

## **Land leasing, renting to attract GST from July 1**

Any lease or letting out of the building, including a commercial, industrial or residential complex for business or commerce, either wholly or partly, will attract the Goods and Services Tax from July 1.

The GST bills provide that sale of land and, sale of building except the sale of under construction building will neither be treated as a supply of goods nor a supply of services. Thus GST can't be levied in those supplies.

Sale of land and buildings will be however out of the purview of GST. Such transactions will continue to attract stamp duty.

Electricity has also been kept out of the GST ambit.

GST will subsume central excise, service tax and state VAT among other indirect levies on manufactured goods and services.

The legislations have been introduced in the Lok Sabha yesterday for approval by Finance Minister Arun Jaitley.

Tax experts said that currently service tax is levied on rents paid for commercial and industrial units, although it is exempt for residential units.

Experts said service tax is currently levied on payments made for under-construction residential houses after providing abatement, which brings down the effective rate from 18 per cent to around 6 per cent.

Experts said the GST subsumes central levies like excise and service tax and local levies like VAT, entertainment tax, luxury tax. However, it does not subsume Electricity Duty.

*(Times Now)*