



Mexico City, March 10, 2025

Reform to the Property Tax Declaration

On December 27, 2024, various reforms to the local Tax Code were published in the Official Gazette of Mexico City, including the addition of a final paragraph to Article 132. This paragraph establishes a new obligation for owners of residential properties with a cadastral value equal to or greater than \$4,524,974.08, who must file an informative declaration on the condition and use of their property.

Subsequently, on February 18, 2025, the general rules for filing this declaration were published. They justify this new measure as a tool for statistical purposes and to improve the cadastral registry.

Established Obligations

Affected taxpayers must submit the information no later than June 30 of each year, including:

- Name of the owner
- Property tax account
- Status of occupancy of the property.
- Current use of the property, with options such as: occupied by the owner, family, friends, borrowed, leased, or other.

The authorities have stated that compliance with this declaration is voluntary and have included a field in the form that allows taxpayers to opt out of providing information regarding the occupancy and use of the property, without incurring penalties for omitting such information.

Inconsistencies and Legal Risks

Despite the above, serious inconsistencies have been identified in the rationale of this reform, including:

- Ambiguity regarding the actual obligation to file the declaration, since the form allows for omitting information, but the regulations do not clarify the consequences.
- Possible financial penalties for failure to file the declaration, since there is no guarantee that omission will actually be without consequences.
- Uncertain use of the information provided, which could lead to cross-referencing with tax authorities and possible reviews or determinations of tax credits for items unrelated to the Property Tax.

Recommended Legal Actions

Given these risks, we consider it appropriate to file amparo lawsuits against this reform, which must be filed no later than April 1, 2025, to prevent the implementation of measures that violate taxpayer rights.

At ECIJA Mexico, we have a team specialized in tax and administrative matters to advise affected taxpayers and design defense strategies against this new provision.

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