



## Application of tax privileges to high mountainous regions is discriminatory

On April 10, 2018, the Georgian Young Lawyers' Association (GYLA) filed a lawsuit with the Constitutional Court of Georgia and requested the cancellation of the normative content of the provision in the Tax Code which does not allow equal application of tax privileges to residents of the high mountainous regions.

GYLA defends the interests of the citizen Mels Bdoian, who meets all the criteria envisaged by the Law on Development of Mountainous Regions, however cannot enjoy the tax benefits due to the discriminatory provision of the Tax Code of Georgia.

According to the law, permanent residents of high mountainous settlements shall be exempt from property tax on the land registered in their ownership. According to the Decree №671 of the Government of Georgia, all administrative units of Ninotsminda municipality have been granted the status of a mountainous region.

The applicant is a permanent resident of Ninotsminda municipality, but cannot enjoy the tax privileges as he lives in one of the administrative units of Ninotsminda municipality, and his land plot are located in other villages of the same municipality.

GYLA believes that this approach contradicts the right to equality guaranteed by the Constitution. Tax privileges should be granted equally to all persons residing in high mountainous regions. Therefore, GYLA challenges the normative content of Article 206 of the Tax Code that requires that a person shall live in the same administrative unit in which his/her land parcel is located in order to benefit from the tax privileges.