

Regarding taxation on real estate without indexation

SHRI N. K. PREMACHANDRAN (KOLLAM): Thank you, Madam Chairperson, for giving me this opportunity to raise a very important matter regarding the NRIs in our country.

A new provision is introduced in the Finance Act, 2024 with respect to taxation of capital gains on real estate in the Finance Act of 2024. The new provision allows an option between 20 per cent tax with indexation and 12.5 per cent tax without indexation with respect to the sale of immovable properties acquired before 23rd July, 2024. But this option is applicable only to the resident tax payers. The Non-Resident Indians are excluded from the benefit of indexation. This amounts to unjust disparity. The NRIs and OCIs are mandated to pay 12.5 per cent on the sale of immovable properties without accounting for indexation. The NRIs and OCIs invested in India with an understanding that their investment would be treated on par with the residents. Excluding them from the benefits amounts to discrimination. Hence, I urge the Government of India to extend the benefit of indexation to Non-Resident Indians and OCIs as well. This is just an equitable demand on the part of the NRIs that may be allowed. That is the demand which I would like to make.