

# Relief for homeowners in long term capital gain tax regime

**FPJ News Service**

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In a major relief to home buyers, the government on Tuesday proposed an amendment to the long-term capital gains (LTCG) regime, which

will allow taxpayers to choose between a lower tax rate of 12.5 per cent without indexation or a higher rate of 20 per cent with indexation for properties acquired before July 23, 2024.

As per the proposed amendment, taxpayers who sold assets

such as land or buildings before July 23 have the option to choose between the new and old tax regimes, allowing them to select the one that offers a lower tax liability. The new LTCG regime offers a 12.5 per cent tax rate without indexation

benefits, while the old slab imposes a 20 per cent tax rate but allows for indexation benefits.

Commenting on the tweak, Sudhir Kapadia, a senior advisor at EY, said: "With this proposed change to the original Finance Bill, the government

has clearly heeded the legitimate concerns of many taxpayers. Without indexation, the tax outgo could have been higher for those selling older properties."

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