

PUNJAB VIDHAN SABHA

Bill No. 52-PLA-2016

THE INDIAN STAMP (PUNJAB THIRD 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 Third 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 Schedule 1-A, in entry 48, for item "F", the following item shall be substituted, namely :—

Amendment in Schedule 1-A of Central Act 2 of 1899.

*"(f) when given for consideration and authorizing the attorney to sell any immovable property ; and*

*The same duty as is leviable on conveyances (entry No. 23) by this Schedule for the amount of consideration."*

## STATEMENT OF OBJECTS AND REASONS

*Vide* entry No. 48 (f) of Schedule 1-A of the Indian Stamp Act, 1899 (for Punjab) as amended,—*vide* Act No. 56 of 2013, on a power of Attorney, when given to a person other than family member, authorizing to sell any immovable property, 2% stamp duty is levied for the amount of consideration or collector rate in respect of the property, mentioned in the instruments, whichever is higher.

2. It has, however been noticed that there is slump in the field of real estate. The buyers of property prefer to obtain power of attorneys from the seller, instead of sale deeds, to avoid stamp duty, as well as Social Security Fund in urban areas, Social Infrastructure Cess in all areas and Punjab Infrastructure Development Cess. Therefore, if levying of 2% stamp duty is abolished, the buyers will prefer to get the sale deed registered, because the power of attorney does not create any title.

3. In view of the reasons given in para 1-2 above, it has become necessary to amend the provision of Indian Stamp Act, 1899. Hence this Bill.

BIKRAM SINGH MAJITHIA,

Minister for Revenue & Rehabilitation  
Punjab.

## FINANCIAL MEMORANDUM

*Vide* entry No. 48 (f) of Schedule 1-A of the Indian Stamp Act 1899 (for Punjab) as amended *Vide* Act No. 56 of 2013, on a power of Attorney, when given to a person other than family member, authorizing to sell any immovable property, 2% stamp duty is levied for the amount of consideration or collector rate in respect of the property, mentioned in the instruments, whichever is higher.

2. It has, however been noticed that there is slump in the field of real estate. The buyers of property prefer to obtain power of attorneys from the seller, instead of sale deeds, to avoid stamp duty, as well as Social Security Fund in urban areas, Social Infrastructure Cess in all areas and Punjab Infrastructure Development Cess. Therefore, if levying of 2% stamp duty is abolished, the buyers will prefer to get the sale deed registered, because the power of attorney does not create any title.

3. The actual loss of income on stoppage of levying 2% stamp duty on power of attorneys can not be assessed. Similarly actual income if the buyers prefer to get the sale deed registered, due to the proposed amendment, can not be foreseen, as it is not possible to assess as to how many instruments would actually be executed in a year.

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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 14th September, 2016

SHASHI LAKHANPAL MISHRA,

Secretary.

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*N.B.*— The above Bill was published in the *Punjab Government Gazette (Extraordinary)*, dated the 14th September, 2016 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).