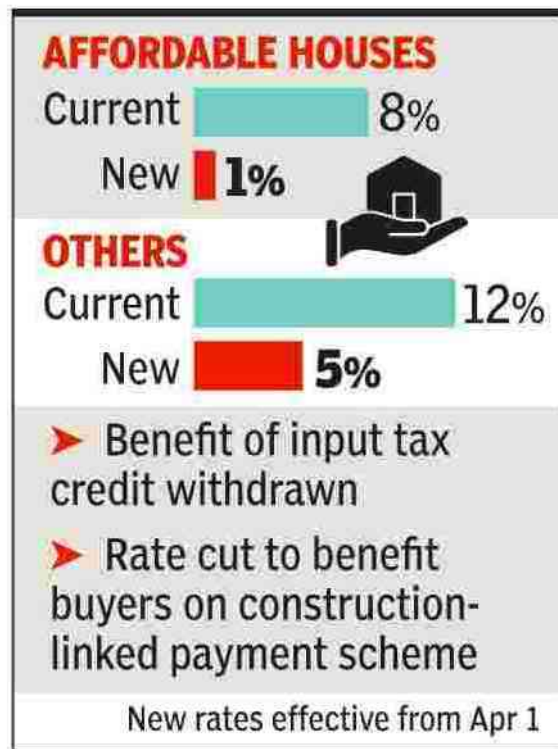


GST cut from 12% to 5% on houses under construction

TIMES NEWS NETWORK

New Delhi: The Goods and Services Tax Council on Sunday decided to slash the levy on under-construction houses to 5%, with a special rate of 1% introduced for affordable homes, but opted to withdraw the benefit of tax credit on inputs such as steel, cement and paint, arguing that builders were pocketing the gains.

Currently, affordable housing faces an 8% effective rate with other under-construction apartments attracting 12% levy. The new rates will be effective from April 1 as the Centre and states will work out detailed rules and are expected to stipulate that a vast majority of inputs and capi-



tal goods be purchased from vendors who are registered to pay GST. The move is seen to be crucial to keep tabs on a sector ridden with cash transactions and black money.