

KARNATAKA ACT NO. 7 OF 2007

(First published in the Karnataka Gazette Extra-ordinary on the thirtieth day of March 2007)

THE KARNATAKA STAMP (THIRD AMENDMENT) ACT, 2007

Arrangement of Sections

Sections:

1. Short title and commencement
2. Amendment of section 10
3. Amendment of section 45-A
4. Amendment of the Schedule

STATEMENT OF OBJECTS AND REASONS

Amending Act 7 of 2007.- To give effect to the proposals made in the Budget Speech of 2007-2008, it is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957). Certain consequential amendments have also been proposed.

Hence the Bill.

[L.A.Bill No. 20 of 2007]

[Entry 63 of List II of the Seventh Schedule to the Constitution of India.]

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THE KARNATAKA STAMP (THIRD AMENDMENT) ACT, 2007

(Received the assent of the Governor on the thirtieth day of March 2007)

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 Fifty-eighth year of Republic of India, as follows:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Stamp (Third Amendment) Act, 2007.

(2) It shall come into force with effect from First day of April, 2007.

2. Amendment of section 10.- In the Karnataka Stamp Act, 1957 (Karnataka Act 34 of 1957) (hereinafter referred to as the principal Act), in section 10, in sub-section (3), for the words " indicating the payment of stamp duty on the instrument" the words " or implement Computerised Stamp duty administration system or Electronic Stamping or Dematerialisation of stamping; for indicating the payment of stamp duty on any Instrument or plain paper, as the case may be" shall be substituted.

3. Amendment of section 45-A.- In section 45-A of the principal Act, in sub-section (1),-

- (1) in clause (i), after the words, brackets and letters " clause (eb)" the words, brackets and letters "and clause (ea)" shall be inserted;
- (2) in clause (j), for the brackets, words, figures and letters " [Article 45-(a) (i)] " the brackets, words, figures and letters " [Article 45(a)]" shall be substituted;
- (3) after clause (k), the following shall be inserted, namely:-
 - " (l) Agreement [Article 5(f)]
 - (m) Award [Article 11(a)]
 - (n) Trust [Article 54 (A) (iii)]"

4. Amendment of the Schedule.- In the Schedule to the principal Act,-

(1) in Article 5,-

(a) in clause (e), in sub-clause (ii), in item (a), under sub-item (iv), the following shall be inserted, namely:-

" **Explanation.-** Where a reference of a Power of Attorney, granted separately by the seller to the purchaser, in respect of the property which is the subject matter of such agreement; is made in the agreement, the possession of the property is deemed to have been given for the purpose of this clause."

(b) for clause (f), the following shall be substituted, namely:-

"(f)	If relating to giving authority or power to a developer by whatever name called, for construction or, development of, or sale or transfer (in any manner whatsoever) any immovable property.	
	Where the market value of property (1) Does not exceed Rupees one crore	---- 10,000/-

(2) Exceeds one crores and does not exceed two crores	----	20,000/-
(3) Exceeds two crores and does not exceed five crores	----	50,000/-
(4) Exceeds five crores and does not exceed ten crores	----	1,00,000/-
(5) Exceeds Ten crores	----	1,50,000/-

(c) in the Explanation (II), for the words, brackets and letter "sub-clause (i)" the words, brackets and letters "sub-clause (i) and (ii)" shall be substituted.

(2) In Article 6, in clause (1), in sub-clause (a), after item (iv), in column 2, the following proviso shall be inserted, namely:-

" Provided that, if the loan is for the following purpose,-

1.	Exclusively for the development of property for Commercial use as indicated in the sanctioned plan.	0.5% duty is subject to a maximum of Rupees five lakh.
2.	Exclusively for the development of property for Residential use as indicated in the sanctioned plan	0.5% duty is subject to a maximum of Rupees fifty thousand."

(3) 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; On the Amount or market value of the property whichever is higher.	The same duty as a bond (Article no.12) on the market value of the property which is the subject matter of the award."
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(4) In Article 14, in clause (a), in column 2, for the word "Schedule" the words "Schedule and not otherwise specifically provided for by the Schedule" shall be substituted.

(5) In Article 20,-

(i) in clause (1), in column 2, the following proviso shall be inserted, namely:-

" Provided that where a conveyance is backed by a valid title insurance policy issued by any Insurance Company recognized by Insurance Regulatory and Development Authority, the duty shall be 7 % of the market value of the property."

(ii) for clause (4), the following shall be substituted, namely:-

"(4) If relating to an order made by the High Court under section 394 of the Companies Act, 1956 in respect of; (i) Amalgamation of Companies, including a subsidiary amalgamating with parent company	Same duty as a conveyance [under Article 20(1)] on the market value of the property of the transferor company, located within the State of Karnataka and transferred to the transferee company; or An amount equal to 0.7% of the aggregate value of shares issued or allotted in exchange, or otherwise merged (or cancelled) with parent company and in addition, the amount of consideration if any, paid for such amalgamation; -which ever is higher.
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(ii) Reconstruction or Demerger of a company	Same duty as a conveyance [under Article 20(1)], on the market value of the property of the transferor company, located within the State of Karnataka, and transferred to the resulting company; or An amount equal to 0.7% of the aggregate value of shares issued or allotted to the resulting company and in addition, the amount of consideration if any, paid for such demerger or reconstruction; -whichever is higher."
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(6) In Article 28, in the Explanation, for the words "daughter-in-law" the words and comma "daughter-in-law, brothers, sisters" shall be substituted.

(7) In Article 41, for clause (ea) and entries relating thereto, the following shall be substituted, namely:-

" (ea) when given to a promoter or developer by whatever name called for construction, development on, or sale, or transfer (in any manner whatsoever) of, any immovable property situated in Karnataka State.	
Where the market value of property,- (1) Does not exceed Rupees one crore (2) Exceeds one crores and does not exceed two crores (3) Exceeds two crores and does not exceed five crores (4) Exceeds five crores and does not exceed ten crores (5) Exceeds Ten crores	---- 10,000/- ---- 20,000/- ---- 50,000/- ---- 1,00,000/- ---- 1,50,000/-"

(8) In Article 45, in clause (a),-

(a) in item (i), for the entries in column 3, the following shall be substituted, namely:-

"2.5% on the market value of the property, which is the subject matter of release".

(b) in item (ii), for the entries in column 3, the following shall be substituted, namely:-

" 50% of the rate applicable to Conveyance on the market value of the property which is the subject matter of Release."

(9) In Article 48, in the Explanation, for the words "daughter-in-law" the words and comma "daughter-in-law, brothers, sisters" shall be substituted.

(10) In Article 54, for clause A and entries relating thereto, the following shall be substituted, namely:-

" A. Declaration of,-

(i)	Concerning any Money or Amount conveyed by the Author to the Trust as corpus.	Rupees five hundred
(ii)	Concerning any immoveable property owned by the Author and conveyed to the Trust of which, the Author is the sole Trustee.	Rupees five hundred

(iii)	Concerning any immoveable property owned by the Author and conveyed to the Trust of which, the Author is not a Trustee or one of the Trustees.	the same duty as a conveyance [Article 20(1)] for the market value of the property conveyed."
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By Order and in the name of the Governor of Karnataka

G. K. BOREGOWDA
Secretary to Government,
Department of Parliamentary Affairs and Legislation

ನಿರ್ದೇಶಕರು, ಮುದ್ರಣ, ಲೇಖನ ಸಾಮಗ್ರಿ ಮತ್ತು ಪ್ರಕಟಣೆಗಳ ಇಲಾಖೆ, ಬೆಂಗಳೂರು