



Tax Alert – Stamp Duty

The Bill published in the Gazette on 22 November 2021 to amend the Provincial Councils (Transfer of Stamp Duty) Act No.13 of 2011 was passed into law on 17 February 2022 with the title *Provincial Councils (Transfer of Stamp Duty) (Amendment) Act, No. 6 of 2022*.

The Provincial Councils (Transfer of Stamp Duty) Act No.13 of 2011 was initially enacted to transfer all Stamp Duty collected by the Government under the Stamp Duty (Special Provisions) Act, No. 12 of 2006 to the respective Provincial Councils, based on the revenue collected.

The *Provincial Councils(Transfer of Stamp Duty) (Amendment) Act, No. 6 of 2022* makes provision to claim a refund of the Stamp Duty paid in excess or by error and the refund process will follow the provisions of the Inland Revenue Act.

The Amending Act further states that any person is entitled to a refund of Stamp Duty under the circumstances mentioned below:-

1. Where the person has paid excess amount of Stamp Duty in addition to the amount properly payable by him or
2. Erroneously paid stamp duty on an instrument which is not liable for such Stamp Duty under the provisions of the Stamp Duty (Special Provisions) Act, No. 12 of 2006

Any person who proves to the satisfaction of the Commissioner General, by a claim in writing that the person is entitled to a refund shall be refunded the amount, out of Stamp Duty collected during any period prior to the transfer to the Provincial Councils.

The provisions of S.11 of the Stamp Duty (Special Provisions) Act, No. 12 of 2006 shall apply to all claims for refund under *Provincial Councils (Transfer of Stamp Duty) (Amendment) Act, No. 6 of 2022*. Under S.11 of the Stamp Duty (Special Provisions) Act, No. 12 of 2006, reference is made to provisions relating to refunds under the Inland Revenue Act.

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