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## **MEXICO CITY'S ISAI: THE CONSEQUENCES OF A FAVORABLE AMPARO RULING**

As reported in our January 30th [Newsflash](#), since 2020 Mexico City's Congress has approved the applicable updated rates for the real estate acquisition tax (ISAI); however, different Courts have declared this tax unconstitutional, adducing a lack of progressivity in the rates.

Nonetheless, the criteria for determining the effects of their rulings have not been uniform. While some rulings have resulted in the complete exemption of ISAI for the petitioners, other Courts have established specific mechanisms that mandate a partial exemption of the tax.

On May 16, 2024, the Regional Plenary Court on Administrative and Civil Matters of the Central-North Region in Mexico City, issued a ruling resolving this contradiction for ISAI applicable during fiscal years 2021 and 2022. The Plenary Court determined that the effect of these rulings should be a total exemption from ISAI for the petitioner, a criterion that should be equally applicable to the current fiscal year since the lack of progressivity in this tax persists.

It is important to note that this ruling constitutes a binding precedent for Courts in Mexico City and is partly a result of the efforts that many litigators have put into the process, such as the Amicus Curiae technical report submitted by our Firm, which can be accessed [here](#).

For additional information, please contact the leaders of Ritch Mueller's Tax Team (see details below).

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