

THE MANIFESTATION.....*an important detail if you are building a house* *by Alicia Parra*

For those brave souls who are building their home in Mexico, an important part of the process is the Manifestation. This is a notification made before the local property tax department. It signals the termination of the construction and tells the world that the house is ready to be occupied.

All too often, this notification is not made in a timely manner and can cause problems and additional expense, especially when the house is being sold.

The Manifestation must be prepared on a printed format supplied by the property tax office and will require detailed information about the lot: measurements, total surface area, etc. and detailed information about the house or other construction being manifested. Copies of the property tax payments, construction license, plans and the deed to the property must be presented.

This same form will request information about the types of materials used in each room and the utility distribution.

The value of the construction must be stated in the manifestation. This can either be in the form of a contract with the builder in which the total amount paid for the construction is shown, or through official invoices showing the cost of materials and social security (IMSS) statements on amounts paid for the workers.

This value is highly important since it will establish the basis for tax calculations when the property is sold.

The cost of manifestation is minimal if done in a timely manner. Not only does it establish a date for calculation of capital gain taxes (ISR) upon sale, but also it lowers the property tax rate from that of a vacant lot to that of a residential dwelling which can result in lower property taxes even though the overall value of the property is higher.

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