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This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives.

20th October, 1920.

Right Hon. Mr. Massey.

DEATH DUTIES AMENDMENT.

ANALYSIS.

Title.	
1. Short Title.	4. Increased rates of succession duty. Consequentual repeals.
2. Application of Act.	5. Increased rates of gift duty.
3. Increased scales of estate duty. Increased exemption from estate duty in respect of small estates.	6. Exemption from gift duty of contributions by employers to superannuation funds for employees. Schedule.

A BILL INTITULED

AN ACT to amend the Death Duties Act, 1909.

Title.

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

1. This Act may be cited as the Death Duties Amendment Act, 1920, and shall be read together with and deemed part of the Death Duties Act, 1909 (hereinafter referred to as the principal Act).

Short Title.

2. This Act and the principal Act as hereby amended shall, so far as relating to death duties, apply to the estates of all persons who die after the commencement of this Act, and shall, so far as relating to gift duty, apply to all gifts made after the commencement of this Act.

Application of Act.

3. (1.) The First Schedule to the principal Act is hereby repealed, and the Schedule to this Act substituted therefor.

Increased scales of estate duty. Increased exemption from estate duty in respect of small estates.

(2.) Section twelve of the principal Act is hereby amended by omitting the words "five hundred pounds" wherever they occur, and substituting the words "one thousand pounds."

4. (1.) Except as otherwise provided in the principal Act or this Act, succession duty shall be payable on every succession and shall be a percentage of the value of the succession, varying in manner provided in this section.

Increased rates of succession duty.

(2.) If the successor is the wife of the deceased, succession duty shall be payable as follows:—

(a.) If the value of the succession does not exceed ten thousand pounds, no succession duty shall be payable in respect thereof:

- (b.) If the value of the succession exceeds ten thousand pounds, but does not exceed twenty thousand pounds, the rate of succession duty shall be *two* per centum thereof, save that the succession duty payable shall not in any case exceed the amount by which the value of the succession exceeds ten thousand pounds : 5
- (c.) If the value of the succession exceeds twenty thousand pounds, the rate of succession duty shall be *four* per centum thereof.
- (3.) If the successor is the husband of the deceased (whether or not he is also a relative of the deceased by blood) succession duty shall be payable as follows :— 10
- (a.) If the value of the succession does not exceed five hundred pounds, no succession duty shall be payable in respect thereof : 15
- (b.) If the value of the succession exceeds five hundred pounds, but does not exceed one thousand five hundred pounds, the rate of succession duty shall be *one* per centum thereof, save that the succession duty payable shall not in any case exceed the amount by which the value of the succession exceeds five hundred pounds : 20
- (c.) If the value of the succession exceeds one thousand five hundred pounds, but does not exceed two thousand five hundred pounds, the rate of succession duty shall be *two* per centum thereof : 25
- (d.) If the value of the succession exceeds two thousand five hundred pounds, the rate of succession duty shall be *three* per centum thereof.
- (4.) If the successor is a child, grandchild, or other lineal descendant of the deceased, succession duty shall be payable as follows :— 30
- (a.) If the value of the succession does not exceed one thousand pounds, no succession duty shall be payable in respect thereof :
- (b.) If the value of the succession exceeds one thousand pounds, but does not exceed five thousand pounds, the rate of succession duty shall be *one* per centum thereof, save that the succession duty payable shall not in any case exceed the amount by which the value of the succession exceeds one thousand pounds : 35
- (c.) If the value of the succession exceeds five thousand pounds, but does not exceed ten thousand pounds, the rate of succession duty shall be *two* per centum thereof : 40
- (d.) If the value of the succession exceeds ten thousand pounds, but does not exceed fifteen thousand pounds, the rate of succession duty shall be *three* per centum thereof : 45
- (e.) If the value of the succession exceeds fifteen thousand pounds, but does not exceed twenty thousand pounds, the rate of succession duty shall be *three and a half* per centum thereof :

(f.) If the value of the succession exceeds twenty thousand pounds, the rate of succession duty shall be *four* per centum thereof.

(5.) If the successor is the brother or sister, or the half-brother or half-sister, of the deceased, succession duty shall be payable as follows:—

(a.) If the value of the succession does not exceed five hundred pounds no succession duty shall be payable in respect thereof:

10 (b.) If the value of the succession exceeds five hundred pounds, but does not exceed twenty thousand pounds, the rate of succession duty shall be *five* per centum thereof, save that the succession duty payable shall not in any case exceed the amount by which the value of the succession exceeds five hundred pounds:

15 (c.) If the value of the succession exceeds twenty thousand pounds, the rate of succession duty shall be *ten* per centum thereof.

(6.) If the successor is any other relative of the deceased in any degree not more remote than the fourth, succession duty shall be payable as follows:—

(a.) If the value of the succession does not exceed five hundred pounds, no succession duty shall be payable in respect thereof:

25 (b.) If the value of the succession exceeds five hundred pounds, but does not exceed ten thousand pounds, the rate of succession duty shall be *five* per centum thereof, save that the succession duty payable shall not in any case exceed the amount by which the value of the succession exceeds five hundred pounds:

30 (c.) If the value of the succession exceeds ten thousand pounds, the rate of succession duty shall be *ten* per centum thereof.

(7.) In all other cases succession duty shall be payable as follows:—

35 (a.) If the value of the succession does not exceed five hundred pounds, no succession duty shall be payable in respect thereof:

40 (b.) If the value of the succession exceeds five hundred pounds, but does not exceed twenty thousand pounds, the rate of succession duty shall be *ten* per centum thereof, save that the succession duty payable shall not in any case exceed the amount by which the value of the succession exceeds five hundred pounds:

45 (c.) If the value of the succession exceeds twenty thousand pounds, the rate of succession duty shall be *twenty* per centum thereof.

(8.) In addition to the rates of succession duty payable as aforesaid, there shall be payable as succession duty an amount equal to *ten* per centum of all moneys exceeding one thousand pounds payable to any person domiciled out of New Zealand, not being the wife or husband of the deceased or a relative of the deceased within the third degree of consanguinity.

Consequential
repeals.

(9.) This section is in substitution for the following enactments, namely:—

- (a.) Sections sixteen and eighteen of the principal Act;
 (b.) Section ten of the Death Duties Amendment Act, 1911; and
 (c.) Subsections one and two of section ninety-two of the Finance Act, 1915:

and those enactments are hereby accordingly repealed.

Increased rates of
gift duty.

5. (1.) Section forty-six of the principal Act is hereby amended by omitting the words "The rate of gift duty shall be five per centum of the value of the gift, and."

(2.) The rate of gift duty payable under the principal Act shall be as follows:—

(a.) Where the value of the gift exceeds one thousand pounds, but does not exceed five thousand pounds, the rate of duty shall be *five* per centum thereof:

(b.) Where the value of the gift exceeds five thousand pounds, but does not exceed ten thousand pounds, the rate of duty shall be *seven and a half* per centum thereof:

(c.) Where the value of the gift exceeds ten thousand pounds, the rate of duty shall be *ten* per centum thereof.

Exemption from
gift duty of
contributions by
employers to
superannuation
funds for employees.

6. Any payment made by an employer to a fund established for the purpose of providing retiring-allowances for the employees or any of the employees of the donor shall be deemed to be the creation of a charitable trust within the meaning of section forty-three of the principal Act, and shall be exempt from gift duty accordingly.

Schedule.

SCHEDULE.

SCALE OF RATES OF ESTATE DUTY.

Final Balance of Estate.		Rate per Cent.
Exceeding £1,000, but not exceeding £2,000	...	1
" £2,000	£3,000	2
" £3,000	£4,000	3
" £4,000	£6,000	4
" £6,000	£8,000	5
" £8,000	£10,000	6
" £10,000	£15,000	7
" £15,000	£20,000	8
" £20,000	£25,000	9
" £25,000	£30,000	10
" £30,000	£35,000	11
" £35,000	£40,000	12
" £40,000	£45,000	13
" £45,000	£50,000	14
" £50,000	£60,000	15
" £60,000	£70,000	16
" £70,000	£80,000	17
" £80,000	£90,000	18
" £90,000	£100,000	19
" £100,000	...	20