

## **Karnataka Stamp (Amendment) Act, 2014**

**19 of 2014**

**[28 February 2014]**

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### PREAMBLE

An Act further to amend the Karnataka Stamp Act, 1957.

Whereas it is expedient further to amend the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957), for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the sixty-fifth year of the Republic of India as follows:-

### **1. Short title and commencement :-**

(1) This Act may be called the Karnataka Stamp (Amendment) Act, 2014.

(2) It shall come into force with effect from the first day of March 2014.

### **2. Amendment of Section 9 :-**

In the Karnataka Stamp Act, 1957, (Karnataka Act 34 of 1957) (hereinafter referred to as the Principal Act), in section 9, in sub-

section (1), in clause (a),-

(i) after the sixth proviso, the following shall be inserted, namely:-

"Provided also that, the State Government may, in public interest, by notification, reduce or remit stamp duty on an instrument, to be specified therein from time to time, executed,-

(a) by or between the Bangalore Development Authority and the concerned allottee, in connection with the allotment of alternate equivalent site, consequent to de-notification of the land in question and pursuant to the cancellation of the preceding sale deed which is duly stamped; and

(b) by or between the concerned persons, in connection with the Karnataka Aerospace Policy 2013-23, specified in the Government Order No. CI 17 SPI 2012, dated 6-2-2013 or specified by the State Government from time to time.

(ii) after the seventh proviso, the following shall be inserted, namely:-

"Provided also that, the State Government may, in public interest by notification reduce or remit stamp duty payable on instruments specified in notification No. RD 144 MuNoMu 2003 dated: 23-4-2003."

### **3. Amendment of Schedule :-**

In the schedule to the principal Act, in Article 5,-

(i) in clause (e), in column (3), for the proviso at the end the following shall be substituted; namely:-

"Provided that the duty paid on power of attorney under Articles 41(e) or 41(eb), as the case may be, is adjustable towards the duty payable on agreement for sale under Article 5(e) or instrument of sale or transfer, as the case may be, executed between the same parties and in respect of the same property;"

(ii) for clause (f), and the entries relating thereto, the following shall be substituted, namely:-

(f) If relating to construction or development of immovable property, including a multi unit or multi storied house or building or apartment of flat, or portion of it, executed by and between owner or lessee, as the case may be, and developer, having a stipulation, whether express or implied, that, in consideration of the owner or lessee conveying or transferring or disposing off, in any way, the undivided share or portion of land or immovable property; the developer agrees to convey or transfer or dispose off, in any way, the proportionate or agreed share or portion of the constructed or developed building or immovable property to the owner or lessee, as the case may be.	Two Rupees for everyone hundred rupees or part thereof, on the Market Value of such undivided share or portion of land or immovable property, consideration and money advanced, if any; or On the Market Value of such share or portion of the constructed or developed building or immovable property, consideration and money advanced, if any; Whichever is higher: Provided that, if the proper stamp duty is paid under clause (ea) of the Article 41 on power Attorney, executed by and between the same parties and in respect of the same property, then the stamp duty payable on the corresponding agreement under clause (f) of Article 5, shall not exceed rupees two hundred."
Explanation: The term "Developer" includes promoter or builder or by whatever name called	Explanation: The term "money advanced" in this Article, means and includes the security deposit whether refundable or adjustable.

(iii) for article 11, and the entries relating thereto the following shall be , substituted, namely:-

"11. Award,- that is to say, any decision in writing by an arbitrator or umpire, not being an award directing a partition, on a reference made otherwise than by an order of the Court in the course of a suit.	
(a) If the property, which is the subject matter of award, is immovable property.	The same duty as the conveyance [under Article 20(1)] on the market value of the such property, or consideration, whichever is higher.
(i) where the amount or market value of the property, as set forth in the award, does not exceed	3/4 % of the amount or market value

Rupees fifty lakhs.	
(ii) Where the amount or market value of the property exceeds rupees fifty lakhs but does not exceed rupees five Crores.	Rupees thrity seven thousand five hundred plus 1/2% of the amount or market value exceeding Rupees fifty lakhs.
(iii) Where the amount or market value of the property exceeds rupees five Crores.	Rupees thirty seven thousand five hundred plus two lakhs twenty five thousand plus 1/4% of the amount or market value exceeding Rupees five crores".

(iv) In article 24,-

(a) against the entries in column 2, in column 3 the following shall be inserted, namely:-

"One rupee for everyone thousand rupees or part thereof on the value of such goods.";

(b) items (i) and (ii) in column 2 shall be omitted; and

(c) in column 2, at the end, the following shall be inserted, namely:-

"Exemption.- Goods imported which are exempted from levy of customs duty by the Government of India."

(v) In article 41,-

(a) in clause (e) in column 3, for the proviso, the following shall be substituted, namely:-

"Provided that the duty paid on agreement for sale under Article 5(e) or instrument of sale or transfer as the case may be, is adjustable towards the duty payable on such power of attorney under Article 41(e), executed between the same parties and in respect of the same property.";

(b) for clause (ea) and the entries relating thereto, the following shall be substituted, namely:-

<p>"(ea) If relating to construction or development of immovable property, including a multi unit or multi storied house or building or apartment or flat, or portion of it, executed by and between owner or lessee, as the case may be, and developer, having a stipulation, whether express or implied, that, in consideration of the owner or lessee conveying or transferring or disposing off, in any way, the undivided share or portion of land or immovable property; the developer agrees to convey or transfer or dispose off, in any way, the proportionate or agreed share or portion of the constructed or developed building or immovable property to the owner or lessee, as the case may be. Explanation: The term "Developer" includes promoter or builder or by whatever name called.</p>	<p>Two Rupees for everyone hundred rupees or part thereof, on the Market Value of such undivided share or portion of land or immovable property, consideration and money advanced, if any; or On the Market Value of such share or portion of the constructed or developed or building or immovable property, consideration and money advanced, if any; whichever is higher. Provided that, if the proper stamp duty is paid under clause (f) of the Article 5 on an agreement for sale, executed by and between the same parties and in respect of the same property, then the stamp duty payable on the corresponding power of attorney under clause (ea) of, Article 41 shall not exceed rupees two hundred." Explanation: The term "money advanced" in this Article, means and includes the security deposit whether refundable or adjustable.</p>
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(c) in clause (eb) in column 3, for the proviso, the following shall be substituted, namely:-

"Provided that the duty paid on agreement for sale under Article 5(e) or instrument of sale or transfer as the case may be is adjustable toward the duty payable on such power of attorney under Article 41 (eb), executed between the same parties and in

respect of the same property."

#### **4. Validation :-**

Notwithstanding anything contained in section 9 of the principal Act, as existed prior to commencement of the Karnataka Stamp (Amendment) Act, 2014 the exemption/remission of stamp duty granted under notification No.RD.144.Munomu.2003 dated 23-4-2003 shall be deemed to have been granted under section 9, as amended by the Karnataka Stamp (Amendment) Act, 2014.

I hereby certify that this Bill is Money Bill within the meaning of Article 199 of the Constitution of India.