

## ESTATE AND GIFT DUTIES AMENDMENT BILL

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### EXPLANATORY NOTE

This Bill gives effect to the Budget announcement relating to estate duty, and also makes some technical amendments relating to the charitable allowance.

*Clause 1* relates to the Short Title, commencement, and application.

*Clause 2* makes 3 amendments consequential on the conversion of the system of charitable reliefs applying up to 21 June 1979 to the present system of a charitable allowance.

*Subclause (1)* amends section 28 of the principal Act. The effect of the amendment is to give the benefit of the saving in estate duty through the charitable allowance to the charity itself, rather than spreading the benefit pro rata over all the beneficiaries. This restores the position applying up to 21 June 1979.

*Subclause (2)* extends the provisions of section 35c of the principal Act (which relates to relief given when valuing successions comprising foreign assets) to successions entitled to the charitable allowance.

*Subclause (3)* removes doubts by expressly providing that any charitable allowance is to be allocated rateably amongst the charitable successors (if more than one) in a dutiable estate in proportion to the value of the charitable successions.

*Clause 3* provides that the reduced rates of estate duty otherwise applying from 1 April 1982 to the estates of persons dying on or after that date are now to apply from 1 April 1981.

*Hon. Mr Templeton*

## ESTATE AND GIFT DUTIES AMENDMENT

### ANALYSIS

Title		2. Charitable allowance
1. Short Title, commencement, etc.		3. Rates of estate duty

### 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  
5 the same, as follows:

**1. Short Title, commencement, etc.**—(1) This Act may be cited as the Estate and Gift Duties Amendment Act 1980, 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) This Act shall be deemed to have come into force on the 4th day of July 1980, and shall apply to the estates of all persons dying on or after that day.

**2. Charitable allowance**—(1) Section 28 of the principal  
15 Act is hereby amended by inserting, after subsection (1A) (as inserted by section 6 (2) of the Estate and Gift Duties Amendment Act 1976), the following subsection:

“(1B) In any case where a charitable allowance has been made in respect of the dutiable estate of a deceased person,

\*Reprinted 1976, Vol. 5, p. 3585  
Amendments: 1977, No. 58; 1978, No. 22; 1979, No. 24

the value of the succession of the charitable successor or, where there is more than one, the value of the aggregate of the successions of all charitable successors shall be diminished by an amount equivalent to the charitable allowance.”

(2) Section 35c of the principal Act (as inserted by section 3 of the Estate and Gift Duties Amendment Act 1971 and amended by section 6 (2) of the Estate and Gift Duties Amendment Act 1979) is hereby amended by inserting, after the words “section 41 of this Act,” the words “or the amount of any charitable allowance under this Act,”.

(3) Section 54 (1) of the principal Act (as amended by section 9 of the Estate and Gift Duties Amendment Act 1979) is hereby amended by adding the following proviso:

“Provided that where there is more than one charitable succession in the dutiable estate, the amount of any charitable allowance shall be allocated rateably amongst those charitable successions in proportion to their value.”

(4) Section 9 of the Estate and Gift Duties Amendment Act 1979 is hereby consequentially repealed.

**3. Rates of estate duty**—The First Schedule to the principal Act (as substituted by section 4 (1) of the Estate and Gift Duties Amendment Act 1979) is hereby amended—

(a) By repealing Part C:

(b) By omitting from the heading to Part D the expression “1982”, and substituting the expression “1981”.