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## Gifting Property to Your Sister This Raksha Bandhan? Key Legal and Tax Facts to Know

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With Raksha Bandhan's celebration today, many are considering meaningful gifts for their siblings. Among the most significant is property gifting, which, while generous, involves legal and tax-related formalities. A recent report by *Hindustan Times* outlines what one should keep in mind when planning to gift real estate to a sister in India.

As the report explains, gifting property to a sister is legally permissible under Indian law. It requires executing a registered gift deed, which legally transfers ownership without involving any monetary transaction. The deed must state that the transfer is being made out of love and affection.

Under the Income Tax Act, gifts received from close relatives, including siblings, are exempt from taxation. This means that the sister receiving the property will not have to pay income tax on the gift. However, the transaction still attracts stamp duty and registration charges, which vary by state. Some states provide concessional stamp duty rates for transfers between family members, so checking state-specific regulations is essential.

The *Hindustan Times* article also notes that if the property in question is ancestral, then the process may involve additional legal steps. A relinquishment or partition deed might be needed, especially if other legal heirs have a share in the property. Skipping this can lead to future disputes.

It's also important to consider capital gains tax implications. If the sister later decides to sell the gifted property, she will be liable to pay capital gains tax. The tax will be calculated based on the original acquisition cost of the property, not the value at the time of gifting.

The report emphasizes that while gifting property is a heartfelt gesture, it requires careful documentation and compliance with legal procedures to avoid future complications. Seeking professional legal and financial advice is recommended before finalizing the transfer.

By following the proper legal steps, a property gift this Raksha Bandhan can become a truly lasting symbol of sibling love and support.