

Guide for immigrants Importing a car

An immigrant who wants to personally import a motor vehicle from abroad, or who purchased one in Israel, is exempt from paying tax.

A returning minor, a citizen immigrant and a permanent resident have the same status as an immigrant concerning personally importing a car.

Personally import - means an individual who is importing goods for his personal use, and not for commerce or resale.

A motor vehicle — includes a motorcycle or a car that weighs no more than 3.5 tonnes.

An immigrant may import a vehicle under these conditions :

- He didn't utilize his rights to personally import a vehicle in the past.
- The vehicle import documents may only be on the immigrant's name, even though his spouse may drive the car without him.
- An immigrant may actualize his tax exemption benefit beginning from when he enters Israel until three years from his date of entry, provided the vehicle is only for his personal and / or family use (but not for business).
- If he goes abroad for more than six months within the three year period that he can actualize the benefit, that period of time is not included in the count of three years and he can add the time he was gone to the three year count. (This does not apply to a returning minor.)
- The imported vehicle is for his personal use in Israel, for a period of at least 4 years after it was registered.
- He can sell the vehicle that he imported or bought without paying tax only after 4 years.
- Another person may drive the vehicle of the entitled person, provided that the entitled person or his/her spouse is in the same car with him.
- Only one vehicle may be imported per family.
- There is no limit to the car's

The tax benefit rate:

For a new vehicle — he is exempt from paying purchase tax, but must pay a customs duty rate of 50% + VAT (a total of 75%).

For a used vehicle — he will be entitled to a tax benefit, with the tax calculation on a used vehicle having the fixed depreciation deducted from the value of a new vehicle of the same model and year of manufacture.

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Please note : Shipping the vehicle, customs clearance, licensing, etc., takes a considerable length of time, so it is important to import the vehicle as early as possible to your entry to Israel.

If you want to import or purchase a vehicle in Israel without paying taxes, you should contact the Customs Department with the following documents ready:

- An immigrant certificate.
- A valid passport and visa (including prior passports).
- Import and registration authorization by the Standardization Department of the Ministry of Transportation.

To register a vehicle — you must follow the regulations of the Ministry of Transport. This means submitting documents, such as certification by the importer confirming that a supply of imported auto parts are available in Israel as well as experts who can fix the imported vehicle. Standards compliance approval (EEC, EC) (NAFTA) from the auto manufacturers.

A vehicle whose registration in the country was not approved by the Ministry of Transportation, (e.g. the steering wheel is on the right side) is not permitted to travel in the country and must be removed from the country. It is therefore recommended to check whether your vehicle was approved by the Misrad ha-Rishui before importing it.

- A foreign vehicle license in the name of the immigrant or his spouse, which is valid in Israel for the kind of car imported, conditional on the foreign license being issued before he entered Israel, and he lived in the country which issued the license for at least one year before he came to Israel.

If he lived more than one year in Israel, he has to present an Israeli license. To convert his foreign license, see our Guide to Converting a Driver's License.

- A passport containing a stamp of his status when he entered Israel, or the immigrant visa given him by Israeli representatives abroad. The same for his/her spouse's passport.
- A valid motor insurance certificate.
- The original purchase invoice and a copy which includes all the vehicle's details,

including all the extras installed in the vehicle.

- A rental lease for an apartment in Israel (valid for one year).
- Proof that he reported for compulsory IDF army service, or that he is exempt from enlisting, within one year from his entry to Israel.
- Personal vehicle importer declaration form (Form 21). You can get a sample form in our office
- Goods information declaration form (Form 130). You can get a sample form in our office

Other conditions to import a vehicle

An immigrant couple who divorced during their period of eligibility, each one is eligible for a tax benefit entitlement after the divorce, provided that he/she did not receive this benefit previously on his/her name.

One may transfer ownership "before the end of four years":

From one immigrant to a person who does not qualify for the tax exemption benefit : The transfer will be possible only after paying taxes, provided that a year has passed from the date that the vehicle was picked up from the Customs Department.

From one immigrant to another who is entitled to a tax exemption benefit : The vehicle will be recorded an additional eligibility period of four years from the date that the vehicle was transferred.

An immigrant who reported for compulsory / optional military service : his army service will not be deducted from his entitlement period. His entitlement period will be extended after he finishes his service (unless he is serving in the regular army).

An immigrant who began studying in an institution of higher education within 18 months from the date of his entry into Israel consecutively up to 5 years, shall be entitled to another year's delay (for medical / legal studies, he will be entitled to as long as his studies take). If he left the country immediately at the end of his studies, the period of his stay abroad will be considered as if he is living in Israel.

An immigrant minor who possesses a driving license that permits him to drive when he turns 18, should provide the Customs Dept. with confirmation that he converted his license within 60 days from entering Israel.

An immigrant who used his tax exemption on a motorcycle, and wants to upgrade to a car, will be entitled to a tax

exemption benefit for a car at a reduced tax rate, contingent on the following:

1. The eligibility period has not ended.

2. The immigrant paid the balance of the taxes for the motorcycle.
3. At least one year has elapsed from the date he received the motorcycle from the customs inspection.

Green taxation

The Green taxation reform was passed to encourage the use of environmentally friendly vehicles and fuels. On the schedule are: tax benefits and penalties, and more.

One who purchases / imports a vehicle whose manufacturing date is from 1.1.07 onwards, the set tax rate on the vehicle will be reduced depending on the vehicle's degree of air pollution, as determined by the Ministry of Transport.