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THEORETICAL AND PRACTICAL STUDY ON THE ESTABLISHMENT OF THE TAXABLE VALUE OF BUILDINGS BELONGING TO LEGAL ENTITIES

Mariana Rodica ȚÎRLEA

"Dimitrie Cantemir" Christian University Bucharest, Romania
rodica.tirlea@cantemircluj.ro

Abstract: *GEV 500 represents the International Standard regulating the establishment of the taxable value of buildings belonging to legal entities. In order to establish the taxable value of buildings, legal entities must appeal either to authorized persons specialized in real estate valuation (EPI) or to a corporate member, in which case the assessment report for taxation purposes can be made by one or more evaluators with EPI specialization.Our study aims at theoretical substantiation and practical evaluation for the purpose of taxing of an office apartment through the market approach, using quantitative methods. To this end, the value of the asset was determined in an appropriate manner in full consonance for the purpose of valuation by applying the market comparison method, using the comparison criteria that are specified in the case of building assets in the price per square meter and the income method, which takes the shape of an assumed or hypothetical rent that is determined on the basis of the cost that would be borne by the landlord to rent an equivalent space. The available data, information and delimitations have allowed, on the one hand, selection of the appropriate methods and, on the other hand, formulation of the opinion on the value.*

Keywords: evaluation, building, assessment for tax purposes, taxable value for legal entities, tax.

1. Introduction

Provisions contained in the GEV 500 Guide are mandatory for professional appraisers, as it contains the necessary information for the tax assessment of residential and non-residential buildings owned by individuals, non-residential buildings and residential buildings owned by legal entities. The guide for determining the taxable value of buildings is a corollary of the professional appraiser and is structured as follows: Introduction; 1. General considerations; 2. Methodology for determining the taxable value for non-residential buildings owned by individual or legal entities; 3. Cost approach; 4. Income approach; 5. Market approach; 6. Allocation of value; 7. Methodology for determining the taxable value for residential buildings owned by legal entities; 8. Final provisions; 9. Date of entry into force. In order to determine the taxable value of buildings, the GEV 500 Guide presents technical and methodological aspects of practical approaches and methods and clarifies theoretical concepts concerning: buildings, the taxable value that is treated as a type of estimated value for the taxation of non-residential buildings owned by individuals or legal entities and residential buildings owned by legal entities. The guide refers to the fact that the taxable value does not represent the market value or the fair value. The value established for tax purposes serves only

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this purpose and is not recorded in the customer's accounts.

2. Theoretical conceptual framework used in the valuation of fixed assets

The main theoretical concepts used in the assessment for tax purposes are presented in table 1 in a synthetic form.

Table 1 Theoretical conceptsused in the valuation of fixed assets

No. Crt.	Name of theoretical concepts	Significance of theoretical concepts
1.	Cost approach	Estimates a measure of the value by which a buyer will not pay more for the purchase of an asset than the cost of obtaining an asset by purchase or construction having the same practical utility.
2.	Market approach	Estimates a measure of value by comparison, by relating the valued asset to market assets whose prices are known, the assets are identical or similar.
3.	Income approach	Estimates a measure of the value by capitalization obtained as a result of the conversion of projected cash flows into a value of capital.
4.	The best use of an asset	Is represented by the best option of using the valued asset.
5.	Asset	A patrimonial material good, mean of the enterprise able to generate profit
6.	Value adjustment	Bringing the value of an item from the balance sheet assets to the value of the day
7.	Cost	Amounts of money spent to purchase or produce the valued asset.
8.	Special buyer	Is represented by a buyer who has an advantage over the rest of the buyers on the market for the purchase of a certain asset.
9.	Proper marketing	The market exposure of the asset in such a way as to make it as attractive as possible to the number of participants and to market conditions.
10.	Valuation	The concept of "valuation" represents the estimated value obtained as a result of the value at a given time.
11.	Knowingly	Represents the situation in which we are talking about a determined buyer and a determined seller who were correctly and reasonably informed at the valuation date, about the state of the asset market at the valuation date, its current and potential uses, nature of the asset, technical-economic and functional characteristics of the present asset.
12.	In an impartial transaction	Represents the situation in which we are talking about a transaction between a determined buyer and a determined seller between whom there is no special deal.
13.	Date of evaluation	Indicates the value at a certain date.
14.	Market participants	All natural and legal persons involved in or awaiting transactions, in the positions of buyers or potential buyers and in the positions of sellers or potential sellers.
16.	Market	The concrete trading environment between buyers and sellers of goods and services, between buyers and sellers.
17.	Price	The equivalent of the amount of money for an asset.
18.	Obtainable price	The price obtained in a market to which a considerable number of buyers and sellers had access.
19.	Estimated amount	Represents the price obtainable for both the buyer and the seller that can be reasonably obtained on the market at the valuation date.
20.	Elements of comparison	Specific characteristics for comparable properties
21.	No constraint	A situation in which the transaction is not conditioned, but none of the parties involved in the transaction is forced and obliged to perform it.
22.	Value	Is represented by the evaluator's opinion on the most probable price in a transaction.

23.	Market value	Is the amount estimated in an exchange, at the valuation date, between a determined buyer and a determined seller, according to an appropriate marketing in which they acted prudently, without knowingly constraint.
24.	Exchange value	Represents a hypothetical price based on situations to which the estimation of the value for the purpose of valuation relates.
25.	Special value	Is an amount that favors a particular buyer over other buyers in the market.
26.	An asset could be exchanged	It refers to the fact that the value of an asset is an estimated amount of money rather than a predetermined amount of money or an actual current selling price. It is the price of a transaction that meets all the elements contained in the definition of market value at the valuation date.
27.	A determined buyer	Is a buyer who is motivated to buy, but who buys in relation to the realities of the market.
28.	A type of value	Represents an indication of a value.
29.	A determined salesman	The selesman is determined to sell
30.	Value	Represents, in an exchange, an opinion on the most likely price to be paid for an asset or an opinion on obtaining the benefits generated by owning an asset.
31.	Value of synergy	Represents an additional element of the value of the asset.
32.	Market value	Is represented by the negotiated price on an open competitive market where the participants act freely, without constraints.
33.	Forced sale	Represents the situation in which a seller is forced to sell without benefiting from an adequate marketing period.

Source: Developed by the author.

3. Applied techniques and methods

In relation to the valuation for tax purposes, the valuing professionals will proceed to choose the relevant type of value, according to the terms of reference. The terms of reference of the evaluation will be appropriate to the purpose of the evaluation. The type or types of value chosen by the evaluator will be presented in the same idea. The starting point of the professional appraiser in choosing a type of value is represented by the data and information received from the client in the case of a natural person or from the representative of the legal entity, when the asset belongs to an enterprise. This data and information will be used by the valuer to determine the value of the asset in an appropriate manner.

3.1. Relevance of data sources in applied approaches

The input data and information are of major importance in the valuation mission, because they, in relation to their availability on the market on which the valued asset will be traded, will determine the type of valuation method that is most representative, relevant and appropriate in this situation. Compared to the evaluation approaches, the evaluation methods are the same for any type of evaluation. From the perspective of valuing different types of assets in different markets, practice has shown that we are witnessing different sources of data, information and situations that reflect the market in which the assets will be traded and valued. The more input data is, the more chosen value type will have a higher degree of certainty. Thus, for each approach or method applied, the data, information and statements should provide an indication of the appropriate type of value for the measured asset. The input data for performing the valuation, refers to the data and information related to the type of value chosen for the valued asset.

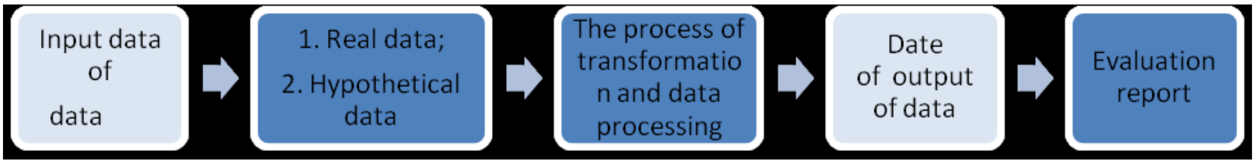

Figure 1:Synthetic diagram of the data and information circuit
Source: Developed by the author.

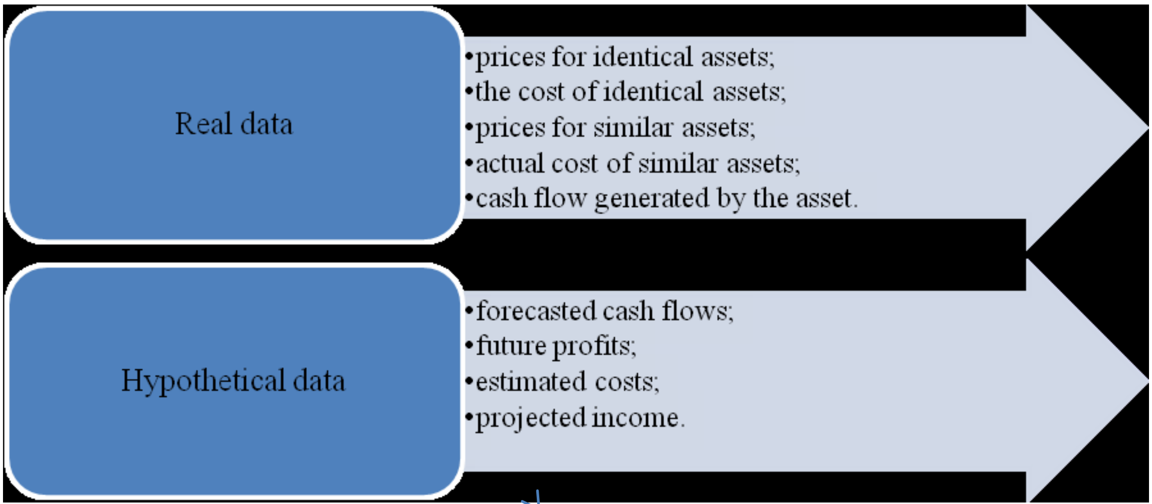

Figure 2: Input data structure
Source: Developed by the author

Higher degree of certainty in obtaining the value in case the input data for evaluation are more.

3.2. Aspects regarding the value type

The value type will comply with the IVS assessment standards, and the value will be explained according to the type of value chosen or will be defined by citation and reference will be made to the bibliographic source. The appropriate type of value differs depending on the purpose of the valuation. The type of value should be clearly differentiated from the six criteria as set out in table number three.

Table 2 Criteria for differentiating value

Nr. crt.	Criteria for differentiating value
1.	According to the type of approach
2.	According to the used method
2.	According to the type of asset that is valued at the valuation date
3.	According to the actual condition of the asset that is valued at the valuation date
4.	According to the hypothetical condition of the asset that is valued at the valuation date
5.	According to additional assumptions of the asset that is valued at the valuation date
6.	According to special hypotheses at the date of evaluation

Source: Developed by the author.

From the GEV 100 perspective, a value type can be included in one of three main categories:

Table 3 Main categories of inclusion of a value type

Nr. crt.	Main categories of inclusion of a value type
1.	Estimation of the most likely price that would be obtained in a hypothetical exchange on a free and competitive market.
2.	Estimating the benefits that a person or entity will obtain from owning an asset. The value is specific to that person or entity and may not be relevant to market participants. This category includes investment value and special value, as defined in these standards.
3.	Estimation of the price that would have been reasonably agreed between two specific parties for the exchange of an asset. Although the parties may be independent of each other and the negotiation may be impartial, it is not necessary for the asset to be exposed to the market, and the agreed price may be one that reflects the specific advantages or disadvantages of ownership for the parties involved rather than from the market, as a whole. This category includes fair value, as it is defined in these standards.

Source: GEV 100, pag.10.

Evaluation specific theory enshrines in SEV 100, pp. 18-19, the types of main approaches in evaluation, which in turn include various detailed methods of application. The methods of application are contained in the Asset Standards. These differ depending on the asset classes that include the valued asset or assets.

3.3. Aspects regarding the types of approaches in valuation

The three main approaches in valuation, described in the SEV 100 General Framework, are applicable in the valuation of a real estate right.

Table 4 Types of approaches used in the valuation of fixed assets

No. Crt.	Type of approach	Significance of the approach
1.	Cost approach	This approach provides an indication of value by using the economic principle that a buyer will not pay for an asset more than the cost of obtaining an asset with the same utility, either by purchase or by construction. This approach is based on the principle that the price, which a buyer in the market will pay for the asset being valued, will not be higher than the cost of buying or building an equivalent asset. Often, the asset being valued will be less attractive than the equivalent that could be bought or built, due to age or depreciation. In this case, it may be necessary to apply adjustments to the cost of the equivalent asset, depending on the type of required value.
2.	Market approach	This approach provides an indication of the value by comparing the subject asset with identical or similar assets, the prices of which are known. The first step in this approach is to obtain the prices of identical or similar assets that have been traded or offered for sale on the market, only if the relevance of this information is clearly established and critically analyzed. It may be necessary to adjust the price of the comparables in order to reflect the differences between any assumptions to be adopted for the valuation that is made, between the legal, economic or physical characteristics of those of the valued good.
3.	The income approach	This approach can be applied to the valuation of debts by taking into account the cash flows required by the service of a debt, until the date of its settlement. The methods included in the income approach are: • income capitalization, in which a rate with all risks included or a total

		capitalization rate is applied to a representative income from a single period; • discounted cash flow, in which a discount rate is applied to a series of cash flows in future periods in order to update them at their present value; • different models for evaluating options. The income approach provides an indication of value by converting future cash flows into a single current value of capital. This approach takes into account the income that an asset will generate over its useful life and indicates the value through a capitalization process. Capitalization involves transforming income into a value of capital by applying an appropriate capitalization / discount rate. The income flow may be derived from a contract (s) or not of a contractual nature, for example, the anticipated profit generated either from the use or holding of the asset.

Sursa: SEV 100 pag. 18-19.

If the market provides us with enough information, the market approach is the most direct and credible. 1. The market approach involves the analysis of market prices for comparable assets at the valuation date, meaning that the price of the valued asset will be compared with the price of other rights on recently traded real estate assets that may be available on the market. In order to make the comparison, the appraisal professionals use the comparison criteria that materialize in the price per square meter in the case of building assets. There are situations in which the lack of homogeneity leads to the price per room. The recourse to one criterion or another should be the one commonly used by participants on the relevant market. 2. The income approach uses various methods to indicate value. These methods are based on either obtained or projected income. In practice, income often takes the shape of rent. EVS 230, called Real Property Rights, considers that: “in the case of a building occupied by the landlord, it could be an assumed / hypothetical rent determined on the basis of the cost that would be borne by the landlord to rent an equivalent space. If a building specializes only in a particular type of business, the income is often the actual or potential cash flow from the business that would accrue to the owner of that building. The identified income flow is then used to indicate value through a capitalization process. An income flow, which is likely to remain constant, can be capitalized by applying a capitalization rate or multiplier. This method, commonly known as the all risks yield method, is quick and easy, but its use is not credible if, in future periods, income is expected to change in a larger-than-expected measure on the market or when a more sophisticated risk analysis is required. In such cases, different updated cash flow models may be used. These differ significantly, but their basic feature is that the net income, from a defined future period, is brought to the discounted value by using a discount rate. The sum of the discounted values, from the individualized periods, represents the value of the capital. As with the all-risk return method, the discount rate for an updated cash flow model will be based on the amount of money over time, as well as the owner's risks and rewards attached to the cash flow in question. The yield or discount rate discussed above will be determined by the terms of reference of the valuation. If the objective is to determine the value for a particular owner or potential owner, based on their own investment criteria, the rate used may reflect the rate of return required by them or the weighted average cost of capital. If the purpose is to estimate the market value, the rate will be obtained from the examination of the implicit returns derived from the prices paid for the real estate rights traded on the market between the market participants. Asset valuation standards. The appropriate discount rate should be determined by analyzing the default rates in market transactions. Where this is not possible, an appropriate discount rate can be developed, starting from a typical "risk-free" rate of return, adjusted for the additional risks and opportunities specific to a particular property right. The appropriate yield or discount rate will also depend on whether the input data used for income or cash flows is expressed in current levels (real terms) or whether the forecasts were made to include expected future inflation or deflation."[12]. 3. The cost approach is generally applied to the assessment of real estate rights by the replacement cost method. These are situations in which real estate is rarely or even not sold on the market.According to EVS 230 Real estate rights the first step in the cost approach involves calculating a cost of replacing real estate with an equivalent at the valuation date. The standard also presents an exception where it would be necessary for an equivalent real estate property to be a replica of the subject real estate, in order to provide the same utility to a market participant, in which case the replacement cost would be rather that of reproduction or reconstruction of the subject building, than the replacement with a modern equivalent. The cost of the modern equivalent is then adjusted to reflect depreciation. The purpose of the adjustment for depreciation is to estimate the less valuable the subject real estate would be, for a potential buyer, compared to its modern equivalent. Depreciation takes into account the physical condition, functional and economic utility of the real estate subject, compared to its modern equivalent [12].

3.4. Structure of the assessment report for tax purposes

Evaluation standards provide that all evaluation reports contain information on:

a) Identification and competence of the evaluator. The report will contain:

- statement from the evaluator confirming that:
    - ✓ can provide an objective and impartial assessment;
    - ✓ is competent to carry out the evaluation.
- signature of the natural person;
- or the signature of the legal entity responsible for valuation;
- mentions on the fact that the evaluator used the services of other specialists;
- evaluator used services from other specialists;
- in case the evaluator has used services from other specialists, the report must contain the type, nature of the extent to which these services were the basis of the evaluation report.

b) Identification of the client and any other designated users requires the assessor to identify the party or parties using the results of the assessment.

c) Purpose of the valuation.

d) Identification of the asset or liability subject to valuation

e) The type of chosen value, defined as appropriate to the purpose of the valuation.

f) Date of assessment which may differ from the date of the assessment report.

g) The required documentation and the limitations of that documentation.

h) The nature and source of the information used by the client and the extent to which the evaluator has managed to check them.

i) Assumptions and special assumptions, if any.

j) Restrictions on use, dissemination or publication.

k) Declaration of conformity of assessment with EVS

l) Valuation approach and reasoning

m) Value (s) obtained. This / these will be presented in the agreed currency. This requirement does not apply in the case of anassessment verification, unless the verifier is required to provide his own conclusion on the value.

n) The date of the evaluation report is the date on which the report is issued, which may differ from the valuation date [13, pp. 29-32].

4. Obtained results

From economic practice - evaluation of real estate property

Market approach–quantitative techniques

Data analysis:

In relation to the purpose of the valuation, we took into account the data, available information and characteristics of the asset in order to formulate an opinion from the perspective of the best use of the asset, as an office property of an administrative nature. According to the theory, the available data and information led the evaluator to choose the appropriate methods and to formulate the opinion on the value.The evaluator's opinion was developed taking into account the two applied methods.

4.1 Market comparison method (sales comparison)

The direct comparison approach (sales comparison) was applied, due to the existence of comparables on the market, each being attached to the valuation report.

Table 5 Market comparison method (sales comparison)

COMPARISON ELEMENT	**ASSESSED ASSET**	**COMPARABLE REAL ESTATE PROPERTIES EXISTING ON THE MARKET**			
	Q	**A**	**B**	**C**	**D**
Offer / sale price (EURO)		**39,500**	**35,000**	**38,000**	**39,500**
Transaction type		offer	offer	offer	offer
Adjustment for transaction type (-5%)		-1,975	-1,750	-1,900	-1,975
Adjusted price (EURO)		**37,525**	**33,250**	**36,100**	**37,525**
Transferred property rights	integral	Integral	Integral	Integral	Integral
Adjustment for property rights		0%	0%	0%	0%
Adjusted price (EURO)		**37,525**	**33,250**	**36,100**	**37,525**
Financing conditions	Market	Market	Market	Market	Market
Adjustment for financing		0	0	0	0
Adjusted price (EURO)		**37,525**	**33,250**	**36,100**	**37,525**
Market conditions		Mar-20	Feb-20	Dec-19	Apr-13
Adjustment for market conditions		0%	0%	0%	0%
Adjusted price (EURO)		**37,525**	**33,250**	**36,100**	**37,525**
Location	Cartier M	Cartier M	Cartier M	Zona G	Cartier M
Adjustment (2-5%)		0%	0%	-4%	0%
Adjusted price (EURO)		**37,525**	**33,250**	**34,656**	**37,525**
Usable area of the apartment (sqm)	16.29	21	22	20	21
The difference of the useful surface sqm		-5	-6	-4	-5
Adjustment for: surface, dimensions, construction site, etc (200 Euro/sqm)	**%**	-942	-1,142	-742	-942
Adjusted price (EURO)		**36,583**	**32,108**	**33,914**	**36,583**
Age (years)	**39**	30	39	39	30
Seniority adjustment (1% / year)		-9%	0%	0%	-9%
Seniority adjustment (EURO)		-3,292	0	0	-3,292
Adjusted price (EURO)		**33,291**	**32,108**	**33,914**	**33,291**

Developed area (sqm)	22.81	29.4	26	24	25.2
Surface difference		-6.59	-3.19	-1.19	-2.39
Adjustment for construction dimensions(EURO)/200Euro/sqm		-1,318	-638	-238	-478
Adjusted price (EURO)		**31,973**	**31,470**	**33,676**	**32,813**
Finishes	medium	medium	medium	medium	medium
Adjustment (EURO)		0%	0%	0%	0%
Adjusted price (EURO)		**31,973**	**31,470**	**33,676**	**32,813**
Total net adjustment (EURO)		-7,527	-3,530	-4,324	-6,687
Total net adjustment (%)		-19%	-10%	-11%	-17%
Total gross adjustment (EURO)		7,527	3,530	4,324	6,687
Total gross adjustment (%)		19%	**10%**	11%	17%
PROPOSED VALUE	**31,500 €**				
* for the B comparable, the lowest total gross adjustment has been performed					
		A	**B**	**C**	**D**
			*		

Source: Developed by the author.

Conclusions on the method: When analyzing the condition of the valuated fixed asset and reported to the comparables identified on the market (four in number), from the reference area for comparable goods to the assessed property, the comparable was identified which has the lowest total gross correction function. This comparable has been identified and is represented by the comparable B. As a result, the proposed value is 31.500 EURO.

4.2 Income-based approach (revenue capitalization)

Table 6 Income-based approach (revenue capitalization)

	Total	1 ROOM APARTMENT (Office)
Usable area (sqm)	cca.	***16.29***
Monthly rent (EUR / month)		***300.00***
Gross potential income GPI (EUR / year)		3,600.00
Total GPI (eur / year)		3,600.00
Occupancy rate		**90%**
Actual gross income AGI (EUR / year)		3,240
Total AGI (EUR / year)		3,240
Operating expenses	10%	324
Redevelopment costs (repairs)	10%	324
Net effective income (EUR / year)		2,592
Total NEI (EUR / year)		2,592
Capitalization rate according to the calculations performed		8%
The used multiplier		12.50
Return value (EURO)		***32,400***
	€ 32,400	**€ 32,400**
Return value (LEI)	**RON 156,116**	**156,116**
round LEI)	**RON 156,116**	**156,116**

Initial value		
Monthly rent / sqm		**300.00 €**
Exchange rate at the date of evaluation	lei/ USD	
Exchange rate at the date of evaluation	lei/ EUR	**4.8184**

Source: Developed by the author.

4.2.1. Conclusions on the method:
When analyzing the condition of tangible fixed assets, assessed by approach based on income (income capitalization) on the market in the reference area, the proposed value is 32.400 EURO.

5.Conclusions

A. Theoretical

"Evaluation means the activity of estimating the value, materialized in a document, called evaluation report, carried out in accordance with the specific standards of this activity and with the professional deontology of an authorized appraiser" [8, no. 99/2013].From the perspective of Ordinance No. 24/2011 on some measures in the field of valuation of goods in Article 2, point 2, valuation is defined as: "the activity of estimating the value, materialized in a document, called valuation report, carried out in accordance specific to this activity and with the professional ethics of an authorized evaluator" [9].The valuation for tax purposes aims at developing the valuation report with the establishment of the value of the asset according to the methods contained in GEV 500.The GEV 500 guide for determining the taxable value of buildings contains the methodology for determining the taxable value for residential buildings owned by natural and legal persons, meaning that "for the calculation of the taxable value of residential buildings belonging to legal entities the following information is required:
a) the rank of the locality in which the building is located;
b) the area within the locality;
c) the developed built surface of the building, and if this is not known, the useful surface is used:
➢ the one determined based on the dimensions measured on its outer contour; or
➢ if the building cannot be effectively measured on the outer contour, the usable area of the building multiplied by the transformation coefficient of 1.4;
d) the type of building and installations with which it is equipped for inclusion in the table in Annex 3 of the GEV 500 Guide for determining the taxable value of buildings;
e) location of the apartment in a block with more than 3 levels and 8 apartments;
f) the year of completion of the building or the year in which the reception was carried out at the end of the major renovation works" [2].The value proposed by the professional appraiser represents the basis for calculating the tax due by the legal entity for that asset.*According to the Fiscal Code "for the legal persons the taxable value of the building is updated every 3 years based on a building evaluation report prepared by an authorized appraiser in accordance with the valuation standards of the assets in force at the valuation date, submitted to the fiscal body local until the first payment term of the reference year "[1, art. 460].*

B. Practical conclusions

ANALYSIS OF RESULTS AND CONCLUSION ON VALUE

Analysis of practical results

The arguments that were the basis for the elaboration of the evaluator's opinion, as well as the considerations regarding the estimated value, are concretized in the following:
➢ The value was expressed taking into account exclusively assumptions, limiting

conditions and assessments expressed in the evaluation report which is valid in the general and specific conditions related to the period MARCH 2020;

➢ The value determined by the Market Comparisons Method (sales comparison), is presented in table number 5. The proposed value is 31.500 EURO.

➢ The value determined by the Income Capitalization Method - the proposed value being 32.400 EURO.

➢ The evaluated goods are in the existing state at the evaluation date;

➢ Value is a prediction;

➢ Value is subjective;

➢ Evaluation is an opinion on a value;

➢ In establishing the value, the evaluator took into account the limiting conditions materialized in:

a). *the limiting conditions materialized in:*

- the value determined is valid on the date of the valuation report.

b). *Working hypotheses*:

- it is considered that the information provided by third parties;

- it is assumed that there are no hidden conditions;

- no additional measures were performed, the evaluator relied on the technical documentation received;;

- the evaluator's assumptions regarding the chosen methods were reasonable in relation to the data and information received from the property owner.

Conclusion on value

From the analysis of the values determined by the two approaches, results the following:

➢ The value determined by the Market Comparison Approach (sales comparison) - the proposed value is 31.500 EURO.

➢ The value determined by the Income Capitalization Method is 32.400 EURO.

➢ The value determined by the Income Capitalization Method represents a higher market value, respectively of 32.400 EURO, than the value determined by the Direct Comparison Method, which represents a value of 31.500 EURO;

➢ The method of market comparisons (sales comparison), was based on recognized market values, from analyzed transactions and for comparable real estate;

➢ <u>For these reasons, the value determined by the Market Comparison Method has been selected.</u>

Following the evaluation performed, the analysis of the applicable information and the relevant factors, we concretize the opinion in the fact that the market value of the real estate property is presented in the following table:

Table 7 Recommended market value

No. crt.	Name of goods	Market value EURO
1	1-room apartment (for office) in urban area - apartment block	**31.500**
	Total CLĂDIRE	**31.500**
VALUE DOES NOT CONTAIN: VAT AND EVALUATION EXPENSES		
EVALUATOR E.P.I identity card no. xyzq	**SIGNATURE** xxxxxxxxx	

Source: Developed by the author.

The Fiscal Code provides for the updating of the tax value every 3 years in the case of legal entities. Taxpayers, who do not update their tax value based on an assessment report, will pay a 5% tax on the last declared value of the building.

The valuation report, prepared for tax purposes, is not registered in the accounting of the legal entity and represents the document based on which the building tax of the legal entity is established at the mayor's office to which it is assigned.

References

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