Algorithmic Lawmaking and Logarithmic Lessons: on the Third Apartment Tax and Data-based Rulemaking

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This article uses the third apartment tax law—which was the forgotten subject matter for the High Court of Justice ruling in the matter of Kwantinsky—as a starting point to examine data-based law. The tax was calculated based on an elaborate two-parameter logarithmic formula, and to the common-law practitioner it appeared unintelligible. The third apartment tax law is an example of data-based law, whose basis is 'manual' statistical modeling. It provides us with lessons towards the next generation of legislation – data-driven law, which tailors the legal rules to its subjects using machine learning and AI models. The article offers a set of guidelines for data-based legislation, taking into account the need for human deliberation in the legislative process; the need for an update mechanism for the model and subsequently for the legislation based thereon; proper data governance; appeal and review mechanisms for automatic decisions; and the mapping of edge cases and proper solutions thereto.