

KARNATAKA ACT NO 7 OF 2016
THE KARNATAKA STAMP (SECOND AMENDMENT) ACT, 2016
Arrangement of Sections

Sections:

1. Short title and Commencement
2. Amendment of Section 9
3. Amendment of Schedule

STATEMENT OF OBJECTS AND REASONS

Amending Act 07 of 2016.- To give effect to the proposal made in the Budget Speech of 2016-17, it is considered nessecery to amend the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) and to make consequential amendments.

Hence the Bill,

[L.A. Bill No.16 of 2016 File No. Samvyashae 21 Shasana 2016]
[entry 63 of List II of the Seventh Schedule to the Constitution of India.]

KARNATAKA ACT NO 7 OF 2016

(First Published in the Karnataka Gazette Extra-ordinary on the Thirty First day of March, 2016)

THE KARNATAKA STAMP (SECOND AMENDMENT) ACT, 2016

(Received the assent of the Governor on the Thirty First day of March, 2016)

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-seventh Year of Republic of India as follows:-

1. Short title and Commencement.- (1) This Act may be called the Karnataka Stamp (Second Amendment) Act, 2016.

(2) It shall come into force with effect from the first day of April, 2016.

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), after the last proviso, the following shall be inserted, namely:-

“Provided also that, the State Government may, in public interest, by notification, remit the stamp duty payable on instruments executed by or in favour of the Government of Karnataka, the Government Institutions, Public Sector Undertakings, farmers or other persons as specified in Notification No. RD 71 MuNoMu 2014, dated 10-02-2016, in the following circumstances, namely:-

- (i) when the farmer’s land is acquired and in lieu of compensation amount, when developed land is given as compensation;
- (ii) when the farmer’s land is acquired and from the compensation amount if the farmer purchases agricultural or non-agricultural land; and
- (iii) when the farmer’s or other’s land is acquired and from the compensation amount, if the farmer or other person purchases agricultural or non-agricultural land;

for the purpose of the above exemption a certificate to that effect issued by the Deputy Commissioner or the concerned Authority has to be furnished containing the details of the land acquired and the details of the compensation given.”

3. Amendment of Schedule.- In the schedule to the Principal Act,-

(A) In article 5,-

- (a) in clause (e), in sub-clause (i), in column (2), for the word, “without”, the word, “before”, shall be substituted,
- (b) in clause (g), in sub-clause (i), in column (3), for the words, “Two per cent”, the words, “Three per cent” shall be substituted,
- (c) for clause (i-e) and the entries relating thereto, the following shall be substituted namely:-

”

(i-e)	Chit Agreement, executed in the State of Karnataka under Section 6 of the Chit Funds Act, 1982.-	
	(i) where the value of the chit does not exceed rupees one lakh	Rupees one hundred
	(ii) where the value of the chit exceeds rupees one lakh	Rupees one hundred plus rupees fifty for every rupees one lakh or part thereof, exceeding rupees one lakh.

”

(B) in article 20, -

(i) in clause (4),-

- (a) in sub-clause (i), in column (3), for the words, “two per cent”, the words, “Three per cent”, shall be substituted;
- (b) in sub-clause (ii), in column (3), for the words, “two per cent”, the words, “Three per cent”, shall be substituted;
- (ii) in clause (5), in sub-clause (i), in column (3), for the words, “Two per cent”, the words, “Three per cent”, shall be substituted;

(iii) in clause (7), in column (3),-

- (a) for the figure, “1%”, the words, “Three per cent”, shall be substituted.

(b) the following proviso, shall be inserted at the end, namely.-

“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.”

(C) In Article 28, in clause (b), in column (3), for the words, “Rupees one thousand”, the following shall be substituted, namely:-

“(i) If the property is situated within the limits of Bangalore Metropolitan Regional Development Authority or Bruhat Bangalore Mahanagara Palike or City Corporation
..... Rupees five thousand;

(ii) If the property is situated within the limits of City or Town Municipal Council or Town Panchayat areaRupees three thousand;

(iii) If the property is situated within the limits other than the limits specified in items (i) and (ii) Rupees one thousand;

Provided that, if the property is situated in any of the combinations of limits, mentioned in items (i), (ii) and (iii) above the duty payable shall be the maximum of the duties specified in items (i), (ii) and (iii) above.”

(D) In Article 30, in clause (1), in sub-clause (vi), in column (3), in the second proviso, for the words, “rupees one thousand”, the following shall be substituted, namely:-

“(i) If the property is situated within the limits of Bangalore Metropolitan Regional Development Authority or Bruhat Bangalore Mahanagara Palike or City Corporation
..... Rupees five thousand;

(ii) If the property is situated within the limits of City or Town Municipal Council or Town Panchayat area Rupees three thousand;

(iii) If the property is situated within the limits other than the limits specified in items (i) and (ii) Rupees one thousand;

Provided that, if the property is situated in any of the combinations of limits, mentioned in items (i), (ii) and (iii) above the duty payable shall be the maximum of the duties described in items (i), (ii) and (iii) above.”

(E) In Article 40,-

(a) for clause A, and the entries relating thereunder in columns (2) and (3), the following shall be substituted, namely.-

A.	Instrument of Constitution	Rupees Two Thousand.
----	----------------------------	----------------------

(b) In clause B, in sub-clause (a), in column (3), for the words and figure, “The same duty as conveyance (No. 20)”, the words, “Three per cent”, shall be substituted; and

(c) In clause C, in sub-clause (a), in column (3), for the words and figure, “The same duty as conveyance (No. 20) for”, the words, “Three per cent on”, shall be substituted.

(F) In article 40-A,-

(a) In clause A, in sub-clause (b), in column (3), for the words, “Rupees five hundred”, the words “Rupees one thousand plus rupees five hundred for every rupees five lakhs or part thereof, exceeding rupee ten lakhs capital amount, subject to a maximum of rupees ten lakhs”, shall be substituted.

(b) In clause B, in column (3), for the words, “Two percent”, the words, “Three percent”, shall be substituted;

(G) In Article 41, after clause (eb), and the entries relating thereto, the following shall be inserted, namely.-

(ec)	When given to person other than the father, mother, wife or husband, sons, daughters, brothers, sisters in relation to the executant authorising such person to sell Transferable Development Rights relating to immovable property situated in Karnataka State.	The same duty as a conveyance under Article 20(7) on the market value of the property which is the subject-matter of Power of Attorney:
------	--	---

(H) In Article 45, in clause (b), in column (3), for the words, "Rupees one thousand", the following, shall be substituted, namely.-

- "(i) If the property is situated within the limits of Bangalore Metropolitan Regional Development Authority or Bruhat Bangalore Mahanagara Palike or City CorporationRupees five thousand;
- (ii) If the property is situated within the limits of City or Town Municipal Council or Town Panchayat area Rupees three thousand;
- (iii) If the property is situated within the limits other than the limits specified in items (i) and (ii) Rupees one thousand;

Provided that, if the property is situated in any of the combinations of limits, mentioned in items (i), (ii) and (iii) above the duty payable shall be the maximum of the duties specified in items (i), (ii) and (iii) above."

(I) In Article 48, in clause (A), in sub-clause (ii), in column (3), for the words, "Rupees one thousand", the following shall be substituted, namely.-

- "(i) If the property is situated within the limits of Bangalore Metropolitan Regional Development Authority or Bruhat Bangalore Mahanagara Palike or City Corporation Rupees five thousand;
- (ii) If the property is situated within the limits of City or Town Municipal Council or Town Panchayat area Rupees three thousand;
- (iii) If the property is situated within the limits other than the limits specified in items (i) and (ii) Rupees one thousand;

Provided that, if the property is situated in any of the combinations of limits, mentioned in items (i), (ii) and (iii) above the duty payable shall be the maximum of the duties specified in items (i), (ii) and (iii) above."

4. Validation.- Notwithstanding anything contained in Section 9 of the Principal Act, as existed prior to commencement of this Act, the exemption or remission of stamp duty granted under Notification No. RD 71 MuNoMu 2014, dated 10-02-2016, shall be deemed to be valid and effective and have been granted under Section 9, as amended by this Act.

By Order and in the name of the Governor of Karnataka,

S.B. GUNJIGAVI
Secretary to Government
Department of Parliamentary Affairs