

\$30M Tax Claim Against Ikea Thrown Out

By [The Moscow Times](#)

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Ikea shopping center in Novosibirsk

The Supreme Arbitration Court has thrown out a \$30 million claim made against Ikea by the tax inspection service, which had accused the furniture manufacturer of marking down the value of its property by not factoring in building work carried out by leaseholders.

The court ruled Tuesday that the renovations carried out by Ikea's leaseholders at the firm's chain of sprawling suburban Mega malls did not add value to the the property and, therefore, cannot be subject to income tax, Kommersant reported Wednesday.

Ikea has become the largest shopping center operator in Russia since opening the first of its stores in Tyoply Stan, just outside the Moscow Ring Road in 2002. Buying empty plots of land for pocket change and turning them into highly sought-after retail centers has been a huge earner for the firm in Russia.

Ikea leases out its stores well ahead of completion, which allows future tenants to move in and start fitting out the building at their own expense before the property is signed off. This is common practice, said Sergei Kalinin, a lawyer from Liniya Prava.

Before Tuesday's ruling, Ikea had challenged the tax watchdog's findings on three separate occasions but lost each time.

The decision is also good news for Mega's leaseholders, such as the supermarket Auchan, who had been accused of incorrectly accounting for the renovation expenses. Legal clarity in Ikea's treatment of the costs will help these tenants in their own disputes with the taxman.

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