

## **VAT on flat Booking Agreements**

In the flat booking agreement composite consideration is mentioned for value of proportionate share in land and for construction. Sales Tax Department has made it's intention clear to treat flat booking agreements as works contract hence liable to VAT. Maharashtra Chamber, Pune is pursuing with Sales Tax Department to clarify that consideration for land will not be taxable so as to avoid any confusion. Recently, in the case of Jharkhand State V/s Voltas Ltd. the Supreme Court has held that all charges and amounts except value of goods sold [ transferred ] during execution of works contract are not taxable. In view of the judgment, Adv. Govind Patwardhan, Chairman of State Level Taxation Sub-Committee has requested the Commissioner of Sales Tax to issue clarification in this regard in the interest of the helpless flat purchasers as well as works contractors.