

Second Issue
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Mysuru
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All you need to know about the impact of GST on rental income in real estate sector



Notably, under the GST regime, mandatory registration would be required of everyone who makes a supply of goods or services worth more than Rs. 40 lakh or Rs. 20 lakh, respectively.

New GST regulations are also expected to disrupt rental markets in addition to kitchen budgets. Starting on July 18, the revenue division of the Finance Ministry will impose an 18% GST on all home rentals across the nation. According to the notification, a residential property rented to a GST-registered individual would be subject to an 18% tax. Additionally, the lessor is released from liability because the lessee is responsible for paying the tax. (Continued... on page 2.)



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...Continued from page 1.

With this change, the lessee who rents a home to use it as a guest house, as a place to keep employees or directors, or both, would be taxed. An unforeseen consequence of this adjustment, according to GST tax specialist Ravedaran Muthuswamy, is that an individual or owner who is registered for GST and has rented a residential property for personal use rather than as a business expense would also be subject to tax.

He continued by saying that taxing rents in a nation like India, where the majority of citizens don't own homes, has been a touchy subject ever since the introduction of the service tax. "Only commercial property was subject to the 2007 introduction of the service tax on rents. When GST was first established in 2017, residential property was excluded and remained to be subject to it, he recalled.



Hitesh Thakkar, vice-president of NAREDCO West, thinks that this choice will significantly affect the mindset of homebuyers. Anand Gupta, head of the RERA Committee and the Builders Association, stated that the Reverse Charge Mechanism is applicable to all residential units with registered GST numbers (with a turnover of Rs 20 lakh). Small unit holders won't experience any changes. According to him, this is a setback for the development of rental housing as a business from the perspective of real estate.

Taxpayer base more than doubled



66.25 lakh
July 1, 2017

1.38 crore
June 1, 2022

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JULY EVENTS

MCIL Newsletter



This program covered the notion of entrepreneurship, programs offered by banks and other financial institutions, and initiatives and benefits provided by the governments of India and Karnataka for MSME/start-up businesses. Legal criteria for New Business / Start-up; First-Time Entrepreneur Success Stories; Motivational Talks for Success and Leadership; Hand-held Partners who will take you from Vision to Implementation; and other topics linked to Entrepreneurship



Rotary Clubs Hosted Entrepreneurship Seminar: Mysuru Real Estate growth and the way forward highlighted

On Sunday, July 17, the Hotel Southern Star on Vinoba Road in the city hosted an Entrepreneurship Seminar organized by the Rotary Clubs of Mysore, Zones 7 and 8. The all-day event took place from 9.30 am to 5 pm. Which offered excellent opportunities for everyone who wanted to launch a new business, venture, industry, or start-up.



Speaking on the occasion **Seminar Chairman - Mr Hemant Kumar Bansal**, stressed the importance of start-ups "Despite their diminutive size, startups can have a big impact on the expansion of the economy. Startups are the hubs of innovation; they generate jobs, which leads to increased employment, which improves the economy." And also mentioned that Seminars like this would be a continuous affair henceforth.

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As tech park gets ready, software boom in Mysuru

Prior to its opening, there is a lot of excitement about the "Software Technology Park of India" in Mysuru. More than 15 businesses have already expressed interest in establishing offices here.

Entrepreneurs can launch their businesses here with support and mentoring from the government. According to reports, this SPTI will have a data center of its own, and businesses will be able to access the Internet for a reasonable price.

Earlier, the work had slowed down due to many reasons, but now the work is very much on track so the centre will be inaugurated by Dasara. It is spread over 2.10 acres of land and building area is 40,000 sq ft.

Kanakapura alternative road to give a big boost to the realty market.

One of the busiest intercity vehicular routes in Karnataka runs between Bengaluru and Mysuru. It is for this reason that the four-lane Bengaluru-Mysuru Road is currently being extended to ten lanes via Bidadi (with four-lane service roads on either side).

The Center intends to popularize Kanakapura Road as an alternative way to reach Mysuru Road, though. Kanakapura may be seen as a safe bet by many residents in Bengaluru South.



Realtors assert that using this alternate route could significantly increase the real estate market. This is another justification for why so many people want to purchase homes on Kanakapura Road.



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