

# Stamp Duty

## History

- ▶ State Govt. collects information on rates
- ▶ Preparation of Stamp Duty Manual
- ▶ Rates given per location, village & City Survey No.
- ▶ Manual is on Calendar Year Basis
- ▶ Rate applied to Built up area (Carpet + 20%)



# Stamp Duty

## Categories

In Ascending Order of Value

- ▶ Developed Land (FSI 1:1)
- ▶ Residential units
- ▶ Industrial
- ▶ Office/Commercial upper floor
- ▶ Shop/Commercial Ground Floor



# Stamp Duty

## Common Valuation Factors

- ▶ Age of Building
- ▶ No. of Floors + Lift
- ▶ Terrace attached
- ▶ Open/Stilt parking
- ▶ Garden Area
- ▶ FSI



# Stamp Duty

## Valuation of Row house Etc. in GHS

Valuation in respect of Group Housing Bungalows, Pent Houses and Row Houses having area exceeding 120 Sq Mts/1292 Sq. Feet, must be increased by 25%

Where roof is not of RCC Slab, increase is 10%

For property not part of Group housing project, e.g. CHS or approved independent layout, valuation is for Land + COC of built up area.



# Stamp Duty

## Valuation in Mumbai City/Suburbs GHS

Plot Size of the GHS Project	Row House/ Pent House /Bungalow Duplex of area < 120 Sq. Mts.	Row House/ Pent House /Bungalow Duplex of area > 120 Sq. Mts.
2-10 Hectares	105%	+ 20%
> 10 Hectares	110%	+ 15%

Note : 1 Hectare = 10,000 Sq. Metres



# Stamp Duty

## Valuation for Extraordinary Bungalow or Building in GHS

Building or Bungalow Has amenities like Helipad, Gymnasium, Pool, double height floors or ultramodern facilities	200% of rate in that value zone
If no rate given, Higher of :	(i) 200% of value as per Cost of Construction method (ii) 200% of rate for residential flats



# Stamp Duty

## **Cost of construction method (L +COC)**

- ▶ Valuation in respect of land + structure
- Where rate is not mentioned in the reckoner.
- If valuation falls below value of developed land
- Calculate value of land plus cost of construction less depreciation
- Increase by appropriate factor.

# Stamp Duty

## Cost of Construction for 2015

<b>Construction</b>	<b>Cost per Sq. Mt Rs.</b>
<b>RCC Pukka</b>	<b>25,000</b>
<b>Other Pukka</b> [Load Bearing, Kaccha Flooring ]	<b>22,500</b>
<b>Semi-Pukka</b> [ Load bearing, No Slab]	<b>15,000</b>
<b>Kaccha</b> [Asbestos, Tin or Tiled roof]	<b>11,250</b>



# Stamp Duty

## Percentage increase for COC Method

<b>Premises Type</b>	<b>Increase</b>
<b>Residential Flat</b>	<b>15%</b>
<b>Industrial unit</b>	<b>20%</b>
<b>Independent land with industrial building</b>	<b>20%</b>
<b>Office units except on ground floor</b>	<b>25%</b>
<b>Shop or office on ground floor</b>	<b>50%</b>

# Stamp Duty

## Valuation – Development Agreement

Where Built up area is shared

Value will be higher of :

- a. COC of land owner's area Plus cash consideration
- b. Developer's portion X Land rate



# Stamp Duty

## Valuation – Development Agreement

Where revenue is shared

Value will be higher of :

- a. Land Owner's share i.e. 85% of sale price **Plus** cash consideration
- b. Full value of land



# Stamp Duty

## Valuation – Cessed Buildings/SRA

Value will be higher of :

- a. COC of Land Owner's portion **Plus** cash consideration
- b. Higher of total constructed portion **minus** SRA portion **AND** 50% of full land area at land rate



# Stamp Duty

## When Document is to be stamped

- ▶ Docs Executed within state must be stamped before, at the time of or immediately after execution. This may also be done on the next working day after execution (Sec 17 of BSA)
- ▶ Docs Executed out of state must be stamped within 3 months after they are first received in state (Sec 18 of BSA)



# Stamp Duty

## Stamp Papers

- ▶ Stamp paper must be in the name of one of the parties (Sec 34 of BSA)
- ▶ W.e.f. 01-12-1989, stamp paper not used within 6 months from date of purchase is rendered invalid. (Sec 52B of BSA)





# Stamp Duty

## Unstamped/Under-stamped Documents

- ▶ Both unstamped/under stamped documents can be regularized (Sec 34 of BSA)
- ▶ Payment of duty + penalty of 2% per month.
- ▶ Penalty not to exceed 200% of deficit amount.



# Stamp Duty

## Refund of Stamp Duty

- Inadvertently & undesignedly spoiled
- Document not signed or executed by any party thereto
- Document executed by any party being (provided no legal proceeding has been initiated)
  - Void, OR Unfit by reason of mistake,
  - Death of other party prior to execution,
  - Want of execution by some material party, OR Refusal of any party
  - Existence of some other duly stamped instrument



# Stamp Duty

## Refund of Stamp Duty

Refund to be claimed within

- 6 months of the date of execution
- 2 Years from the date of Execution in case the agreement is registered
- 6 months from the date of Purchase otherwise



# Stamp Duty

## **Your date(s) with stamp duty**

Prior to 04/07/1980, stamp duty was payable on agreement value

From 04-07—1980, stamp duty is payable on market value for properties other than those in Co-op. Societies.

From 10/12/1985, stamp duty is payable on market value for ALL properties



# Stamp Duty

## Deemed Conveyance

- I. Regd. Agreement For Sale prior to 04/07/1980 will be stamped on agreement value @ 5%
- II. Unregd. Agreement For Sale prior to 04/07/1980 will be stamped on agreement value at old scale + 200% penalty
- III. Regd. Agreement For Sale prior to 10/12/1985 will be stamped on Market value on Agmt date @ 5%
- IV. Regd. Agreement For Sale (with execution proof) prior to 10/12/1985 will be stamped on Market value on Agmt date at old scale + 200% penalty
- V. Unregd. Agreement For Sale (sans execution proof) prior to 10/12/1985 will be stamped on CURRENT Market value @ 5%

# Stamp Duty

## Some Property Related Items

- Conveyance (Art 25)
- Gift (Art 34)
- Lease (Art 36)
- Leave & License (Art 36A)
- Release (Art 52)
- Investor Flats (Art 5 (g-a)(ii))
- Development Agreement (Art 5(g-a)(i))
- POA Coupled with Interest (Art 48)





# Stamp Duty

## Some Important Points

- Development Agreement to be stamped as Conveyance
- Old agreements cannot be registered under Declaration/Confirmation Deeds w.e.f. 22/12/2011
- POA for Consideration and Authority to Sell to be stamped as Conveyance
- POA to close Relative for Sale of Property without Consideration to be Rs. 500/- (Father, Mother, Brother, Sister, Wife, Husband, Daughter, Grandson, Grand daughter or Such Other Close Relative)



# Stamp Duty

## Stamp duty rates for Leave & License Agreements 2015

LICENSE PERIOD	For Municipal Corporation Areas
	(₹)
Upto 5 Years	0.25% of : (i) Licence Fees/Rent Payable PLUS (ii) Non Refundable deposit, Advance/Premium PLUS (iii) Interest @ 10% p.a. on refundable deposit
Upto 10 Years	1.25% of the Market Value of property
Upto 29 Years	2.5% of the Market Value of property
> 29 Years	4.5% of the Market Value of property

# Stamp Duty

## Fresh Amendments in 2015

- Stamp duty on Basic Agreements, Undertakings, etc. increased to Rs. 500/-
- Transfer of immovable property to blood relatives will be Rs. 500/- only.



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