

By the Judgement of 15 February 2019 No. 10-II the Constitutional Court appraised constitutionality of Article 402 Sections 1, 2 of the Tax Code of the Russian Federation.

The contested provisions were a subject-matter of consideration to the extent to which they are used as a normative ground for the determining the tax base for the individual property tax and for the method of determination of the tax base of the tax rate which is applied in those constituent entities of the Russian Federation where the inventory value of real estate for the tax purposes continues to be applied.

The Constitutional Court has recognised the contested provisions as not contradicting to the Constitution of the Russian Federation so far as they do not exclude the right of the taxpayer to demand individually (during resolving a tax dispute), in order to calculate the amount of the individual property tax, the use of information about the properly determined cadastral (market) value of this property and about the appropriate tax rate in the case when the amount of tax, determined by the tax authority on the basis of the inventory value of this property, significantly exceeds the amount of tax, calculated on the basis of its cadastral value.

The Constitutional Court in this aspect has also emphasised that if the cadastral value of particular real estate object is not determined, this does not exclude the application of the market value of real estate object for tax purposes (by the decision of the tax authority, if there is a dispute – the decision of the court), determined in accordance with the established regulations of valuation activity.