

**KARNATAKA LEGISLATIVE ASSEMBLY****FIFTEENTH LEGISLATIVE ASSEMBLY****TENTH SESSION****THE KARNATAKA STAMP (AMENDMENT) BILL, 2021****(LA Bill No. 29 of 2021)**

A Bill 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 Seventy second year of the Republic of India as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Stamp (Amendment) Act, 2021.

(2) It shall come into force at once.

2. Amendment of Schedule.- In the Karnataka Stamp Act, 1957, (Karnataka Act 34 of 1957), in the schedule, in article 20, in clause (2A), after sub-clause (ii) and the entries relating thereto, the following shall be inserted namely:-

(iii) where the market value of which is above rupees thirty five lakhs but upto and inclusive of forty five lakhs.	three percent of the value
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STATEMENT OF OBJECTS AND REASONS

It is considered necessary further to amend the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) to give effect to the proposal made in the Budget Speech of 2021-22 to reduce the stamp duty (from 5% to 3%) for the first registration of apartments valued between Rupees 35 lakh and Rupees 45 lakh.

Hence the Bill

FINANCIAL MEMORANDUM

There is no extra expenditure involved in the proposed legislative measure.

R.ASHOKA

Minister for Revenue

M.K. VISHALAKSHI

Secretary (I/c)
Karnataka Legislative Assembly

ANNEXURE
EXTRACT FROM THE KARNATAKA STAMP ACT, 1957
(Karnataka Act 34 of 1957)

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SCHEDULE

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20 (1) For Conveyance.- as defined by clause (d) of section 2, not being a transfer charged or exempted under No.52, on the market value of the property which is the subject matter of conveyance.

five percent of the value

(2)Where it relates to instrument of conveyance executed by a promoter, a land owner, or a developer by whatever name called, pertaining to premises of 'Flat' as defined in clause (a) of section 2 of the Karnataka Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972 (Karnataka Act 16 of 1973) or 'Apartment' as defined in clause (a) of section 3 of the Karnataka Apartment Ownership Act, 1972 (Karnataka Act 17 of 1973) or transfer of share by or in favour of Co-operative Society or Company pertaining to premises or Unit and the market value of the property which is the subject matter of conveyance.

the same duty as a conveyance under Article 20(1) on the market value equal to the market value of the fully constructed flat or apartment or unit, irrespective of the stage of construction, deeming it as fully constructed

Explanation:—

(a) "Premises" means and includes undivided interest in the land, building and proportionate share in the common areas:

(b) "Unit" includes flat, apartment, tenement, block or any other unit by whatever name called, constructed or under construction in accordance with the sanctioned plan by the authority competent to sanction a building plan under any law for the time being in force:

<p>(2A) where an instrument of conveyance relating to the first sale of flat or apartment, and,-</p> <p>(i) where the market value of which is rupees twenty lakhs or less than twenty lakhs.</p> <p>(ii) (ii) where the market value of which is above rupees twenty lakhs but upto and inclusive of thirty five lakhs.</p>	<p>two percent of the value</p> <p>three percent of the value</p>
<p>(3) Where any instrument of conveyance rates is effected by the Bangalore Development Authority constituted under Bangalore Development Authority Act, 1976 (Karnataka Act 12 of 1976), the Karnataka Housing Board constituted under the Karnataka Housing Board Act, 1962 (Karnataka Act 10 of 1963) pertaining to premises of Flat or Apartment.</p>	<p>The duty shall payable at the specified under clause (2) of Article 20 on the amount or value of consideration as set forth in the instrument:</p> <p>Provided that, in any case where a lease-cum-sale Agreement is executed and is stamped with the advalorem duty required for such agreement under item (da)of Article 5 and in furtherance of such agreement a conveyance is subsequently executed, the duty on such conveyance shall not exceed rupees fifty or the difference of the duty payable on such conveyance and the duty already collected on the security deposit under item (da) of Article 5, whichever is greater.</p>
<p>(4) If relating to an order made by the High Court “or appropriate Tribunals or appropriate Authorities under the Companies Act, 2013”, in respect of;</p>	<p>Three percent on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the transferee company;or</p>
<p>(i) Amalgamation of companies, including a subsidiary amalgamating with parent company</p>	<p>An amount equal to one percent of the aggregate value of shares issued or allotted in exchange, or otherwise and in case of subsidiary company, shares merged (or cancelled) with parent company and in addition, the amount of consideration if any, paid for such amalgamation; whichever is higher.</p>
<p>(ii) Reconstruction or Demerger of a company</p>	<p>Three percent on the market value of the property of the transferor company, located within the State of Karnataka, and transferred to the resulting company; or</p> <p>An amount equal to one percent of the aggregate value of shares issued or</p>

allotted to the resulting company and in addition, the amount of consideration if any, paid for such demerger or reconstruction;

Whichever is higher.

Explanation :- The term, “aggregate value of shares” for the purpose of Article 20(4) means, the face value of shares or its market value, whichever is higher.

Exemption:- Amalgamation of sick companies with others, under the orders of Board of Industrial Finance and Reconstruction (BIFR)

(5) Conveyance relating to industrial machinery,-

(i) when industrial machinery is treated as movable property	Three percent of consideration or market value of the property, whichever is higher,
(ii) when industrial machinery is treated as immovable property	Five percent of consideration or market value of the property, whichever is higher”.

(6) If relating to assignment of receivable by the originator to the special purpose vehicle (SPV), or by whatever name they are called in the process of securitisation under securitisation and reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

One rupee for every one thousand rupees or part thereof subject to a maximum of rupees one lakh.

(7) Conveyance relating to Transferable Development Rights

Three percent on the market value of the Transferable Development Rights equal to the market value of the corresponding portion of the property leading to such Transferable Development Rights, which is the subject matter of conveyance; or consideration for such conveyance; whichever is higher.

Provided that, if the proper duty is paid under clause(ec) of Article 41 on power of Attorney, executed by and between the same parties and in respect of the same property, then the duty payable on the corresponding conveyance under Article 20(7), shall not exceed rupees two hundred.

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