

Commercial Values of Properties for Tax Purposes

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Key words: Tax properties in México are the principal local income of counties, and none other level of government can do it.

ABSTRACT

The Federal Constitution has been reformed in the Mexican Republic, in order to give the Authority to the Counties to make proposal from land and building units values to the States Congress, who have to approve them to give value to all properties for local tax. Besides, the unit values must be similar to commercial values.

In México it was really very important, because the tax properties are collected for counties, with the rules fixed by the States Congress, and there are 31 one of them, with different criterions, but now at least there is a similar way about how to value the properties for tax object.

This year, 2002, began this new rule in México, but former was absolutely necessary to know the commercial value of land and buildings, and first of all, the units values.

It was also very important to decide the easier and cheaper method, in a possible shorter time.

It's well known the "similar features method" or "predominant characteristics", and it's a good method when there are not too many data concerning to each property, and there are only: square meters of land and buildings, and the number of block, and cadastral region, where each lot is, talking about urban area.

In México, and maybe all around the world, it's not easy to maintain the data up date, and there are not data about the quality, age, maintenance of buildings.

But it's easier to know that same data from a specific area, called "homogeneous area", because of has similar quality of urban services, socioeconomic status, and value, of course, and besides there are the same type of buildings: quality, age, and maintenance status.

This paper will present the "Technical rules to delimit the homogeneous area, in a city, or village, and her classification". Also how to investigate the price or value per square meter of land of each homogeneous area.

It's important also to know how to find the different types of buildings, by his use and quality, and then to know his replace value.

As every body knows, it's important also to define the undeservings and increases to apply to real estate to find their real value, so the paper will present the used appraisal manual.

Also will present how to define or find the best rate to use to collect tax, with commercial value of properties.

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