

Ashit Shah

Renting of immovable property is considered to be supply of services and liable for GST. Renting could be of commercial or residential property. The renting of residential property when used for residential or dwelling purposes was exempted from GST up to 17th July 2022. However, with effect from July 18, 2022, vide N. No. 5/2022 – Central Tax (Rate), dated 13th July, 2022, it was provided that if this renting of residential property service is provided to a registered person then the exemption would not be available (i.e. GST would be applicable). However, tax on such services would not be payable by the provider of services i.e. Lessor or owner of the house but the registered person receiving the above services would be liable to pay GST under reverse charge mechanism. Thus the exemption would be available if the following conditions are satisfied: There should be a residential dwelling;