

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
LOK SABHA
UNSTARRED QUESTION No. 4906
TO BE ANSWERED ON FRIDAY, THE 31st MARCH, 2017
10, CHAITRA, 1939 (SAKA)**

TAX ON IMMOVABLE PROPERTY

4906. SHRIMATI RANJANBEN BHATT:

Will the Minister of **FINANCE** be pleased to state:

- (a) whether the Government proposes to ease the tax burden on sale and purchase of immovable property;
- (b) if so, the details thereof and the reasons therefore; and
- (c) the time by which the said changes are likely to be implemented?

**ANSWER
MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)**

(a) & (b) Yes Madam, with a view to promote real estate sector, Finance Bill, 2017 as passed by Lok Sabha proposes to amend clause (42A) of section 2 of the Income-tax Act, 1961 ('the Act') so as to reduce the period of holding from the existing 36 months to 24 months, in case of immovable property, being land or building or both, for it to qualify as long term capital asset and consequently transfer of such immovable property shall be eligible for concessional rate of taxation and benefit of indexation on cost of acquisition.

Further, in order to remove the difficulties faced by taxpayers in computing the capital gains in respect of a capital asset, especially immovable property acquired before 01.04.1981 due to non-availability of relevant information for computation of fair market value of such asset as on 01.04.1981, it has been proposed in the said Bill to revise the base year for computation of capital gains from 01.04.1981 to 01.04.2001. Consequential amendment has also been proposed in section 48 of the Act so as to align the provisions relating to cost inflation index to the proposed base year i.e. 2001.

(c) The above amendments shall come into effect from Financial Year 2017-18 (Assessment Year 2018-19).
