

## FREQUENTLY ASKED QUESTIONS

### STAMP DUTY

Q 1	What is meant by Stamp Duty ?
Ans	Stamp duty is a kind of tax levied on documents.
Q 2	What are the documents on which Central Government levies stamp duty?
Ans	Central Government can only levy stamp duty in respect of the instruments: Bill of exchange Cheques Promissory Note Bill of landing Letter of Credit Policy of Insurance Transfer of Shares Debenture Receipt
Q 3	What are the documents in which State Government can only levy stamp duty?
Ans	There are 55 articles described in the Schedule to the Karnataka Stamp Act, 1957 for which State Government prescribes stamp duty. Example: Affidavit, adoption deed, sale deed, gift deed, lease deed, mortgage, license, partition deed and settlement deed etc. <a href="#">Click here for the Schedule to the Karnataka Stamp Act, 1957</a>
Q 4	How and where to pay stamp duty?
Ans	Stamp duty can be paid through a) Purchase of impressed stamps from treasury or licensed stamp vendors OR b) Purchase of adhesive stamps OR c) Payment to the Government through DD / pay order issued by any nationalised bank / scheduled bank or challan. OR d) Instrument (document) can be written on plain paper and stamp duty can be paid through DD / pay order issued by any nationalised bank / scheduled bank or challan within two months from the date of execution of the instrument (document) and get it Certified by the jurisdictional District Registrar or Sub Registrar.
Q 5	Can a Stamp paper used for one purpose be used for another transaction?
Ans	No. A stamp paper once used for a purpose cannot be used for another purpose. Example: An affidavit executed for a purpose cannot be executed for another purpose.
Q 6	When Stamp duty is to be paid?
Ans	(a) Generally stamp duty shall be paid or before or at the date of executing a document. (b) Instrument (document) can be written on plain paper and stamp duty can be paid through DD / pay order issued by any nationalised bank / scheduled bank or challan within two months from the date of execution of the instrument (document) and get it Certified by the jurisdictional District Registrar or Sub Registrar.
Q 7	How to pay stamp duty in respect of a document executed out of India to be used in Karnataka? What is the procedure to be followed?
Ans	Stamp duty can be paid within three months from the date of receipt in India. Document may be produced before the District Registrar. Who will certify on payment.
Q 8	Is it mandatory to pay stamp duty as per schedule of Karnataka Stamp Act to a document relating to property situated in Karnataka is executed in other State of India? What is the procedure to be followed?
Ans	When a document is executed on stamp paper purchased in other state in respect of property situated in Karnataka, if such duty is less than the duty prescribed under the Karnataka Stamp Act, the deficit duty shall be paid. Example: Suppose a power of attorney is executed in favour of a person other than family member, 2 percent stamp duty on value of the property shall be made good after deducting stamp duty, if any, already paid.
Q 9	Is it mandatory to pay stamp duty on interest to be accrued on the loan irrespective of documents executed as security for such loan?
Ans	No. Stamp duty is to be paid on loan amount. No duty need be paid on interest to be accrued.
Q	Is there deduction of stamp duty in respect of sale deed relating to property

10	executed in favour of mortgage of the same property?
Ans	Yes. Deduction to the extent of duty paid on mortgage deed is available.
Q 11	What is the stamp duty to be paid in respect of instruments in which amount is to be paid in annuity or periodically?
Ans	Instruments executed to pay amount annually or periodically stamp duty is to be paid as follows depending on the circumstances. Where the sum payable during the period is previously ascertained stamp duty is to be paid on whole of the amount. Where the sum payable is in perpetuity or for an indefinite time not terminable with any life, stamp duty shall be on the sum payable during the period of 20 years calculated from the date on which the first payment becomes due. Where the sum payable for an indefinite time terminable with any life, the stamp duty shall be paid on the sum payable during the period of 12 years calculated from the date on which the first payment becomes due.
Q 12	Generally there are 2 parties in a document i.e. executing party and claiming party. Who is liable to pay stamp duty among them?
Ans	In the absence of agreement to the contrary, the expense of providing the proper stamp shall be borne- In the case of mortgage by way of deposit of deed, hypothecation, further charge, indemnity bond, bond, mortgage, settle by the person drawing making or executing such instrument; In case of conveyance (sale etc.) deed including reconveyance by the grantee, Example: in case of sale deed purchaser is liable to pay stamp duty. In case of lease lessee, In case of power of attorney executing party, In case of Certificate of sale on auction of property the purchaser, In case of exchange deed both parties equally, In case of partition deed, all the parties in proportion to their share are liable to pay stamp duty. Click here for Sec.30 of the Karnataka Stamp Act, 1957
Q 13	Is there any provision to get authentic opinion on the duty payable on any document is doubtful? If there is provision, what is the procedure to be followed?
Ans	In case of doubt about duty payable on any instrument (document) application may be made to the District Registrar (Deputy Commissioner of Stamps) with following records: Draft of the proposed deed or deed itself. Affidavit (on stamp paper of Rs.20) Fee Rs.100.
Q 14	What is the consequence of non-payment of stamp duty?
Ans	When Stamp duty leviable on a document is not paid i.e. cannot be accepted or received in evidence. No transaction is valid if done on the basis instrument no duty stamped. Instruments presented to any public officer (excluding police) will be impounded. Stamp duty an penalty will be levied.
Q 15	What is the procedure followed after a document is impounded?
Ans	(a) A public officer impounding an instrument will send it to Deputy Commissioner (District Registrar) concerned to determine the stamp duty to be paid. Deputy Commissioner (District Registrar) will determine the stamp duty to be paid after giving opportunity to the party concerned to put forth these arguments on the duty to be paid. He may levy penalty of minimum of Rs.5 or up to ten times of the deficit total duty to be paid depending on the case if he finds the document was not duly stamped. Appeal can be preferred to the chief controlling Revenue Authority (Inspector General & Commissioner of Stamps) in first instance and then to the High Court if the parties are aggrieved.
Q 16	Is there provision to write document in available stamp paper and pay deficit stamp duty afterwards in urgent cases?
Ans	Yes there is provision. If the party concerned voluntarily come forward to pay deficit stamp duty within one year from the from the date of execution (signature) Sub Registrar will accept deficit stamp duty and certify accordingly on the document without leaving penalty.

Q 17	Is there provision to get refund of penalty paid in case of impounded Document?																								
Ans	Yes there is provision. Chief Controlling Revenue Authority (IGR & CS) may order refund on appeal within one year.																								
Q 18	Stamp duty is levied on market value of property involved in sale gift, exchange settlement. How to know market value of property?																								
Ans	<p>(a) As defined under Sec.2 (mm) of the Karnataka Stamp Act 1957, market value of property is the value it would fetch if sold in the open market.</p> <p>(b) Government has formed Committees to estimate market value of properties. They would fetch in different localities under Karnataka Stamp (Estimate of Market Value) Rules 1992. The committee will estimate the value from time to time as per laid down norms and principles and publish the same for information of public.</p> <p>(c) When a document is presented to the Sub Registrar for registration, he will give endorsement in prescribed form about the market value of property as the market value estimated by the committee. If the party concerned agrees to pay the stamp duty on such value, he will register the document.</p> <p>(d) If parties to the document do not agree to pay stamp duty on the market value informed above, Sub Registrar will keep the document pending and refer the document for determination of market value.</p> <p>(e) District Registrar (Deputy Commissioner of Stamps) will hear the parties and determine market value after spot inspection if necessary.</p> <p>(f) Appeal may be preferred to the Deputy Inspector General of Registration within 60 days from the date of receipt of order of the District Registrar. You can see the market value of entire state i.e. each village, each state.</p>																								
Q 19	Is there provision to get refund of value of Stamp papers not used or spoiled etc.?																								
Ans	<p>Yes, there is provision. Application may be submitted within the time limit mentioned below to the District Registrar (Deputy Commissioner of Stamps), Assistant Commissioner (Revenue Division) or Assistant Commissioner of Stamps: If Stamp paper is purchased and executed as security to get loan and such loan could not be obtained on execution of such document within 6 months from the date of execution (signature); When the stamp paper is not used for the purpose for which it was purchased, within one year from the date of such purchase; When time limit prescribed above is over, application may be submitted to Government within 10 years from the date of purchase of stamps; There is provision to get refund beyond 10 years from the date of purchase of stamps; Depending on the period within which application is submitted, commission as mentioned below may be deducted for refund of value of stamp;</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Period within which application is submitted</th> <th>Commission is paid per rupee</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>One year</td> <td>Twenty</td> </tr> <tr> <td>2</td> <td>Two year</td> <td>Fifteen</td> </tr> <tr> <td>3</td> <td>Three year</td> <td>Twenty</td> </tr> <tr> <td>4</td> <td>Four year</td> <td>Twenty Five</td> </tr> <tr> <td>5</td> <td>Five year</td> <td>Thirty</td> </tr> <tr> <td>6</td> <td>Six year</td> <td>Thirty Five</td> </tr> <tr> <td>7</td> <td>Seven year</td> <td>Forty</td> </tr> </tbody> </table>	Sl. No.	Period within which application is submitted	Commission is paid per rupee	1	One year	Twenty	2	Two year	Fifteen	3	Three year	Twenty	4	Four year	Twenty Five	5	Five year	Thirty	6	Six year	Thirty Five	7	Seven year	Forty
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See Government order RD 48 EST 75 Bangalore dated 27-4-1977.													
Q 20	Is there time limit to use the stamps purchased?												
Ans	No, there is no time limit. They may be used anytime.												
Q 21	How to prevent use of fake stamp papers?												
Ans	<p>In Karnataka state sale of Judicial and Non-judicial stamp papers discontinued w.e.f. 1-4-2003.</p> <p>Write document on Rs.2/- Document Sheet or on plain paper.</p> <p>Stamp duty can be paid in jurisdictional Sub-Registrar Office or in authorised Banks.</p>												
Q 22	Is there any concession of stamp duty in respect of gift deeds in favour of family members?												
Ans	<p>Yes, there is concession. If a person in relation to donor is husband, wife, son, daughter, daughter-in-law or grand children stamp duty payable under the schedule to Karnataka Stamp Act is Rs.1000. Additional stamp duty towards local bodies is Rs.1000 and additional stamp duty towards infrastructure development is Rs.50. Total duty payable is Rs.2050.</p>												
Q 23	What is the stamp duty and registration fee payable for partition among joint family?												
Ans	<p>The following stamp duty and registration fee shall be paid if partition of property is affected among joint family members</p> <table border="1"> <tr> <td>A. If the property is non agricultural property (1) If the property is situated in Corporation of municipal Areas.</td> <td>Stamp duty Rs.1000 for every share. Registration fee Rs.500 for each share.</td> </tr> <tr> <td>(2) If property is situated in other places.</td> <td>Stamp duty Rs.500 &amp; registration fee Rs.250 for each share.</td> </tr> <tr> <td>B. If property is agricultural Property.</td> <td>Stamp duty Rs.250 &amp; registration fee Rs.50 for each share.</td> </tr> <tr> <td>C. If property is movable.</td> <td>Stamp duty Rs.250 &amp; registration fee Rs.100 for each share.</td> </tr> <tr> <td>D. If properties are situated in A, B, C areas</td> <td>Maximum of stamp duty and registration fee prescribed in A, B, C.</td> </tr> </table>			A. If the property is non agricultural property (1) If the property is situated in Corporation of municipal Areas.	Stamp duty Rs.1000 for every share. Registration fee Rs.500 for each share.	(2) If property is situated in other places.	Stamp duty Rs.500 & registration fee Rs.250 for each share.	B. If property is agricultural Property.	Stamp duty Rs.250 & registration fee Rs.50 for each share.	C. If property is movable.	Stamp duty Rs.250 & registration fee Rs.100 for each share.	D. If properties are situated in A, B, C areas	Maximum of stamp duty and registration fee prescribed in A, B, C.
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Q 24	Is there concession of stamp duty if property is leased to family members?												
Ans	<p>Yes. There is concession. If lessee in relation to lesser is husband, wife, father, mother, son, daughter, brother, sister, maximum stamp duty payable is Rs.1000. If it is lease is in perpetuity, additional stamp duty for local bodies shall be paid.</p>												
Q 25	Is there concession of stamp duty for mortgage deeds executed by agriculturists to obtain loan from banks for agricultural improvements?												
Ans	<p>There is full exemption of stamp duty for the instrument executed by farmers, in favour of commercial/co-operative bank, societies or other recognized financial institutions to obtain any amount of loan. But there is no concession of registration fee if they are to be registered instead of sending under Sec.89 of the Registration Act or under Karnataka Agricultural Credit Operations and Miscellaneous Provisions Act 1974.</p>												

Q 26	Is there is concession for sale deeds in favour of Educational Institutions for their building etc.?
Ans	There is concession of stamp duty to the extent of 25 percent. There is no concession of registration fee.
Q 27	Is there concession of stamp duty for mortgage deeds executed by Central Government Employees to obtain loans for house building/repair advance? If so what is the extent of concession?
Ans	There is 50 percent concession of the stamp duty to be paid to the Government and 50 percent registration fee.
Q28	Is there concession for the mortgage deeds executed by State Government Employees to obtain loans for house building/repair advance? If so what is the extent of concession?
Ans	There is cent percent assumption on stamp duty. Registration fee Rs.100/- only.
Q 29	Is there concession of stamp duty in relation to schedule caste and schedule tribes? If so, what is the extent?
Ans	Full stamp duty and registration fee are exempted for sale deeds of immovable property executed in favour of beneficiaries belonging to scheduled caste and scheduled tribes, with the help of Scheduled Caste and Scheduled Tribes Development Corporation, on production of Certificate issued by the competent authority. Stamp duty is levied only on consideration instead of market value in respect of sale deeds executed by Municipal Corporations and Municipalities. There is 50 percent exemption of stamp duty in respect of instruments executed by person belonging to scheduled caste and scheduled tribes in connection with direct loan scheme of Karnataka Schedule Caste and Schedule Tribes Development Corporation. There is no exemption of registration fee.
Q 30	Is there concession of stamp duty in respect of sale deeds executed in favour of families who lost their property in Upper Krishna Project and purchase another property with the help of money paid as compensation by the Government?
Ans	Full exemption of stamp duty and registration fee is extended in respect of sale deeds executed in favour of the families who lost their property under Upper Krishna Project who purchase property in compensation amount, on production of certificate from rehabilitation officer. But this concession is available up to the period of 4 years from the date of receipt of compensation.
Q 31	What is the stamp duty payable on lease-cum-sale and sale deeds executed by CITB, Karnataka Housing Board etc.?
Ans	a. Stamp duty is levied on the amount of security deposit shown in lease-cum-sale deed agreements and on the amount of consideration shown in the sale deeds, executed by City Development Authority, Housing Board, KIADB, KSSIDC, KSIIDC, KSEDC, APMC, Municipal Corporation, Municipal Council, and Town Panchyat. b. In respect of sale deeds executed by the above mentioned institutions in pursuance of lease-cum-sale deeds, deduction of stamp duty will be given to the extent of stamp duty already paid on lease-cum-sale agreement explained in Para a., above. Additional stamp duty towards infrastructure development corporation at 5 percent on the stamp duty and additional stamp duty towards local bodies shall be paid in addition to the duty payable to Government.
Q 32	What is stamp duty payable in respect of lease-cum-sale deeds of site, flat, apartments executed by House Building Co-operative Societies?
Ans	Stamp duty on security deposit is levied in respect of lease cum sale deeds. In respect of sale deeds executed by the House Building Co-operative Societies, in pursuance of lease-cum-sale deeds, deduction of stamp duty will be given to the extent of stamp duty already paid on lease-cum-sale agreement explained in Para a., above. Additional stamp duty towards infrastructure development corporation at 5 percent on the stamp duty and additional stamp duty towards local bodies shall be paid in addition to the duty payable to Government.

