

# GST rate must be revisited and stamp duty should be abolished: Surendra Hiranandani

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Presently the GST rate applicable to Real Estate Industry (i.e on sale of Flats) is 12% of the sales consideration. During the Pre GST era the applicable rate of Service Tax was around 4.5% and Value Added Tax of 1% was also levied, resulting in total tax outgo of 5.5% of the sales consideration.

In the GST regime the Input Tax credit is available on taxes paid on materials bought for construction which can be adjusted against the GST liability, the effective tax rate post adjustment is quite high as compared to the old rate of 5.5%.

Further, stamp duty continues to remain in force even after implementation of GST and the rates vary from state to state, which increases the costs for the consumer. We hope that state governments abolish the same or merge with the existing GST rates.

Owing to aforesaid factors we feel the present GST rate must be revisited and stamp duty should be abolished.

**Surendra Hiranandani, CMD, House of Hiranandani**