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By PwC Deutschland | 26 June 2026

Comparative prices determined by expert committees subject to only limited judicial review

In a recent judgment, the Supreme Tax Court decided that the comparative prices for real estate determined by expert committees are, in principle, binding and must therefore be used by the tax authorities and taxpayers when valuing real estate for inheritance and gift tax purposes.

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The case in dispute concerned the valuation of an inherited apartment whose market value was determined by the tax office at €186,000 based on 20 comparable sales prices provided by a panel of appraisers. Pursuant to Section 182(2) Number 1 of the Valuation Act (VA), home ownership is generally to be valued by using the comparative value method for the purposes of inheritance and gift tax. The starting point is primarily the comparable prices reported by expert committees; Section 183 (1) Sentence 2 VA. The expert committees derive these comparable prices primarily from sales of similar properties.

The heirs challenged this valuation. In particular, they criticized the selection of comparable properties and the calculation of the average value.

The Supreme Tax Court dismissed these arguments. In its view, the priority given to the comparative prices reported by the expert committee - as expressly mandated by law - is consistent with the rule of law. The expert committees possess specialized knowledge and experience, greater familiarity with local markets, and particular competence in determining values that depend on assessments and discretionary considerations. They are government agencies established on a statutory basis and organized as autonomous and independent bodies.

Finally, the Supreme Tax Court points out that the tax court's review and control of comparative prices is limited to obvious inaccuracies. Only when such inaccuracies come to the fore must the tax court further investigate the facts of the case on its own initiative.

Source:

Supreme Tax Court, judgment of 11 March 2026 (II R 6/23) published on 25 June 2026.

Keywords

Valuation Act, prudent valuation