

STAMP (AMENDMENT) BILL, 2017

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STAMP (AMENDMENT) BILL, 2017

A BILL FOR AN ACT TO AMEND THE STAMP ACT

Enacted by the Parliament of The Bahamas

1. Short title.

- (1) This Act, which amends the Stamp Act (*Ch. 370*), may be cited as the Stamp (Amendment) Act, 2017.
- (2) This Act shall come into force on the 1st day of July, 2017.

2. Amendment of section 3B of the principal Act.

Section 3B of the principal Act is amended —

- (a) in subsection (1) —
 - (i) by the insertion of the word “or” at the end of paragraph (b);
 - (ii) by the deletion of the semicolon at the end of paragraph (c) and the substitution of a comma;
 - (iii) by the deletion of paragraph (d) and the comma appearing at the end thereof; and
- (b) by the insertion immediately after subsection (2) of the following new subsection —

“(2A) Any person who applies for an exemption under subsection (1), may be granted an exemption in accordance with the following —

 - (a) where the appraised value of the dwelling house does not exceed two hundred thousand dollars, the full exemption of the stamp duty;
 - (b) where the appraised value of the dwelling house exceeds two hundred thousand dollars but is less than two hundred and fifty thousand dollars, the full stamp duty exemption shall be granted on the first two

hundred thousand dollars and one-half of the remaining portion;

- (c) where the appraised value of the dwelling house is two hundred and fifty thousand dollars and above, an exemption of one-half of the stamp duty may be granted.”;
- (c) in subsection (4), by the deletion of the words “(a), (b), (c), (d) or (e)” and the substitution of the words “(a), (b) or (c)”;
- (d) by the deletion of subsection (5);
- (e) in subsection (8), by the deletion of the words “Without prejudice to subsection (5), the” and the substitution therefor of the word “The”;
- (f) by the insertion immediately after subsection (12), of the following new subsection —
 - “(13) Where a person has paid stamp duty upon his dwelling house, he shall not be entitled to an exemption of stamp duty under this section, except where the Financial Secretary has determined that the payment of stamp duty was made in error, he may direct the Treasurer to refund such sums to that person.”.

3. Insertion of new section 3C into the principal Act.

The principal Act is amended by the insertion immediately after section 3B of the following new section —

“3C. Exemption of stamp duty on the transfer of mortgages.

- (1) Where a person has a mortgage in respect of his dwelling house, and he requests the transfer of his mortgage from one licensed lending institution to another licensed lending institution, the transfer of that mortgage shall be exempt from the payment of stamp duty.
- (2) The grant of an exemption under this section shall be made only where there is proof —
 - (a) of citizenship of the Commonwealth of The Bahamas produced by the mortgagor; and
 - (b) the property is located in New Providence and is registered as owner-occupied under the Real Property Tax Act (*Ch. 375*); or
 - (c) the property is located in a Family Island and an affidavit that the dwelling house is owner-occupied is provided.”.

OBJECTS AND REASONS

Clause 1 of the Bill makes provision for the short title and commencement of the Act.

Clause 2 of the Bill seeks to amend section 3B of the principal Act to provide for

- (a) the deletion of subsection (1)(d), which provides that the transfer between licensed lending institutions of a mortgage of a dwelling house for the purpose of clarifying that an exemption under this case is not restricted to first time owners of a dwelling house;
- (b) the insertion of a new subsection (2A) which respectively provide the establishment of a tier system as to how the exemptions are granted based on the appraised value of the dwelling house;
- (c) the insertion of a new subsection (13) to provide that once stamp duty is paid on the purchase of a dwelling house that the person is no longer entitled to an exemption except where the Financial Secretary determines the payment was made in error.

Clause 3 of the Bill makes provision for the insertion immediately after section 3B of a new section 3C into the principal Act to provide for the exemption of stamp duty between licensed lending institutions in respect of a mortgage for a dwelling house, once the following is satisfied —

- (a) proof of citizenship in the Commonwealth of The Bahamas of the mortgagor; and
- (b) proof that the dwelling house is owner-occupied.