

TAX CHIT CHAT : 7

UNION BUDGET 2023

- LTCG Exemption u/s 54F – if sale of capital assets (other than residential house) and investment in new residential house
- Upper Cap has been proposed to Rs. 10 Crores – for exemption under section 54F and investment in new residential house
- The proposed amendment is effective from 01.04.2023 and thus, one may consider buying new residential house within 31.03.2023 or putting money in Capital Gains Account Scheme.
- Can there be situation that proposed provisions are beneficial vis-à-vis existing provisions ?

TAX CHIT CHAT : 7

UNION BUDGET 2023

Situation	Exemption u/s 54F
Sale of capital assets (other than residential house) = 15 cr, Indexed Cost 5 cr LTCG =10 cr New Residential House = 12 cr	Proportionate on the basis of consideration received vis-à-vis new house : LTCG 10 Cr Sale consideration 15Cr, restricted to 10 Cr New house 12 Cr, restricted to 10 Cr Exemption u/s 54F =10 Cr (under existing provisions exemption= 8 Cr)
Sale of capital assets (other than residential house) = 25 cr, Indexed Cost 10 cr LTCG =15 cr New Residential House = 15 cr	LTCG 15Cr Sale consideration 25Cr, restricted to 10 Cr New house 15 Cr, restricted to 10 Cr Exemption u/s 54F =10 Cr (under existing provisions exemption=9 Cr)

(Note : Tax Chit-Chat is meant for general awareness. Readers are requested to take specific professional advise before acting on it)