

PUNJAB VIDHAN SABHA

Bill No. 24-PLA-2016

THE INDIAN STAMP (PUNJAB SECOND AMENDMENT) BILL, 2016

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BILL

Further to amend the Indian Stamp Act, 1899, in its application to the State of Punjab.

BE it enacted by the Legislature of the State of Punjab in the Sixty-seventh Year of the Republic of India as follows :—

1. (1) This Act may be called the Indian Stamp (Punjab Second Amendment) Act, 2016. Short title and commencement.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Indian Stamp Act, 1899, in its application to the State of Punjab, in section 9, in sub-section (1), in clause (a), in the proviso, after the word, figure, sign and letter "Schedule 1-A," the words, figures, signs and letters "Schedule 1-B and Schedule 1-C," shall be inserted. Amendment of section 9 of Central Act 2 of 1899.

3. (1) The Indian Stamp (Punjab Amendment) Ordinance, 2015 (Punjab Ordinance No. 5 of 2015), is hereby repealed. Repeal and Saving.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance referred to in sub-section (1), shall be deemed to have been done or taken under this Act.

STATEMENT OF OBJECTS AND REASONS

Stamp duty is levied on the sale/transfer of immovable property under entry No. 23 of Schedule 1-A of the Indian Stamp Act, 1899 (for Punjab). However, this stamp duty has been exempted by the Punjab Government in exercise of power u/s 9(1)a of the Act *ibid*, on instruments pertaining to transfer of immovable property by an owner during his/her life time to any blood relation. Under section 3-C(1) of the Indian Stamp Act as amended by Punjab Act No. 11 of 2005, an additional stamp duty as specified in Schedule 1-B is chargeable as Social Security Fund, within the jurisdiction of a Municipality or a Corporation or within the area of five kilometers from the outer limit of the Municipality or Corporation as specified. Similarly, under section 3-D (1) of the Indian Stamp Act, 1899, as amended by Punjab Act No. 12 of 2013, an additional duty as social infrastructure cess, is chargeable as specified in Schedule 1-C.

2. In public interest, it has been decided that the Additional Stamp Duties referred to above, may also be exempted in case an owner, during his/her life time, transfers his/her property to family members. However the State Government is not empowered to exempt the additional stamp duties chargeable under Schedule 1-B and 1-C of the Indian Stamp Act, 1899.

3. In view of the reasons given in para 1 & 2 above, it has become necessary to amend the provisions under section 9(1)(a) of the Act *ibid*. Hence this Bill.

BIKRAM SINGH MAJITHIA,
Minister for Revenue, Punjab.

FINANCIAL MEMORANDUM

Stamp duty is levied on the sale/transfer of immovable property under entry No. 23 of Schedule 1-A of the Indian Stamp Act, 1899 (for Punjab). However, this stamp duty has been exempted by the Punjab Government in exercise of power u/s 9(1)a of the Act *ibid*, on instruments pertaining to transfer of immovable property by an owner during his/her life time to any blood relation. Under section 3-C(1) of the Indian Stamp Act as amended by Punjab Act No. 11 of 2005, an additional stamp duty as specified in Schedule 1-B is chargeable as Social Security Fund, within the jurisdiction of a Municipality or a Corporation or within the area of five kilometers from the outer limit of the Municipality or Corporation as specified. Similarly, under section 3-D (1) of the Indian Stamp Act, 1899, as amended by Punjab Act No. 12 of 2013, an additional duty as social infrastructure cess, is chargeable as specified in Schedule 1-C.

2. In public interest, it has been decided that the Additional Stamp Duties referred to above, may also be exempted in case an owner, during his/her life time, transfers his/her property to family members. However the State Government is not empowered to exempt the additional stamp duties chargeable under Schedule 1-B and 1-C of the Indian Stamp Act, 1899.
3. The actual benefit to the public from the proposed amendment or loss to the Government for exemption of these additional stamp duties cannot be foreseen as it is not possible to assess as to how many instruments would actually be executed in a year.

The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

CHANDIGARH :
The 21st March, 2016.

SHASHI LAKHANPAL MISHRA,
Secretary.

N.B.— The above Bill was published in the *Punjab Government Gazette (Extraordinary)*, dated the 21st March, 2016 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).