U.S. TAX ISSUES EVERY ISRAELI CPA NEEDS TO BE AWARE OF

PHILIP STEIN, PSA FOUNDER AND CEO





102 OPTIONS

No deferral on the exercise of options

409A – options must be granted at FMV

Sourcing is determined by residency





PENSIONS & קרן השתלמות

Employer contributions are taxable in U.S.

Need to track employee contributions

Deferral of earnings





PORTFOLIO MANAGEMENT

Beware of mutual funds (קרן נאמנות)

Beware of ETF's

Wash Sales





PORTFOLIO MANAGEMENT

Who gets the first bite?

Israeli capital gains, interest, and dividends — Israel

U.S. capital gains, interest – **Israel**

U.S. dividends – **U.S.**





Realize gains on portfolio

Move portfolio to U.S. platform

"קרן השתלמות" Withdraw





Calculate cost of personal residence

Create system to track rental expenses

Project Israeli taxes on rental income





Get information on mortgage interest

Keep track of exchange rates

Israeli taxes not creditable for state income tax





Explore stepping up basis for entrepreneurs

Gifting of assets that are subject to a low tax in Israel

Take an inventory of financial assets for FBAR





ISRAELI CLIENTS WHO RETURN TO ISRAEL FROM THE US

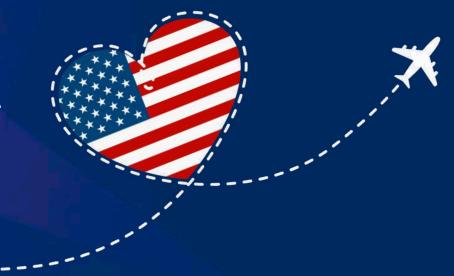
What's their tax status?

Dual Citizen, Green Card, Visa

What to do with their 401(k), IRA

Sale of their U.S. residence





ISRAELI CLIENTS WHO RETURN TO ISRAEL FROM THE US

10 Year Tax Holiday and tax status

U.S. Social Security – Are they eligible?

Exposure to FICA/Self-Employment Tax and Bituach Leumi







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Tune into FROM THE MIDWEST TO THE MIDDLE EAST