Section 13 of the guide: Tax on a Dubai property: what owners need to report and pay back home

Israeli tax residents: You sold the property: capital gains tax and a notice within 30 days

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A sale of a property abroad is reported in Israel, even when it was sold at a loss.

- **The tax:** on the part of the real gain that accrued from 1 January 2012 until the sale, an individual pays tax of up to 25%. The part that accrued earlier is calculated under other rules: up to 2002 at the marginal tax rate of the seller, and between 2003 and 2011 at 20%. The real gain is the gain after deducting the rise in the consumer price index. If annual income is high, a surtax can also apply (see below). New immigrants and veteran returning residents may be exempt from tax on such a sale; see the guide on the Golden Visa and tax residency.
- **The notice:** within 30 days of the sale, you file a notice of sale of an asset with the Israel Tax Authority (Form 1399 for individuals), with a calculation of the gain or loss, and make an advance payment on account of the tax. You file a separate form for each property sold.
- **The annual return:** the notice also serves as an appendix to the annual return. If you file the annual return online, you fill it in there as well.

How the gain is calculated, including the effect of the dirham to shekel exchange rate and of depreciation deducted during the years of renting, is work for an accountant. It is worth going to one before you sign the sale, not after.

Want to sell before handover? See the guide to selling an off-plan property, and check with an accountant what it means for reporting in Israel.

The full guide on the site: u810properties.com/en-guide-dubai-property-tax

A question about tax back home?

Tell me about your situation, and together we will work out what to ask your accountant.

Send a WhatsApp message →

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