

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**OFFICE OF THE COMMISSIONER OF STATE TAX
EZHILAGAM, CHENNAI-600 005**

**PRESENT: DR. T.V. SOMANATHAN, I.A.S.,
COMMISSIONER OF STATE TAX**

Circular No. 71/2019-TNGST
(RC No.26/2019/A1/Taxation)

Dated:02.05.2019

Sub:	GST exemption on the upfront amount payable in for long term lease of plots, under Notification 12/2017 – Central Tax (R) S. No.41 dated 28.06.2017 -reg.
Ref:	Circular No. 101/20/2019-GST Dated the 30th April 2019 issued by Government of India Ministry of Finance, Department of Revenue .Central Board of Indirect Taxes and Customs, GST Policy Wing.

Representations have been received seeking clarification regarding admissibility of GST exemption on the upfront amount which is determined upfront but is paid or payable in installments for long term (thirty years, or more) lease of industrial plots or plots for development of financial infrastructure under Sl. No. 41 of Notification No. II(2)/ CTR/ 532(d-15)/2017 dated 29-06-2017 issued by Tamil Nadu read with Central Notification 12/2017 – Central Tax (Rate) dated 28.06.2017.

2. The matter has been examined. The entry at S. No.41 of Notification No. II(2)/ CTR/ 532(d-15)/2017 dated 29-06-2017 read with Central Notification No.12/2017 – Central Tax (Rate) dated 28.06.2017 reads as under:

Sl. No	Chapter, Section, Heading, Group or Service Code (Tariff)	Description of Services	Rate (per cent.)	Condition
(1)	(2)	(3)	(4)	(5)
41	Heading 9972	"Upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable in respect of service by way of granting of long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business, provided by the State Government Industrial Development Corporations or Undertakings or by any other entity having 50 per cent. or more ownership of Central Government, State Government, Union territory to the industrial units or the developers in any industrial or financial business area."	NIL	NIL

3. It is hereby clarified that GST exemption on the upfront amount (called as premium, salami, cost, price, development charges or by any other name) payable for long term lease (of thirty years, or more) of industrial plots or plots for development of infrastructure for financial business under Entry No. 41 of Notification No. II(2)/ CTR/ 532(d-15)/2017, dated 29-06-2017 read with Central Notification 12/2017 – Central Tax (Rate) dated 28.06.2017 is admissible irrespective of

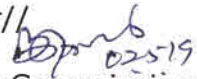
whether such upfront amount is payable or paid in one or more installments, provided the amount is determined upfront.

Sd/-T.V.Somanathan
Commissioner of State Tax

To
All the Joint Commissioners (ST) (Territorial) in the State.

Copy to the Principal Secretary to Govt./ CT & R Dept., Chennai- 9.
Copy to all the Additional Commissioners in the O/o the CCT.
Copy to the Joint Commissioner(Computer Systems) to host in the Dept. Website.
Copy to the Director CT Staff Training Institute, Chennai
Copy to all the Joint Commissioners (ST) (Enforcement) including (BIU)/ (ISIC)
Copy to all the Deputy Commissioner(ST) in the State including Enforcement.
Copy to all Heads of Assessment Circles.

// Forwarded by order//


Assistant Commissioner (Taxation)