

Ministry of Finance

Press Release

26th October, 2015

Mere transfer of title in immovable property is exempted from Service Tax

In order to resolve a long standing issue relating to levy of Service Tax on sale of flats/dwellings etc. after issue of occupancy certificate but before issue of completion certificate in areas under the jurisdiction of Municipal Corporation of Greater Mumbai i.e. Brihanmumbai Municipal Corporation (BMC), it has been conveyed to the Service Tax Authorities in Mumbai on Friday, 23rd October, 2015 that sale of flats/dwellings etc., where the entire consideration is received after issue of occupancy certificate by BMC, leading to a mere transfer of title in immovable property, falls outside the definition of "Service" provided in Section 65B (44) of the Finance Act, 1994, and is therefore, not taxable.

DSM/MA/AK
(Release ID :129959)

This document has been compiled as service to our clients. We recommend that you seek professional advise prior to initiating action on specific issues.

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