or on the determining entry (accompanied luggage) or within 3 months since determining entry.

G. Motor vehicle

A motor vehicle- Including motorcycle, passenger car - a vehicle designed for passengers transportation of class M1 or, M2 type, as defined in Article 271A of the Traffic Regulations, of weight not exceeding 3500 kg.

As per motor vehicles, information in this guide applies to an immigrant, a minor immigrant, an immigrant citizen and a permanent resident.

For a foreign resident (A/2 status, A/3 and B/1) - regulations are the same as per tourist's vehicle rights (see guide - tourists customs taxes).

Taxes on vehicles

An immigrant importing a vehicle to Israel under his/her own name or purchases one from a licensed cars importer or warehouse in Israel, will be exempted of all sales tax but will be taxed at the rate of 50% + VAT (76% total rate custom taxes), under the following conditions:

1. Vehicle make and model is approved for import by the Ministry of Transportation. (For inquiries - please contact the Standardization office at Ministry of Transportation). Should one wish to import a vehicle a specific vehicle import permit must be provided – in this case please, contact the Ministry of Transportation through www.mot.gov.il
2. The vehicle is to be imported to Israel within three years of the Determining entry date.
3. The immigrant had a valid driving license at one's country of origin prior to immigrating to Israel.
4. The immigrant has a valid drivers' license in Israel.
5. A new Immigrant may drive during the first year in Israel with a foreign driver's license he owns, therefore he is not obligated to display an Israeli driver's license if he import/purchase car during this year.

Green Tax

An immigrant that imports/buys a vehicle manufactured 01.01.2007 and later, will be eligible to a tax deduction (calculated in Israeli Shekels) as specified in the following table , according to the pollution grade determined by the Ministry of Transportation:

Pollution Grade	Green Mark	Deducted sum
1	0-50	9,947
2	51-130	9,947
3	131-150	9,118
4	151-170	7,954
5	171-175	6,963
6	176-180	6,133
7	181-185	5,471
8	186-190	4,807
9	191-195	4,310
10	196-200	3,648
11	201-205	3,315
12	206-210	2,653

Pollution Grade	Green Mark	Deducted sum
13	211-220	2,154
14	221-250	1,326
15	251-400	0

Spouses Rights:

Spouses, even if both are eligible, will be allowed to release one vehicle only upon payment of partial taxes. Only both will be permitted to drive the vehicle no one else.

Ownership transfer of a vehicle to a person who is not eligible to a tax exemption prior to the end of the limitation period of four years, may take place only after payment of due balance of taxes, as long as at least one year has passed since the initial release of the vehicle from customs supervision.

If ownership is transferred to another immigrant who is entitled to a tax exemption for a vehicle, the buyer will be notified a four year ownership transfer is imposed, since the date of transfer.

An immigrant who released a motorcycle with tax exemption rights may release a vehicle with reduced tariffs if the following conditions are met:

- 1) The eligibility period has not ended.
- 2) The remaining tax balance for the motorcycle was paid.
- 3) At least one year has passed since the motorcycle was released from customs supervision. .

Procedures and conditions for eligibility determination

General

Rights are determined according to rules of personal import, by type, age and family status of the immigrant upon entry to Israel for the first time, as recorded in entry documents, or in other cases when the immigrants' status is changed (for example: changing status from a tourist to an immigrant).

Approval of tax exemption rights is subject to the following conditions (as applicable):

- 1) Import is conducted under the name of the immigrant – **all** import documents will be registered under the immigrant's name.
- 2) Depositing guarantees - the customs collector may condition the release of goods using rights, upon deposition of bank guarantees or, cash deposits to secure compliance with the conditions of the exemption.

3) Personal use - the goods imported or purchased by an eligible person using tax exemption rights, are for personal use only for the duration of at least 6 years since the release / purchase.

As for a vehicle – one has to use it for personal use for a minimum period of four years of in Israel.

Transferring the goods to others prior to the end of the limitation period, temporarily or permanently, with or without apposition is prohibited.

Failure to comply with this condition is a violation of the exemption provisions. Proof of personal use of goods released from customs is required even if released without guarantees.

4) Proof of maintaining an independent housekeeping - by presentation of a contract or lease for an apartment in Israel for a duration of at least one year - signed and stamped .

5) Reasonable quantities - an entitled person may import up to 2 TV units and 2 PC's, per family. As for other electrical devices and major items of furniture – an entitled family may import one item of each type.

6) Goods release - may be conducted by the eligible person or by a customs agent by means of an accreditation according to the law.

Documents presentation

In general: The information of all immigrants arriving to Israel is being transferred to Customs by electronic message and an entitlement file opens automatically.

In exceptional cases (failure/mistake) you can open a file with customs clerk manually by presenting the following documents:

- a) A certificate issued by the Ministry of Immigrant Absorption.
- b) Foreign passport including an immigration visa/ A valid Israeli passport.
- c) If the eligible immigrant is married one has to present his/hers spouses' passport.

Period of eligibility

THE GOODS	IMPLEMENTING DATE
Personal items (as defined in Section 4/B above)	Entry date only.
Clothing and footwear by postal packages	On entry date, or 30 days prior, or up to three months after determining date.
Personal belongings, household effects, tools and machinery for businesses	Up to three years from determining date.
Vehicle	Up to three years from determining date

Extension of Eligibility Period

	Case Description	Extension
A.	The immigrant reported for IDF military service during eligibility period	Obligatory service period (not including career service) is not counted, the period of eligibility remaining prior to the draft continues after end of service
B.	An immigrant, who began academic studies within 18 months since entry (determining date) as a full time student learning at an academic institution, and studied continuously no longer than 5 years (for medicine and law the study period may be longer)	The eligibility period will be extended by one year from the completion of studies. This period is not frozen or prolonged, even if the student leaves the country immediately after graduating.
C. Does not apply to a returning minor	The immigrant stayed abroad for a continuous period exceeding six months	Period of eligibility will be extended by a Web form submission. (For eligibility form to new immigrant over 6 months, click here). There is no need for arrival or sending documents to customs.

Spouses Rights

A spouse may exercise their rights for household effects according to the rights of one of them if their immigration status is the same or if it differs. In any case, the exemption will not be exercised if the spouses' passport has not been presented.

An entitled person whose spouse is staying abroad at the time of approval of status in Customs, will be required to present Customs form 142 -

(A Declaration of spouse remaining abroad permitting the entitled person to fulfill the couple's eligibility) signed by spouse before Israeli Consul/notary.

An exemption will not be granted for the same goods, if those goods were exempted previously by one or the other .

But, if an immigrant whos' spouse exercised his exemption rights for household/personal goods of the same type (at a time they were not a married couple) and six years have passed since release, they will be eligible for a tax exemption as aforesaid

More information

A) Prohibited Goods

Herein are examples of goods, whos' import is absolutely prohibited:

- 1) A knife, except a pocket knife and a knife designed to be used in one's profession, trade, business, for household purposes, or any other legitimate purpose.
- 2) Disruptive laser speedometer.
- 3) Pen-like guns or gun-like devices, or gas-powered guns and alike.
- 4) Mace container, shaped like a gun.
- 5) Games of chance/wagering are prohibited.

- 6) Explosives and flammable materials, live creatures such as live viper snakes, and other dangerous goods.
- 7) Goods used for the preparation of a dangerous drug or its' consumption.

B) Items that require the approval of the certified authority

The import of many types of goods is conditioned on meeting the criteria set from time to time by the certified authorities. **For example:**

- Mobile phone - Ministry of Communications.
- Motorized Scooter - Ministry of Transportation.

In some cases, an approval will be sufficient in other cases an individual license will be required.

The requirements for an authorization to import should be checked before importing, with the relevant certified authority, and the need for approval / import license.

C) Receiving information

In Israel – one may contact the Customs House near the residential area.

Applicants from outside of Israel - applications in writing to the following Customs:

Inquiries from the United States - to Haifa Customs House.

Inquiries from Europe - to Ashdod Customs House.

Other inquiries to – Central Customs House.

Requests for accompanying cargo (such as cameras) to - Ben Gurion Airport, Customs Lod.

In addition, Inquiries can be sent by to e-mail address: yishi@customs.mof.gov.il

D) List of Customs and VAT offices (where personal import units operate)

City	Office Address	Phone number, Personal import
Eilat	Home - Customs and VAT, port of Eilat, PO Box 131, 88101	08-6383834
Ashdod	Home - Customs, builders 2nd Street (Forum Building), PO Box 241, 77102	08-8510501
Beer - Sheva	Department of Customs and VAT, Shazar St. 31 84 212	08-6293348
Haifa	Home - customs, harbor gate 3, PO Box 245, 31002	04-8354861 Sun.-Thu. 13:00-15:00
Center	Home - Customs Center, Israel Galili St. PO Box 3A 4242 Rishon Lezion 75142	03-9421666
Jerusalem	Home - Customs and VAT, Wings of Eagles 66th St., POB 34014, 91340	02-6545607