

MISS MABEL REBELLO: Sir, today's 'Statesman', carries an article, "Family Planning Takes Precedence Over Basics". Andhra Pradesh is becoming an ultra-China. The Chief Minister is providing disincentives, if the people do not adopt family planning, like withdrawal of ration cards, discontinuation of supply of rice and other essentials, disconnection of electricity, social ostracism, etc. These are the things being practised. I mean, the State is advocating. Sir, can you imagine the condition of the people, when they are already poor, if electricity is disconnected and their ration cards are taken away? What sort of things are these? Are we going the China way? What does it want to do? (*Interruptions*)...

MR. CHAIRMAN: This supplementary does not arise out of this question. Question No. 261.

\*262. [The questioners (Shri Suresh Pachouri and Shri Moolchand Meena) were absent. For answer *vide* page 52 *infra*.]

### **Uniform stamp duty**

\*263. SHRIMATI N.P. DURGA:††

SHRI K.B. KRISHNA MURTHY:

Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:

(a) whether Government are considering reduction in stamp duty on real estate deals to a uniform level all over the country;

(b) whether this move is aimed at attracting more investment in the real estate sector;

(c) whether stamp duty is a State subject; and

(d) if so, how Government propose to overcome the objections from the States?

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT AND POVERTY ALLEVIATION (SHRI O. RAJAGOPAL):

(a) to (d) A Statement is laid on the Table of the Sabha.

### **Statement**

(a) Rationalisation of stamp duty all over the country to not more than 5% by the end of Xth Plan is being taken up as an urban reform measure which has been included in the draft Memorandum of Agreement

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††The question was actually asked on the floor of the House by Shrimati N.P. Durga.

(MoA) circulated by Central Government to the State Governments for which Central Government proposes to provide monetary incentives under Urban Reforms Incentive Fund( URIF).

(b) Apart from attracting more investment in the real estate sector, the objective behind rationalisation of stamp duty is to bring down the costs of housing so as to make such units affordable to low income and middle income groups as also to increase the housing stock for this category.

(c) and (d) Yes, Sir. Many State Governments are not yet prepared to bring down the rates of stamp duty which is a major source of revenue for them. However, the State Governments, through the draft Memorandum of Agreement (MoA), have been provided and incentive to rationalise the stamp duty in phases to bring it down to not more than 5% by the end of the Xth Plan period. Gradual reduction of stamp duty rates, is likely to be compensated in part by an increase in property valuations and the revenue loss would not be so substantial as is being envisaged by the State Governments now. Some States have already agreed to sign the Memorandum of Agreement to rationalize the stamp duty rates to 5% by the end of Xth plan. This matter is being pursued with the remaining States.

SHRIMATI N.P. DURGA: Sir, at the Conference of State Finance Ministers', it has been agreed to a moderate reduction on stamp duty and recommended that there should be a moderate rate of stamp duty coupled with an increase in property valuation. I would like to know whether a Central Valuation Cell has been created in each State to lay down norms as well as property valuations in different areas and the progress made in bringing uniformity in this regard.

SHRI O. RAJAGOPAL: Sir, the Central Government cannot decide as to what should be the rate applicable in each State. We are trying to persuade the State Governments to see that the stamp duty is reduced to a maximum of five per cent in the course of the Tenth Five Year Plan. It will enable more and more money being saved to the low income and middle income groups so that the housing activity can increase. This matter is resting with the State Governments, we are only trying to help them.

SHRIMATI N.P. DURGA: Sir, I would like to know what are the anomalies in the Stamp Duty Act which need to be looked into to ensure that revenue loss, which is rightfully due to the State Government, by

way of stamp duty is not avoided. I would also like to know about the basis of calculation and the steps taken by the Government to amend the Stamp Duty Act for checking revenue loss.

SHRI O. RAJAGOPAL: Sir, when the rate of the Stamp Duty is reduced to a maximum of five per cent, to begin with, in some States there will be a shortfall.

We are trying to persuade that if, by this experience, by this method, the State Governments to reduce the tax, We feel—it has been experience also—that if the stamp duty is reasonable, the evasion of tax will be reduced to a large extent. In fact, the income can be more. This has been our experience in the case of Income Tax also.

Therefore, this is one thing that has been adopted on the basis of the principle. This will help bringing in more and more investment in the real estate which will help in house building activities. In that perspective, this proposal has been made and this is an incentive for the State Governments to go in for reforms in this sector.

SHRI R.K. ANAND : Sir, at the time of the registration of the Sale Deed, the stamp duty and the municipal taxes are charged that range from four to six per cent. They hardly provide any amenities? Is the Government going to do something in order to provide the amenities?

SHRI O. RAJAGOPAL: Please repeat the question.

SHRI R.K. ANAND: I said, at the time of the registration of the Sale Deed, the State Governments are charging not only the stamp duty but also the municipal taxes, ranging from five to six per cent. They hardly provide any amenities. Are they accountable? Are the Government going to do anything in that regard?

SHRI O. RAJAGOPAL: Now, we are on the question of stamp duty only and not on the other taxation proposals.

SHRI K. B. KRISHNA MURTHY: Sir, discussing the revenue losses in stamp papers, it was recently discovered that a fake stamp paper racket was operating in a number of States where it appears that the fake stamp papers worth thousand of crores of rupees are in circulation. I want to ask the Minister : (a) what steps the Government has taken to check

the circulation of fake stamp papers; (b) what the Government intend to do in cases where properties have been registered already, with fake stamp papers, bought from the Government vendors; (c) will the Government regularise transactions which are *per se*, illegal; and (d) has there been any investigation by agencies like the CBI into this racket? Will the Government be more transparent and bring out a White Paper on the fake stamp paper racket?

SHRI O. RAJAGOPAL: Sir, the matter pertaining to the fake stamp papers has to be dealt with by the State Governments. But, if the hon. Member brings it to our notice, we will certainly enquire into the entire episode and place the details before the House.

श्री रमा शंकर कौशिक: श्रीमन्, सम्पत्ति पर स्ट्याम्प-शुल्क के मामले में न केवल सूबों में बल्कि जिलों में भी बड़ा फर्क है और जिलों में भी, स्थान-स्थान पर बड़ा फर्क है। मैं माननीय मंत्री जी से जानना चाहता हूँ कि क्या इसके लिए भी कोई उपाय माननीय मंत्री जी ने सोचा है कि सूबों और जिलों में और स्थान-स्थान पर स्ट्याम्प-शुल्क की सीमाएं एक सी रखी जाएं?

माननीय मंत्री जी ने अपने जवाब में कहा है कि कई राज्य सरकारों ने अभी तक स्वीकृति नहीं दी है। अपने प्रश्न के (बी) भाग के रूप में मैं माननीय मंत्री जी से जानना चाहता हूँ कि वे कौन से राज्य हैं जिन्होंने केन्द्र के इस प्रस्ताव पर अभी तक अपनी स्वीकृति नहीं दी है?

SHRI O. RAJAGOPAL: Sir, the hon. Member has referred to a fact that the rate of stamp duty varies from district to district in each State. Actually, this subject comes under the purview of the State Government. It is for the State Governments to decide the rate of stamp duty. We are not aware of different rates in different districts. It is a matter for the State Government to inquire into.

श्री रमा शंकर कौशिक: किन राज्यों ने आपको सहमति दे दी है?

SHRI O. RAJAGOPAL: We have circulated this proposal to different State Governments. We held a meeting of the Ministers of Urban Development of all the States in the month of September in Delhi. We had a detailed discussion on this subject. Many State Governments have come forward to accept this proposal. In fact, some of the State Governments, the State Governments of Madhya Pradesh and Goa have openly come forward in favour of this scheme. Some other State Governments want to have more time for discussing this matter in detail.

Sir, I am glad to inform the hon. Members that so far, no State Government has opposed this scheme.

PROF. M. SANKARALINGAM: Sir, the Central Government has sent a proposal to the State Governments to reduce the rate of stamp duty to 5 per cent so that more and more people get their documents registered. In Tamil Nadu, the rate of stamp duty is 12 per cent; whereas in Kerala it is 6 per cent. So the people of Kanyakumari, Tamil Nadu go to the Tamil Nadu-Kerala border to get their documents registered because in Kerala they have to pay only 6 per cent stamp duty. What are the steps that Central Government taking to see to it that the rate of stamp duty is not more than five per cent in all the States?

SHRI O. RAJAGOPAL: Sir, as I mentioned earlier, this matter comes under the purview of the State Government. The Central Government cannot direct the State Governments to levy a particular rate of stamp duty. We are trying to persuade the State Governments that it should not be more than 5 per cent. It is our objective. In fact, it is the right of the State Governments which we do not want to impinge upon.

### **Sethusamudram Canal Project**

\*264. SHRI SANTOSH BAGRODIA:††

DR. T. SUBBARAMI REDDY:

Will the Minister of SHIPPING be pleased to state:

(a) whether work on the Sethusamudram Canal Project with an initial investment of Rs. 200 to Rs. 230 crore will begin soon;

(b) whether the report of the National Environmental Engineering Research Institute (NEERI), Which is conducting techno-economic and environmental impact assessment studies for the project, has been received by Government;

(c) whether the project was initially proposed in 1860 and three feasibility studies have been conducted in 1955, 1983 and 1996 for the project besides a detailed feasibility study conducted by NEERI, Nagpur; and

(d) if so, by when this project is likely to start?

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††The question was actually asked on the floor of the House by Shri Santosh Bagrodia.