

**GOVERNMENT OF TAMIL NADU
COMMERCIAL TAXES DEPARTMENT**

**OFFICE OF THE COMMISSIONER OF COMMERCIAL TAXES
EZHILAGAM, CHENNAI-600 005**

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

Circular No. 73/2019/TNGST
(RC No.22/34-GSTC/2019/A1/P&P)

Dated: 28.06.2019

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| <u>Sub:</u> | TNGST Act 2017- – GST on construction of “ Affordable Residential Apartments” in Chennai Metropolitan Planning Area- Clarification Issued. | |
| <u>Ref:</u> | 1. | Notification No.11 of 2017 Central Tax Rate dated: 29.06.2017 |
| | 2. | Notification No.3 of 2019 Central Tax Rate dated:29.03.2019 |
| | 3. | Tamil Nadu Government Notification No.II/CTR/269(C-1)/2019, dated:29.03.2019 |

As per decision taken in the 33rd and 34th GST Council Meetings, Notification Nos. 11, 12,13 and 1 of 2017 of Central Tax Rate have been amended by Notification No. 3, 4, 5 and 8 of 2019 of Central Tax Rate dated 29th March 2019 and Notification Nos. 6 & 7 of 2019 of Central Tax Rate have also been issued on 29th March 2019, in respect of the Real Estate Sector. Pari materia Notifications have also been issued under the Tamil Nadu Goods and Services Tax Act, 2017 and published in Tamil Nadu Govt. Gazette Extraordinary No.156 dated 29th March, 2019.

2. In the Notification No.3/2019 Central Tax (Rate) dated 29.03.2019, a reduced GST rate of 1% has been provided for services of construction of “affordable residential apartments” by a promoter in a

Residential Real Estate Project. The term "Affordable Residential Apartment" has been defined in sub -clause (a) of the clause (xvi) under explanation in para 4 inserted vide said above Notification, to mean

"a residential apartment in a project which commences on or after 1st April 2019, or in an ongoing project in respect of which the promoter has not exercised option in the prescribed form to pay state tax on construction of apartments at the rates as specified for item (ie) or (if) against serial number 3. as the case may be, having carpet area not exceeding 60 square metre in metropolitan cities or 90 square metre in cities or towns other than metropolitan cities and for which the gross amount charged is not more than forty-five lakhs rupees. For this purpose of this clause, (i) Metropolitan cities provided includes "Chennai" with its respective geographical limits prescribed by an order issued by the Central or State Government in this regard."

3. Under clause (23-a) of Section 2 of the Tamil Nadu Town & Country Planning Act 1971 (Tamil Nadu Act 35 of 1972), "Chennai Metropolitan Planning Area means the City of Chennai and such contiguous area of such City as the Government may, from time to time, specify by notification in the Tamil Nadu Government Gazette ".

4. In view of the above, it is hereby notified that for the purpose of the notification referred 3rd cited above in respect of levy of reduced rate of one percent for the supply of services of construction of affordable

residential apartment in a Residential Real Estate Project, the Metropolitan City of Chennai, means the "Chennai Metropolitan Planning Area" as defined in the Tamil Nadu Town and Country Planning Act 1971 (Tamil Nadu Act of 35 of 1972)

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

To
All the Joint Commissioners (ST) Territorial including LTU and Intelligence in the State.

Copy to:

- (1) Principal Secretary to Commercial Taxes & Registration Department, *Chennai-9.*
- (2) The Special Secretary, GST Council Secretariat, New Delhi (with reference to O.M. No.354/32/2019, TRU, dated, 10.04.2019.)
- (3) All Additional Commissioners of State Tax in the Commissionerate.
- (4) Director, Commercial Taxes Staff Training Institute, Chennai 6
- (5) Joint Commissioner (CS) for hosting in the CT portal website.
- (6) All Deputy Commissioners (ST) in the State
- (7) All Heads of Assessment Circle in the State.

//True Copy// Forwarded by Order//


Assistant Commissioner (P & P)