

ESTATE AND GIFT DUTIES AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill gives effect to the Budget proposal relating to estate duty, and also amends the provisions relating to the allowance for debts in respect of a matrimonial home.

Clause 1 relates to the Short Title, commencement, and application. Except in relation to the new rates of estate duty, the Bill is expressed to come into force on the day it receives the Governor-General's assent, and applies to the estates of all persons dying on or after that day. The new rates of estate duty come into force on 1 April 1983.

Clause 2 provides that where a debt owing by a deceased person is not secured over a matrimonial home (a defined term) but was incurred in acquiring the home in respect of which an allowance is made, the debt is deemed to be secured over the home, thereby reducing the amount of the allowance by the amount of the debt.

Clause 3 substitutes a new First Schedule in the principal Act. This has the effect of extending the limit before estate duty is payable from a final balance of \$300,000 to a final balance of \$350,000.

Hon. Mr Falloon

ESTATE AND GIFT DUTIES AMENDMENT

ANALYSIS

Title	2. Matrimonial home allowance
1. Short Title, commencement, and application	3. New Schedule of rates of estate duty Schedule

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, as follows:

1. Short Title, commencement, and application—

(1) This Act may be cited as the Estate and Gift Duties Amendment Act 1982, and shall be read together with and deemed part of the Estate and Gift Duties Act 1968* (hereinafter referred to as the principal Act).

(2) Except as provided in subsection (3) of this section, this Act shall come into force on the day it receives the Governor-General's assent, and shall apply to the estates of all persons dying on or after that day.

(3) Section 3 of this Act shall come into force on the 1st day of April 1983, and shall apply to the estates of all persons dying on or after that date.

2. Matrimonial home allowance—(1) Section 17A of the principal Act (as inserted by section 6 (1) of the Estate and Gift Duties Amendment Act 1976) is hereby amended by adding the following subsection:

*1968, No. 35 (Reprinted 1976, Vol. 5, p. 3585)

Amendments: 1977, No. 58; 1978, No. 22; 1979, No. 24; 1980, No. 22; 1981, No. 19

“(8) For the purposes of subsection (7) of this section, where any debt owing by the deceased is not secured over the matrimonial home or, as the case may be, other property in respect of which a matrimonial home allowance may be made but, in the opinion of the Commissioner, was incurred by the deceased in the acquisition of the matrimonial home, then that debt, to the extent that it is an allowable debt, shall be deemed to be secured over the matrimonial home or, as the case may be, that other property.” 5

3. New Schedule of rates of estate duty—(1) The 10 principal Act is hereby amended by repealing the First Schedule (as substituted by section 2 (1) of the Estate and Gift Duties Amendment Act 1981), and substituting the First Schedule set out in the Schedule to this Act.

(2) The Estate and Gift Duties Amendment Act 1981 is 15 hereby consequentially repealed.

Estate and Gift Duties Amendment

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SCHEDULE

Section 3

NEW FIRST SCHEDULE TO PRINCIPAL ACT

“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 \$350,000 ...	Nil.
Exceeding \$350,000 ...	40 percent of excess over \$350,000.”
