

WHAT IS STAMP DUTY AND WHO IS LIABLE TO PAY THE STAMP DUTY, THE PURCHASER OR THE DEVELOPER?

Stamp Duty is a tax, similar to sales tax and income tax collected by the government, and must be paid in full and on time. A stamp duty paid instrument/document is considered a proper and legal instrument/document. The liability of paying stamp duty is that of the buyer unless there is an agreement to the contrary. Section 30, of Bombay Stamp Act, 1958 states the liability for payment of stamp duty. The document can be stamped online as well.

WHICH ARE THE INSTRUMENTS THAT ATTRACT THE PAYMENT OF STAMP DUTY?

The instruments like Agreement to Sell, Conveyance Deed, Exchange of property, Gift Deed, Partition Deed, Power of Attorney, settlement and Deed and Transfer of lease attract Stamp Duty on market value of the property.

WHAT IS MEANT BY THE MARKET VALUE OF THE PROPERTY AND IS STAMP DUTY PAYABLE ON THE MARKET VALUE OF THE PROPERTY OR ON CONSIDERATION AS STATED IN THE AGREEMENT?

Market value of the property as ascertained by the stamp duty authorities on the basis of a "Ready Reckoner" which gives the per sq. mtr. value of each village, zone and sub-zone . The ready reckoner is normally published on 1st January of every year. The Stamp Duty is payable on the agreement value of the property or the market value which ever is higher.

Usually different rates for stamp duty are applicable for residential and non-residential property. In Maharashtra, the rate of stamp duty is 5% for both residential and commercial property. However, for residential property there is a slab wise concession.

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IS STAMP DUTY PAYABLE WHEN A FLAT IS FROM A RELATIVE TO OTHER RELATIVE BY WAY OF A GIFT?

Yes. Stamp duty has to be paid on the gift but the rate of duty is lower. In Maharashtra the sale of a flat attract levy of duty of 5% and a gift attracts levy of 2%.

WHAT ARE THE CONSEQUENCES OF DELAY OR NON-PAYMENT OF STAMP DUTY ON AN INSTRUMENT?

Delay in payment of stamp duty attracts penalty at the rate of 2% per month on the amount of the stamp duty that has to be paid, up to a maximum of twice the amount of the stamp duty payable. An instrument, which is not properly stamped, is inadmissible as evidence.

WHAT IS ADJUDICATION?

In case you wish to ascertain the correct stamp duty payable on an instrument, an application can be made to the Collector of Stamps.

IN CASE YOU WISH TO ASCERTAIN THE CORRECT STAMP DUTY PAYABLE ON AN INSTRUMENT, AN APPLICATION CAN BE MADE TO THE COLLECTOR OF STAMPS.

The stamps are required to be purchased in the name of any one of the executors to the Instrument.