

ESTATE AND GIFT DUTIES AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Estate and Gift Duties Act 1968. It gives effect to the exemptions and reliefs from estate duty announced in the Budget.

Clause 1 relates to the Short Title and commencement. The amendments, subject to *clause 6* referred to below, are deemed to have come into force on 25 June 1970, the date on which they were announced, and apply to the estates of all persons dying on or after that date.

Clause 2 inserts in section 2 (2) of the principal Act a definition of the expression "personal chattels". This definition is inserted for the purposes of the exemption for personal chattels provided for in *clause 5* of this Bill.

Clause 3 substitutes a new scale of rates of estate duty.

Clause 4 exempts from estate duty all unpaid war pensions and allowances and social security monetary benefits, including benefits payable under the Social Security (Reciprocity with Australia) Act 1948 or the Social Security (Reciprocity with the United Kingdom) Act 1969 and supplementary assistance and rehabilitation allowances under the Social Security Act 1964.

Clause 5 exempts from estate duty personal chattels (as defined in *clause 2*) up to a maximum value of \$2,000.

Clause 6: At present, under section 59 (2) of the principal Act the Commissioner is empowered, having regard to the special circumstances of the case, to remit, in whole or in part, estate duty on additional assets discovered more than 6 years after the death of the deceased where there has been no deliberate exclusion of assets or negligence on the part of the administrator or other person liable for the duty. There is no power under the subsection to remit where the additional assets are discovered less than 6 years after the death of the deceased.

This clause substitutes section 59 (2) in an amended form, and authorises the Commissioner to remit estate duty up to \$200 on additional assets discovered at any time after the estate accounts have been completed, provided there has been no deliberate exclusion of assets or negligence on the part of the administrator or other person liable for the duty. Where the additional assets are discovered more than 6 years after the death of the deceased and the duty involved is more than \$200, the Commissioner will have the same discretion as he has at present.

This clause will apply to the estates of all persons, whether they died before or after 25 June 1970, unless notice that the additional duty is payable has been given before that date.

Hon. Mr Muldoon

ESTATE AND GIFT DUTIES AMENDMENT

ANALYSIS

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A BILL INTITULED

An Act to amend the Estate and Gift Duties Act 1968

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same,
5 as follows:

1. **Short Title and commencement**—(1) This Act may be cited as the Estate and Gift Duties Amendment Act 1970, and shall be read together with and deemed part of the Estate and Gift Duties Act 1968* (hereinafter referred to as
10 the principal Act).

(2) Except as provided in section 6 of this Act, this Act shall be deemed to have come into force on the 25th day of June 1970, and shall apply to the estates of all persons dying on or after that date.

*1968, No. 35
Amendment: 1969, No. 26

2. Meaning of "personal chattels"—Section 2 of the principal Act is hereby amended by inserting in subsection (2), after the definition of the term "gift", the following definition:

"'Personal chattels', in relation to the dutiable estate of any person, means all plate, plated articles, linen, china, glass, books, pictures, prints, furniture, jewellery, articles of household use or ornament, articles of personal use or enjoyment, garden effects, musical, sporting, and scientific instruments and apparatus, wines, liquors, and consumable stores, which immediately before his death were owned by him; but does not include motor vehicles (within the meaning of the Transport Act 1962), horse-drawn vehicles, boats, and aircraft and their accessories, domestic animals, horses, stable furniture and effects, any chattels used exclusively or principally for business purposes, shares, funds, convertible notes, money, or securities for money:".

3. Rates of estate duty—(1) The principal Act is hereby further amended by repealing the First Schedule (as substituted by section 2 of the Estate and Gift Duties Amendment Act 1969), and substituting the First Schedule set out in the Schedule to this Act.

(2) Section 2 of the Estate and Gift Duties Amendment Act 1969 and the Schedule to that Act are hereby consequentially repealed.

4. Exemption for unpaid war pensions and social security benefits—The principal Act is hereby further amended by inserting, after section 35, the following section:

"35A. The dutiable estate of the deceased shall not include any pensions, allowances, or benefits due under the War Pensions Act 1954, Part I of the Social Security Act 1964, the Social Security (Reciprocity with Australia) Act 1948, or the Social Security (Reciprocity with the United Kingdom) Act 1969, or any supplementary assistance or rehabilitation allowance payable out of the Consolidated Revenue Account pursuant to paragraph (d) or paragraph (dd) of subsection (1) of section 124 of the Social Security Act 1964."

5. Exemption for certain personal chattels—The principal Act is hereby further amended by inserting, after section 35A (as inserted by section 4 of this Act), the following section:

“35B. (1) In this section the term ‘accountant’ means a member of the New Zealand Society of Accountants; and includes a person licensed by the Council of that Society under subsection (1) of section 32A of the New Zealand Society of Accountants Act 1958 (as inserted by section 28 of the New Zealand Society of Accountants Amendment Act 1963).”

“(2) Where any personal chattels are included in the dutiable estate of the deceased under section 7 or section 13 of this Act, the total value, as ascertained under section 19 of this Act, of those personal chattels shall be reduced by \$2,000 or the value so ascertained, whichever is the less.

“(3) Where the total value, as ascertained under section 19 of this Act, of personal chattels to which subsection (2) of this section applies exceeds \$2,000, the reduction under that subsection shall be allocated rateably between those chattels in proportion to their value.

“(4) Where, in the opinion of a solicitor, an accountant, or, as administrator of the estate, the Public Trustee, the Maori Trustee, or any trustee company as defined in the Trustee Companies Act 1967, it appears that the total value of the personal chattels to which subsection (2) of this section applies is unlikely to exceed \$2,000, a statement to this effect, signed by that solicitor, accountant, or administrator, may be accepted by the Commissioner for the purposes of section 19 of this Act.”

6. Remission of estate duty, penalty, and interest—(1) Section 59 of the principal Act is hereby amended by repealing subsection (2), and substituting the following subsection:

“(2) Where, after the date on which the administration of the estate of any person has been released in accordance with section 43 of this Act and any security given by the administrator of that estate for payment of the estate duty has also been released, it is discovered that the estate duty payable in that estate has not been fully assessed, and the Commissioner is satisfied that this is not due to the wilful act or negligence of the administrator or other person liable to pay the duty, the Commissioner may—

“(a) In any case where the further duty does not exceed \$200, if he thinks it equitable so to do remit that further duty together with any interest thereon; and

“(b) In any case where the further duty exceeds \$200 and the discovery was made after the expiration of 6 years from the date of death of that person, remit that further duty, in whole or in part, if, having regard to the special circumstances of the case, he thinks it equitable so to do.” 5

(2) Subsection (1) of this section shall apply to any further estate duty payable in the estate of any person (whether that person died before or after the commencement of this Act), unless that further duty is payable pursuant to an assessment or amended assessment notice of which was given before the 25th day of June 1970. 10

SCHEDULE

NEW FIRST SCHEDULE TO PRINCIPAL ACT

Section 3

"FIRST SCHEDULE

Section 4

SCALE OF RATES OF ESTATE DUTY

Final Balance of Estate	Rate NOTE—'Excess' means excess of the final balance in complete dollars
Not exceeding \$12,000	Nil.
Exceeding \$12,000	7 percent of excess over \$12,000.
Not exceeding \$14,000	\$ 140 plus 8 percent of excess over \$ 14,000.
Exceeding \$14,000	\$ 300 plus 9 percent of excess over \$ 16,000.
Not exceeding \$16,000	\$ 480 plus 10 percent of excess over \$ 18,000.
Exceeding \$16,000	\$ 680 plus 11 percent of excess over \$ 20,000.
Not exceeding \$18,000	\$ 900 plus 12 percent of excess over \$ 22,000.
Exceeding \$18,000	\$ 1,140 plus 13 percent of excess over \$ 24,000.
Not exceeding \$20,000	\$ 1,400 plus 14 percent of excess over \$ 26,000.
Exceeding \$20,000	\$ 1,680 plus 15 percent of excess over \$ 28,000.
Not exceeding \$22,000	\$ 1,980 plus 16 percent of excess over \$ 30,000.
Exceeding \$22,000	\$ 2,300 plus 17 percent of excess over \$ 32,000.
Not exceeding \$24,000	\$ 2,640 plus 18 percent of excess over \$ 34,000.
Exceeding \$24,000	\$ 3,000 plus 19 percent of excess over \$ 36,000.
Not exceeding \$26,000	\$ 3,380 plus 20 percent of excess over \$ 38,000.
Exceeding \$26,000	\$ 3,780 plus 21 percent of excess over \$ 40,000.
Not exceeding \$28,000	\$ 4,200 plus 22 percent of excess over \$ 42,000.
Exceeding \$28,000	\$ 4,640 plus 23 percent of excess over \$ 44,000.
Not exceeding \$30,000	\$ 5,100 plus 24 percent of excess over \$ 46,000.
Exceeding \$30,000	\$ 5,580 plus 25 percent of excess over \$ 48,000.
Not exceeding \$32,000	\$ 6,080 plus 26 percent of excess over \$ 50,000.
Exceeding \$32,000	\$ 6,600 plus 27 percent of excess over \$ 52,000.
Not exceeding \$34,000	\$ 7,140 plus 28 percent of excess over \$ 54,000.
Exceeding \$34,000	\$ 7,700 plus 29 percent of excess over \$ 56,000.
Not exceeding \$36,000	\$ 8,280 plus 30 percent of excess over \$ 58,000.
Exceeding \$36,000	\$ 8,880 plus 31 percent of excess over \$ 60,000.
Not exceeding \$38,000	\$11,980 plus 32 percent of excess over \$ 70,000.
Exceeding \$38,000	\$15,180 plus 33 percent of excess over \$ 80,000.
Not exceeding \$40,000	\$18,480 plus 34 percent of excess over \$ 90,000.
Exceeding \$40,000	\$21,880 plus 35 percent of excess over \$100,000.
Not exceeding \$42,000	\$25,380 plus 36 percent of excess over \$110,000.
Exceeding \$42,000	\$28,980 plus 37 percent of excess over \$120,000.
Not exceeding \$44,000	\$32,680 plus 38 percent of excess over \$130,000.
Exceeding \$44,000	\$36,480 plus 39 percent of excess over \$140,000.
Not exceeding \$46,000	\$40,380 plus 40 percent of excess over \$150,000."
Exceeding \$46,000	