

GST council cuts rate to boost housing

ENS ECONOMIC BUREAU

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THE GOODS and Services Tax (GST) Council Sunday cut the tax rate for under-construction housing to 5 per cent without input tax credit from the present effective rate of 12 per cent. For affordable housing, the GST rate was reduced to 1 per cent from effective 8 per cent.

The definition of affordable housing was also redefined by linking it to cost as well as carpet area: Flats costing up to Rs 45 lakh and with carpet area of 60 sq m in metros (Delhi-NCR, Bengaluru, Chennai, Hyderabad, Mumbai-MMR and Kolkata) or 90 sq m in non-metro areas.

The new tax rates will be effective from April 1.

The proposal to have a uniform rate for state-run and state-authorized lotteries at 18 or 28 per cent was referred back to the Group of Ministers. State-run lotteries now attract 12 per cent GST.