

ABSTRACT

The topic of this dissertation is " Justification of Income Tax exemptions under the Palestinian National Authority".

This research aims to discuss and analyze the issue of tax exemptions, in all its aspects under the P.N.A. It included comparative study on income tax legislation related to tax exemptions, in Egypt, Jordan and the applicable laws of the P.N.A. in addition to the new proposed Income Tax Law of 1997, which was approved by the Palestinian Legislative Council on the first reading.

Further more the research was based on questionnaire spread among experts and involved persons regarding those exemptions. Analyzing their opinions with comparative readings.

The number of persons who were subject to this questionnaire included 100 expert divided into 4 categories, Lawyers, accountants, tax charged people and the income tax department personals.

The research resulted in the fact that most important exemption were:

- 1- Higher education exemptions for the sons.
- 2- Industrial development projects exemptions for 4 years.
- 3- Income of agricultural lands investments and its similarities.
- 4- Medical expenses exemptions.

- 5- Partial Handy capped income.
- 6- Projects over areas threatened by settlement activity (10 years exemption).
- 7- Tax charged persons for their higher education.
- 8- Pensions.
- 9- Income of persons with more than 50% disability.
- 10- Children exemption (up to the forth child).

As while the less important exemptions in view of the experts in these questionnaire were:

- 1- Non Palestinian employees salaries at the foreign companies.
- 2- Capital profits.
- 3- Income resulting from preference authorized by the P.N.A., or by unilateral or multilateral agreement.
- 4- Profits of deposits in foreign banks for residents in Palestine.
- 5- Gifts and donations exceeding fixed sum.
- 6- Copy right income for residents.
- 7- Profits of treasury bills.
- 8- Housing companies for low-income people.
- 9- Inheritance income.