

Nod to stamp duty cut on gift deed within family for immovable assets

Reduced stamp duty will now also be applicable to commercial, industrial properties gifted in families

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THE UTTAR Pradesh Cabinet on Monday approved a proposal to expand stamp duty concessions on gift deeds executed among family members for immovable property.

With this decision, the benefit of reduced stamp duty, which was earlier limited to agricultural and residential properties, will now also be applicable to commercial and industrial properties gifted within the family. The Cabinet gave the go-ahead to the proposal in a meeting chaired by Chief Minister Yogi Adityanath.

Earlier, stamp duty on commercial properties was levied at 7 percent in urban areas and 5 percent in rural areas. Under the new provision, irrespective of whether the property is located in a city or a village, stamp duty on gift deeds among family members will be limited to Rs 5,000. Under the provisions of the Indian Stamp Act, 1899, gift deeds in Uttar Pradesh are generally charged stamp duty based on the value of the property, similar to a conveyance deed. In addition, the Registration Act, 1908, mandates compulsory registration of gift deeds for immovable property.

Through a notification issued by the Stamp and Registration Department on August 3, 2023, the state government had earlier decided that when immovable property is gifted to family members, stamp duty would be charged at a concessional rate with a maximum cap of Rs 5,000. This benefit was earlier limited to agricultural and residential properties.

The move is expected to make intra-family property transfers more affordable, transparent, and legally streamlined, an official said.

Stamp and Registration Minister Ravindra Jaiswal said that before 2022, gift deeds among family members attracted much stamp duty at the full circle rate.

The Cabinet also approved further clarification on the definition of "family members" and other provisions mentioned in the earlier notification, for smooth and unambiguous implementation. The revised provisions will come into force with immediate effect from the date of publication of the notification in the official gazette, the government said.

Sops for semiconductor investments approved

The Cabinet also approved a proposal to attract large-scale investments and generate substantial employment opportunities under the Semiconductor Policy, 2024, to offer special incentives on a case-to-case basis for investments of Rs 3,000 crore or more.

Minister Suresh Khanna said semiconductor manufacturing is rapidly expanding in countries such as the United States, Japan, Taiwan and those in Europe. After the state government's decision, semiconductor units will be eligible for interest subsidy, employee cost reimbursement, exemption in net SGST for a period of 10 years, 100% EPF reimbursement for UP domiciles (up to Rs 2,000 per month), concessions in water charges, and electricity tariff relief of Rs 2 per unit for 10 years.



Chief Minister Yogi Adityanath and Deputy CMs Keshav Prasad Maurya and Brajesh Pathak during a press conference in Lucknow on Tuesday. VISHAL SRIVASTAV