

Finance Act, 2012, (Central)

Section 73 - Insertion of New Section 194LAA

After section 194LA of the Income-tax Act, the following section shall be inserted with effect from the 1st day of October, 2012, namely:--

"194LAA. Payment on transfer of certain immovable property other than agricultural land.--

(1) Any person, being a transferee, responsible for paying (other than the person referred to in section 194LA) to a resident transferor any sum by way of consideration for transfer of any immovable property (other than agricultural land), shall, at the time of credit of such sum to the account of the transferor or at the time of payment of such sum in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to one per cent. of such sum as income-tax thereon.

(2) No deduction under sub-section (1) shall be made where consideration paid or payable for the transfer of an immovable property is less than fifty lakh rupees in case such immovable property is situated in a specified area, or is less than twenty lakh rupees in case such immovable property is situated in any area other than the specified area.

(3) Where the consideration paid or payable for the transfer of an immovable property is less than the value adopted or assessed or assessable by any authority of a State Government for the purpose of payment of stamp duty in respect of transfer of such immovable property, the value so adopted or assessed or assessable shall, for the purposes of sub-section (1) or sub-section (2), be deemed to be the consideration paid or payable for the transfer of such immovable property.

(4) Notwithstanding anything contained in any other law for the time being in force, where any document required to be registered under the provisions of clause (a) to clause (e) of sub-section (1) or sub-section (1A) of section 17 of the Indian Registration Act, 1908(16 of 1908), purports to transfer, assign, limit or extinguish the right, title or interest of any person to or in any immovable property and in respect of which tax is required to be deducted under sub-section (1), no registering officer shall register any such document, unless the transferee furnishes the proof of deduction of income-tax in accordance with the provisions of this section and payment of sum so deducted to the credit of the Central Government in the prescribed form.

(5) The provisions of section 203A shall not apply to a person required to deduct tax in accordance with the provisions of this section.

Explanation.--For the purposes of this section,--

(a) "agricultural land" means agricultural land in India, not being land situated in any area referred to in items (a) and (b) of sub-clause (iii) of clause (14) of section 2;

(b) "immovable property" means any land (other than agricultural land) or any building or part of a building;

(c) "specified area" shall mean an area comprising--

(i) Greater Mumbai urban agglomeration;

(ii) Delhi urban agglomeration;

(iii) Kolkata urban agglomeration;

(iv) Chennai urban agglomeration;

(v) Hyderabad urban agglomeration;

(vi) Bangaluru urban agglomeration;

(vii) Ahmedabad urban agglomeration;

(viii) District of Faridabad;

(ix) District of Gurgaon;

(x) District of Gautam Budh Nagar;

(xi) District of Ghaziabad;

(xii) District of Gandhi nagar; and

(xiii) City of Secunderabad;

(d) the area comprising an urban agglomeration shall be the area included in such urban agglomeration on the basis of the 2001 census."