



**KARNATAKA LEGISLATIVE ASSEMBLY
FOURTEENTH LEGISLATIVE ASSEMBLY
FIFTH SESSION**

**THE KARNATAKA STAMP (SECOND AMENDMENT) BILL, 2014
(L.A. Bill No. 67 of 2014)**

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 sixty-fifth year of the Republic of India as follows:-

1. Short title and commencement.— (1) This Act may be called the Karnataka Stamp (Second Amendment) Act, 2014.

(2) It shall be deemed to have come into force with effect from the first day of October, 2014.

2. Amendment of Section 9.— In the Karnataka Stamp Act, 1957, (Karnataka Act 34 of 1957) in section 9, in sub-section (1), in clause (a), after the eighth proviso, the following shall be inserted, namely:-

"Provided also that the State Government may, in public interest, by notification, reduce or remit, till 30th September 2019 the stamp duty payable on any instrument to be specified therein, executed by specified new and existing micro, small, medium enterprise (MSME), Large, Mega, Ultra Mega, Super Mega Enterprises including expansion, modernization and diversification projects as defined in the Karnataka Industrial Policy 2014-2019 specified in the Government order CI 58 SPI 2013 dated: 01.10.2014 or by any such key projects of core area as defined in the said policy or specified by the State Government from time to time".

STATEMENT OF OBJECTS AND REASONS

It is considered necessary to amend the Karnataka Stamp Act, 1957 (Karnataka Act No. 34 of 1957) to reduce or remit stamp duty in public interest payable on any instrument executed by key projects of core area in special economic zone made in the New Karnataka Industrial Policy 2014-2019 announced by the State Government and to give impetus to growth in the industry.

Hence, the Bill.

FINANCIAL MEMORANDUM

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

V. SRINIVASA PRASAD

Minister for Revenue

P. OMPRAKASHA

Secretary

Karnataka Legislative Assembly

ANNEXURE

**EXTRACT FROM THE KARNATAKA STAMP ACT, 1957 (KARNATAKA
ACT 34 OF 1957)**

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9. Power to reduce, remit or compound duties.- (1) The State Government may, by rule or order published in the Official Gazette,—

(a) reduce upto fifty percent in the whole or any part of the State of Karnataka, if in the opinion of the State Government it is necessary in public interest so to do, the duties with which any particular class of instruments, or any of the instruments belonging to such class, or any instruments when executed by or in favour of any particular class of persons, or by or in favour of any members of such class, are chargeable; and

Provided that the State Government may in public interest reduce or remit the stamp duty payable on an instrument executed,-

(i) by or in favour of any person to obtain or to repay loan, as the case may be, for an agricultural purpose as defined in the Karnataka Agricultural Credit Operations and Miscellaneous Provisions Act, 1974 (Karnataka Act 2 of 1975),

(ii) by a public sector undertaking, to obtain loan for the purpose for which it is established,

(iii) by or in favour of loanee to obtain or repay loan, as the case may be for the purposes of pursuing education, acquiring and installing water harvesting units and non-conventional energy devices such as solar and biogas energies,

(iv) by or in favour of loanee to obtain loans for non-agricultural purposes advanced to 'Joint Liability Groups' by Schedule Banks and other Financial Institutions specified in this behalf; (v) by or in favour of farmers for the allotment of developed lands to the farmers, when their lands are acquired for public purposes; (vi) by or in favour of farmers for the purchase

of lands from the compensation amount paid to them when their lands are acquired for public purposes.]1 1. Inserted by Act 16 of 2011 w.e.f. 1.4.2011. 1[Provided further that the State Government may, in public interest, by notification, reduce or remit the stamp duty payable on any instrument to be specified therein, executed by or between Special Economic Zone Developer, Co-Developer, Land Owners, Karnataka Industrial Areas Development Board and Financial Institutions as defined in the State policy for Special Economic Zones – 2009, vide Government Order No. CI 114 SPI 2007, Bangalore, dated: 28-02-2009. Provided also that the State Government may, in public interest, by notification, reduce or remit, till 31st March 2014, the stamp duty payable on any instrument to be specified therein executed by specified new and existing micro, small, medium enterprises, Large Scale Industrial Units and mega projects including expansion or modernization or diversification projects, as defined in the Karnataka Industrial Policy 2009-14 specified in the Government Order No. CI 233 SPI 2008, Dated: 28-02-2009 or by such key projects of core area as defined in the said policy or specified by State Government from time to time

Provided also that the State Government may in public interest, by notification, reduce or remit the stamp duty payable on any instrument to be specified therein, executed by or between the concerned persons in connection with 2009-14 tourism policy of the State specified in Government Order No. Ka Sam Va Pra 231 Pra Va Yo 2007 dated: 20th October 2009 or specified by the State Government from time to time.

Provided also that the State Government may in public interest, reduce or remit by notification the stamp duty payable on any instrument to be specified therein, executed by or between the concerned persons in connection with,-

(a) the integrated Karnataka Agri-Business Development policy 2011, specified in the Government order No. AHD 172 AFT 2010, Bangalore, dated 5th March 2011 or as specified by the State Government from time to time;

(b) the Semiconductor policy of Karnataka State- 2010, specified in the Government Order No. ITD 10 PRM 2008, Bangalore, Dated 25th February 2010 or as specified by the State Government from time to time;

(c) The information and communications technology policy- 2011, specified in the Government Order No. ITD 11 PRM 2008, Bangalore, Dated 2nd February 2010 or as specified by the State Government from time to time;

(d) The Karnataka Electronics Hardware Policy – 2011, specified in the Government Order No. ITD 09 PRM 2008, Bangalore, Dated 29th January 2011 or as specified by the State Government from time to time.

Provided also that the state Government may in public interest reduce or remit by notification, the stamp duty payable on any instrument to be specified therein, executed,-

(i) by or in favour of Rajiv Gandhi Housing Corporation in connection with implementation of housing programme including houses built under Indira Awaas Yojana, for the economically weaker sections and special occupational categories both in rural and urban areas for the purpose of providing residential facilities with capital investment by the state Government and loan borrowed from Housing And Urban Development Corporation,

(ii) in favour of local bodies, urban development authorities and other public authorities to be specified therein, for the purposes of providing roads, civic amenities, parks, water bodies, mini-forests, boulevards, etc. which are exclusively meant for public purpose.

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:06-02-2013 or specified by the State Government from time to time.

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:23-04-2003.

(b) provide for the composition or consolidation of duties in the case of issues by any incorporated company or other body corporate of bonds or other marketable securities, brokers' notes, policies of insurance and receipts.

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