

PROPOSED AMENDMENTS UNDER FINANCE BILL, 2020 FOR REAL ESTATE/CONSTRUCTION SECTOR

Sr. No.	Current	Amendments Proposed in Finance Bill, 2020
1	FED on cement is charged @ Rs. 2 Per Kg	FED on cement is proposed to charged @ Rs. 1.75 Per Kg
2	No capital gain tax in case of: <ul style="list-style-type: none"> • Open plot if the holding period is more than 8 years • Structured property/building/house if the holding period is more 4 years 	Now, the distinction between open plot and structured property is abolished for capital gain tax and There will be no capital gain tax if holding period is more than 4 years
3	Companies are allowed to claim 6% of the amount of rent of immovable property under the head Admin & collection charges	Now, this rate is restricted to 2%
4	Advance tax from seller of immoveable property is not withheld if immoveable property is held for a period exceeding 5 years.	Advance tax from seller of immoveable property is not withheld if immoveable property is held for a period exceeding 4 years.
5	The individuals and AOPs receiving rental income of more than Rs 4 million was allowed to claim expenses against property income (by way of option).	Now, all individuals and AOPs can claim expenses against property income if they choose to pay tax under normal tax regime.
6	-	A person directly involved in the construction of buildings, roads, bridges and other such structures or development of land has been included in the definition of industrial undertaking, therefore, no income tax shall be deducted at the time of import of raw material, plant, machinery, equipment and parts for its own use.(subject to withholding tax of 1% or 2%)
7	Withholding tax on cash withdrawal is deducted by the bank on remittance received in domestic bank account.	Now, withholding tax on cash withdrawal from a domestic bank shall not be deducted on remittance received.
8	A withholding agent while making payment to unregistered person was required to withhold sales tax @ 5% of value of invoice.	Now, a withholding agent while making payment to an "In-active sales Taxpayer (which includes registered person not filing sales tax return & an unregistered person) is required to withhold sales tax @ 5% of .value of invoice.

Note: The relief package recently announced for builders and developers has been made part of Finance Bill, 2020.