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# Tax Trends

## Top Tax News This Week

# What real estate stakeholders expect from Budget 2026

Real estate leaders are urging the government for key policy changes in the Union Budget 2026. They want measures to boost housing affordability and liquidity. Suggestions include reviving buyer incentives, easing GST, and increasing institutional capital. The sector aims to address rising costs and buyer preferences for sustained economic expansion.
From calls to revive homebuyer incentives and ease GST burdens to demands for deeper institutional capital and infrastructure-led development, the sector is pitching for reforms that address both demand-side stress and supply-side bottlenecks.
Industry leaders say Budget 2026 presents an opportunity to recalibrate housing policy in line with rising land and construction costs, evolving buyer preferences and the growing role of real estate in India’s economic expansion.


**ET Realty**


# Economic Survey suggests marketing ban and highest GST on ultra-processed foods to tackle obesity

Noting the increased ultra-processed foods (UPFs) in Indians' diet, the Economic Survey 2026-27 suggests a marketing ban on such products from 6 a.m. to 11 p.m. for all media. Tabled in the Lok Sabha by Finance Minister Nirmala Sitharaman on Thursday (January 29, 2026), the Economic Survey also rues celebrity endorsement, emotional selling, and marketing tactics used by companies producing these UPFs as a major challenge to tackle obesity.

**The Hindu**

# India's cigarette industry to see 6–8% contraction in next fiscal following higher taxes

India's domestic cigarette industry is likely to see a 6–8% contraction in volumes in the next financial year following higher indirect taxes coming into effect from February 1, 2026 according to Crisil Ratings.

Under the revised tax structure, cigarettes will continue to attract a 28 per cent GST, but the compensation cess will be withdrawn and replaced with an additional excise duty ranging from Rs. 2.05 to Rs. 8.5 per stick, depending on cigarette length. GST on the final retail price will also rise to 40 per cent. However, the agency cautioned that sharper-than-expected volume declines or further tax hikes remain key risks to watch.


Business Today


## Why an India court ruling on a 2018 deal is rattling foreign investors

On 15 January 2026, India's top court ruled that US investment firm Tiger Global must pay tax in India on the sale of its stake in e-commerce giant Flipkart to Walmart in 2018. The 152-page judgment overturned a 2024 Delhi high court decision that had allowed Tiger Global to claim tax relief under a decades-old India–Mauritius tax treaty.

The ruling, which could reshape how foreign investors exit their Indian investments, sets out a tougher interpretation of tax treaties. It allows authorities to deny treaty benefits if offshore investment structures are deemed to be sham entities with little commercial substance even when investors hold valid documentation.

The judgement gives India wide powers to scrutinise any offshore corporate deal. But experts warn it could unsettle international investors and hurt business sentiment.

BBC

# Interest on fixed deposits like LTCG and STCG, lock-in period of 3 years like ELSS for 80C advantage, what SBI Research suggests for Budget 2026

SBI Research, in its Budget 2026 expectation report, has suggested the government to announce tax treatment for interest on fixed deposits (FDs) at par with LTCG (long-term capital gains) and STCG (short-term capital gains). The report also suggests Finance Minister Nirmala Sitharaman may reduce the lock-in period for tax-saving fixed deposit (FD) schemes from 5 years to 3 years in line with Equity Linked Savings Scheme (ELSS) mutual fund.


The Economic Times

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