

**Middle East
North Africa
Business
Information
Center**



TARIFF/TAX INFORMATION - ISRAEL

Note: Tariffs and regulations are under the domain of the Israeli Custom's Authority. Questions pertaining to these rates and regulations should be directed to Israeli Customs at the contact below. Neither the Trade Information Center nor the U.S. Department of Commerce assumes any liability or responsibility for the accuracy, completeness, or usefulness of the information contained herein. The website for the Tariff: <http://62.219.95.10/TaarifEnglish/TaarifMechesMain.aspx>

Tariff information for Israel can also be found on commercial sites available from:

Tariffic@colba.net (514) 276-1182 <http://www.tariffic.com/>
Worldtariff (800) 556-9334 <http://www.worldtariff.com/>

The Trade Information Center can also assist American companies in finding out their respective TAMA and Purchase Tax Rates. To purchase a hardcopy of the Israel Customs Tariff Book, contact: Machshavot Publishing House % M.O.D. 25 David Elazar St Hakirya Tel Aviv.

For Harmonized Tariff Schedule B numbers, please check the "Foreign Tariff, Taxes and Customs Information" section at <http://www.ita.doc.gov/td/tic/tariff/>. Please also check information in the "Export Documentation" section of this website for information on "Certificates of Origin" and "Certification of Documents" by the American-Israel Chambers of Commerce.

TARIFF:

All American goods exported to Israel have a tariff rate of zero (0) provided that they meet the U.S.-Israel Free Trade Agreement Rules of Origin. A product meets the U.S.-Israel FTA rule of origin if it is at least 35 percent American and/or Israeli origin. The text of the U.S.-Israel Free Trade Agreement and other trade agreements with Israel can be found on: <http://www.mac.doc.gov/>

TAXES & OTHER FEES:

Other Fees & Taxes:

An import port fee of 1.1% and an export port fee of .2 % is assessed. A VAT of 18% is applied (see formula below).

Other fees apply to certain products such as fuel, alcoholic beverages, tobacco, and other goods produced locally for domestic consumption. [These fees are currently unavailable from the TIC].

TAMA & Purchase Tax:

There is an uplift assessment (TAMA), which increases the CIF value to a "wholesale value" for the imposition of a Purchase Tax, even when no tariff applies. This acts somewhat like an import surcharge. Purchase taxes are imposed on certain product categories only, such as: refrigerators, air conditioners, alcoholic beverages, certain automotive products, cosmetic products, and household appliances.

For example:

Basic CIF value \$100

TAMA Uplift of 30 percent 130
(TAMA Uplift rate will vary)
(TAMA is also called Import Increment Rate)

Purchase tax 10 percent on uplifted CIF \$ 13
(Purchase Tax rate will vary)

Basis for VAT calculation \$113
On this amount an 18 percent Value Added Tax (VAT) is charged.

This above calculation is based when there is no Port Fee involved. A Port Fee is charged only for goods shipped by sea, and not by air.

When there is a Port Fee of 1.3 percent, it is added to the Basic CIF value.

The TAMA , Purchase Tax, and VAT is calculated as above.

Please note, both the TAMA and Purchase Tax, is not a fixed rate, depending on item.

In 1991, the Israeli government revised the TAMA calculation system providing most registered importers with the option to declare the actual wholesale value of their products. Although this new arrangement has existed since 1991, not a single importer has opted for this new system. Allegedly, the importers are reluctant to use this system because they have determined that the former TAMA rates are more advantageous. Importers, however, cite a variety of problems with this optional system, including the inability to modify prices once they have been declared. The U.S. Government continues to seek the elimination of the TAMA uplift.

For Israel Customs Assistance:
Director General of Customs and VAT
Directorate of Customs and Excise
Phone: 972-2-6703333 or 972- 2- 24 56 10
Fax: 972-2- 25 86 02
Internet: <http://www.mof.gov.il/customs> (Available in Hebrew only)

Israel Economic Mission in NY
Customs Official: Mr. Yarden Yoffee
Tel: 212 499-5751/2
Fax: 212 499-5745.

Israel Customs prefers that public queries, local and international, be channeled through the following telephone & fax numbers in Israel (from the U.S. first dial 011):
tel: 972-2-6703333 fax: 972-2- 6258602.

Information Source: Trade Information Center, U.S. Department of Commerce.