


JANUARY 30, 2024



2024 AMENDMENTS TO MEXICO CITY'S TAX CODE

POSSIBILITY TO CHALLENGE PROPERTY TAX AND REAL ESTATE ACQUISITION TAX

On December 26, 2023, Mexico City's Government published in its Official Gazette several amendments to the local Tax Code, amendments which entered into force on January 1, 2024.

As part of these amendments, Mexico City's Congress made an inflation adjustment to the tariffs applicable to the local property tax (impuesto predial) and real estate acquisition tax (impuesto sobre adquisición de inmuebles) for fiscal year 2024. However, as in previous years, this amendment was passed by including an incorrect calculation with respect to the fixed fee and lower and upper limits of each range necessary to determine the taxes due.

Such reforms open the possibility for taxpayers to challenge both taxes by filing an amparo lawsuit, considering that previous Court precedents have determined that such errors infringe the vertical equity principle, by creating a regressive tax burden that causes taxpayers to pay a higher tax than those who may have immovable property with a higher value.

Should you have any questions or require any further information, our team of professionals is available to assist you. We encourage you to reach out to your ordinary Ritch Mueller contacts to seek advice.

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