

**ART Affordable Housing Finance – Coverage**  
Mr. Arvind Hali, MD and CEO, ART AHF  
Accommodation Times



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## Mumbai Municipal Corporation (Second Amendment) Bill, Increases Stamp Duty By 1%

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Reporter - July 23, 2018

By Rohit Sharma

MUMBAI

The Maharashtra government introduced Mumbai Municipal Corporation (Second Amendment) Bill, 2018 in the Maharashtra Legislative Assembly on July 19 under the authority of the Governor; the bill which seeks to increase Stamp Duty by one per cent.

The circular by the government said, after section 14E of the Mumbai Municipal Corporation Act, section 14F shall be inserted.

The section 14F says, "The stamp duty leviable under the Maharashtra Stamp Act, on the instruments of sale, gift and usufructuary mortgage, respectively, of immovable property shall, in the case of any such instrument relating to immovable property situated in the area of Brihan Mumbai Municipal Corporation in which one or more Vital Important Urban Transport Projects (hereinafter in this section referred to as "City having notified projects") and executed on or after such date as may be specified by the State Government, by notification in the Official Gazette, be increased by a surcharge at the rate of 1 per cent."

It further said, in case of an instrument of sale or gift, on the value of the property so situated and in case of an instrument of usufructuary mortgage, on the amount secured by the instrument as set forth in the instrument and shall be collected accordingly under the said Act.

The Government may, by notification in the Official Gazette, make rules to carry out the purposes of this section.

According to BankBazaar Current Stamp Duty Rates in Mumbai is:

Gender	Stamp Duty Rate
Female	6.00%
Male	6.00%
Male & Female As Joint Owners	6.00%

Note: The percentage of the stamp duty depends on two crucial factors:

- A property's registered price.
- A property's ready reckoner rate.

The rate whichever is higher among the above two is taken into account for the stamp duty.

"The proposed 1% rise in stamp duty over and above the existing 5% in the form of a surcharge on all transactions of immovable properties will increase the cost of the transaction of real estate deals and is expected to further affect the already adverse market sentiment in the short term. We may see delays in decision making by the customer especially the ones who are close to buying properties as this will affect their budgets. For Real Estate companies this will translate to longer consumer buying cycle, impacting their sales velocity", Arvind Hal, MD and CEO, ART Affordable Housing Finance expressed his views.

It is said that Stamp duty rates in Pune vary from 3 to 5%, Ahmedabad 4.90% and Delhi 4 to 6%.

The State Government shall, every year, after due appropriation made by law in this behalf, pay to the Corporation or the agency which has undertaken the notified project, a grant-in-aid approximately equal to the amount of additional duty realized on account of surcharge levied and collected under this section in respect of the immovable properties situated in the City having notified projects and such grant-in-aid shall be utilised on such notified projects in the manner specified by the Government, circular said.

According to Yomesh Rao member of PEATA said, "How much taxes will someone pay for development or redevelopment of projects? There is already development charges, GST, Stamp duty, property tax, land under construction. After all these taxes how can you dream of having affordable houses? too many taxes are not desired.

The amended bill states that "The sum of money required to meet the expenditure by the State Government under sub-section (3), shall be charged on the Consolidated Fund of the State."

Every rule made under this section shall be laid, before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions.