

The Hebrew University of Jerusalem

Syllabus

Value Added Tax Law and Indirect Taxation - 55520

Last update 07-09-2020

HU Credits: 2

Degree/Cycle: 1st degree (Bachelor)

Responsible Department: Accounting

Academic year: 0

Semester: 2nd Semester

Teaching Languages: Hebrew

Campus: Mt. Scopus

Course/Module Coordinator: simha lev

Coordinator Email: lev.cpa@gmail.com

Coordinator Office Hours: בתיאום מראש

Teaching Staff:

Simcha Lev

Course/Module description:

As part of the course the basic concepts of indirect taxation law will be taught, such as customs, VAT, purchase tax, petrol tax etc. The course will focus on learning the VAT law.

Course/Module aims:

Provision of knowledge of indirect taxation, understanding the structure of the VAT law and its practical application.

Learning outcomes - On successful completion of this module, students should be able to:

Examination and analysis of the VAT liability in a variety of business transactions, including the liability to tax, rate of tax, date tax is due, exemptions, transaction reporting etc.

Attendance requirements(%):

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Teaching arrangement and method of instruction: Frontal presentations and class exercises

Course/Module Content:

:VAT law

Background:

- a) Taxation principles - definitions.
- b) Trader - not for profit - financial institution
- c) Tax liability source -Section 2 of the VAT law -1975 (the law).
- d)Taxable transaction - definitions- Section 1 of the law:
 - 1) "transaction"
 - 2) "sale"
 - 3) "service"
 - 4) "asset"
 - 5) "trader"
 - 6) "one off transaction"

- a) Place of transaction: Section 14,15 1A of the law.
- b) Who is liable for the tax: Sections 16-20 of the law, Regulations 6a-6g of the VAT regulations.

Transaction price and on import: Sections 7-13 of the law.

*Date of liability to tax: Sections 22-29 of the law, Regulations 6f and 7. "cash basis"-
"accrual basis" - "mixed basis".*

Date of tax invoice issue: Sections 45 - 48 of the law.

Exempt transactions:

Section 31(1)

Residential rental Section 31 (2)

Transfer of real estate for key money-

Section 31(3)

Transactions of an exempt trader- Section 31(4)

Sale of an asset where offset of input tax was prohibited on its purchase - Section 31(5)

Deposit of funds from a financial institution or grant of a loan to a financial institution - Section 31B

Building strengthening according to TAMA 38.

Transactions liable at zero rate:

Definitions - "foreign resident" "tourist"- Section 30 (a)1

Export of goods - section 30(a)2

Sale of intangible asset to a foreign resident Section 30(a)5

Provision of service to a foreign resident - Section 30(a)7

Provision of services outside Israel by an Israeli trader - Section 30(a)8

Services to a tourist - Section 30(a)13

Sale of fruit and vegetables - Section 30(a)14q15

Transfer of assets as part of a structural change - regulations 12/12a

Offset of input tax

Section 1 of the law - definition of input tax.

Section 38a - rules for offset of income tax.

Section 40 - input tax prior to registration.

Section 40a - input tax of a business under formation.

Section 41 - input tax used for a non-labile transaction

Regulations 12c, 14, 15, 16, 18 - offset of input tax under certain circumstances.

Procedures - determinations and assessment - objection and appeal. sections 76-83 of the law.

Special issues:

Personal use - sections 1, 137a, 137b of the law, Regulation 1.

Used assets

Combination transactions

Bad debts

Eilat free trade area law

Required Reading:

As in the Hebrew version

Additional Reading Material:

As in the Hebrew version

Grading Scheme:

Additional information: