

Bahamas Legislative Amendments: Stamp Duty

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There have been several recent amendments to the stamp duty regime by virtue of:

1. The Stamp (Surcharge Amnesty) Act, 2017 (which came into force on May 31, 2017 and expires on September 1, 2017); and
2. The Stamp (Amendment) Act, 2017 (which came into force on July 1, 2017).

Stamp (Surcharge Amnesty) Act, 2017

The Stamp Act provides that documents which were not stamped or sufficiently stamped within six (6) months of execution attract a ten per cent 10% surcharge on the stamp duty payable. Pursuant to the Stamp (Surcharge Amnesty) Act, 2017, a person who presents an unstamped or insufficiently stamped document for stamping during the period May 31, 2017 to September 1, 2017 will be entitled to a waiver of the surcharge.

Stamp (Amendment) Act, 2017

First Time Homeowner Exemptions

1. The Stamp Act affords a stamp duty exemption to first time homeowners in connection with their purchase and financing of a first dwelling house. Pursuant to the Stamp (Amendment) Act, 2017, stamp duty exemptions will now be granted based on the appraised value of a dwelling house as follows:
 - Where the appraised value of the dwelling house does not exceed \$200,000.00, full exemption may be granted;
 - Where the appraised value of the dwelling house exceeds \$200,000.00 but is less than \$250,000.00, full stamp duty exemption may be granted on the first \$200,000.00 and one-half exemption on the remaining portion;

- Where the appraised value of the dwelling house is \$250,000.00 or more, an exemption of one-half of the stamp duty may be granted.

2. A person who has already paid stamp duty in respect of the purchase of a dwelling house is no longer entitled to the first time home owner exemption. However, where the Financial Secretary determines that the stamp duty was paid in error, the Financial Secretary may direct the Treasurer to refund the stamp duty paid.

Transfer of Mortgages

The Stamp (Amendment) Act, 2017 clarifies the exemptions applicable to transfers of mortgages of dwelling homes from one lending institution to another.

1. Transfers of home mortgages (i.e. a mortgage of a dwelling house occupied by the mortgagor exclusively as a family residence) between licensed lending institutions are no longer exempt from stamp duty if the home mortgage is combined with other domestic loans.
2. A stamp duty exemption is specifically afforded where a person who has granted a mortgage over his dwelling house requests the transfer of the mortgage from one licensed lending institution to another licensed lending institution, provided that:
 - The mortgagor produces proof that he is a citizen of the Commonwealth of The Bahamas; and
 - The property is located in New Providence and is registered as owner-occupied under the Real Property Tax Act (Ch. 375); or
 - The property is located in a Family Island and an affidavit that the dwelling house is owner-occupied is provided.

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