

The Indian Stamp Act, 1899

1. The Indian Stamp Act, 1899 (2 of 1899) is a fiscal statute laying down the law relating to tax levied in the form of stamps on instruments recording transactions. Briefly, the scheme relating to stamp duties, provided for in the Constitution is as follows:-
 - a. Stamp duties on documents specified in Entry 91 of the Union List (viz. Bills of Exchange, cheques, promissory notes, bills of lading, letters of credit, policies of insurance, transfer of shares, debentures, proxies and receipts) are levied by the Union. Under Article 268, State, in which the Stamp duty is collected, retains the proceeds except in the case of Union Territories in which case the proceeds form part of the Consolidated Fund of India. At present duty is levied on all these documents except cheques.
 - b. Stamp duties on documents other than those mentioned above are levied and collected by the States by virtue of the legislative entry 63 in the State List in the 7th Schedule of the Constitution;
 - c. Provisions other than those relating to rates of duty (which fall within the scope of Entry 91 of the Union List and entry 63 of the State List mentioned above) fall within the legislative power of both the Union and the States under Entry 44 of the Concurrent List in the 7th Schedule which reads as under:-"44 Stamp duties other than duties or fees collected by means of judicial stamps, but not including rates of stamp duty"
2. In order to discuss and examine various issues relating to registration and stamps, a Standing Committee of State Secretaries of Stamp & Registration headed by Additional Secretary (Revenue) has been constituted vide Department of Revenue's Resolution dated 9th August, 2000.
3. A need to amend some of the provisions of Indian Stamp Act 1899 was being felt for quite some time. It has been decided accordingly to take up a comprehensive review of the Act. A draft of the proposed amendments in the Indian Stamp Act has been circulated to the Stake-holders for their comments.