

Exemption on Long-Term Lease of Industrial Plots

- Following notifications have been issued by the CBIC to give effect to the recommendations of the GST Council in its 38th meeting held on 18.12.2019.

N.No. 28/2019

- In notification 12/2017(Exemptions), serial no. 41 now reads as under:

Upfront amount leviable in respect of the service, by way of granting of long term lease (30 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%~~ 20% or more ownership of Government (CG/ SG/ UT) to the industrial units or the developers in any industrial or financial business area.

- In column (5), the following conditions have been inserted:
 - “Provided that the leased plots shall be **used for the purpose for which they are allotted**, that is, for industrial or financial activity in an industrial or financial business area.
 - In case of any **violation or subsequent change** of land use any **lessor or lessee** involved shall be **jointly and severally liable to pay** such amount of **central tax** as would have been payable if there had been no exemption.
 - Provided also that the lease agreement entered into by the parties involved shall incorporate in the terms and conditions, the fact that **the central tax was exempted on the long term lease of the plots by the original lessor to the original lessee** subject to above 2 condition and that the parties to the said agreements undertake to comply with the same.”

RCM on Renting of Motor Vehicle

N.No. 29/2019

- In N.no. 13/2017 (Reverse Charge Mechanism), for serial number 15 and the entries relating thereto, the following shall be substituted, namely: -

(1)	(2)	(3)	(4)
"15	Services provided by way of renting of any motor vehicle designed to carry passengers where the cost of fuel is included in the consideration charged from the service recipient, provided to a body corporate.	Any person, other than a body corporate who supplies the service to a body corporate and does not issue an invoice charging central tax at the rate of 6 per cent to the service recipient.	Any body corporate located in the taxable territory."