

# Govt eases LTCG tax on property

GOVERNMENT OFFICIALS and independent experts have, however, pointed out that the new regime may not result in higher tax outgo for the sellers of property in all cases. If the property value appreciates at very high rates, as in many locations in metro cities, then the new regime could be more beneficial to the taxpayers, for instance.

Indexation is meant to adjust the gains from property sales by factoring in inflation during the period of ownership, and the cost price index is used to compute this.

“This addresses concerns which came as a hit to the property sellers since the removal of indexation for older properties could have been a significant blow. The grandfathering provision ensures that those who acquired property before July 23 are not hit by the new capital gains tax

regime,” said Amit Maheshwari, Tax Partner, AKM Global, a tax and consulting firm states.

“For the purpose of block assessment provisions, the definition of “undisclosed income” is proposed to be amended to include incorrect claim of exemption within its purview. Originally, the definition included incorrect claim only of expense, deduction or allowance, among other things,” Yogesh Kale, executive director, Nangia Andersen India said.

Amendments were also proposed to the Finance Bill relating to provisions of Customs Act on levy of social welfare surcharge on imported goods, health cess and agri infrastructure and development cess.

However, no grandfathering has been offered for unlisted shares; the Budget provisions will apply for both residents and non-residents.

**No grandfathering has been offered for unlisted shares; the Budget provisions will apply for both residents and non-residents**

