ESTATE DUTY ASSESSMENT.

**No. 72 of 1963.**

An Act to amend the *Estate Duty Assessment Act* 1914–1962.

[Assented to 31st October, 1963.]

BE it enacted by the Queen’s Most Excellent Majesty, the Senate, and the House of Representatives of the Commonwealth of Australia, as follows:—

**Short title and citation.**

**1.**—(1.) This Act may be cited as the *Estate Duty Assessment Act* 1963.

(2.) The *Estate Duty Assessment Act* 1914-1962 is in this Act referred to as the Principal Act.

(3.) The Principal Act, as amended by this Act, may be cited as the *Estate Duty Assessment Act* 1914-1963.

**Commencement.**

**2.**—(1.) Subject to this section, this Act shall be deemed to have come into operation on the ninth day of May, One thousand nine hundred and sixty-three.

(2.) Section six of this Act shall come into operation on the day on which this Act receives the Royal Assent.

**3.** After section eight of the Principal Act the following section is inserted:—

**Estates of certain persons who were in Australia for purposes connected with projects of the United States Government.**

“8aa.—(1.) In this section, unless the contrary intention appears—

‘Australia’ includes the Territories of the Commonwealth;

‘civilian accompanying the United States Forces’ means a person (not being a member of the United States Forces, an Australian citizen or a person ordinarily resident in Australia) who—

(*a*)is an employee—

(i) of the United States Forces; or

(ii) of, or of a body conducting, a club or other facility established for the benefit or welfare of members of the United States Forces or of persons accompanying those Forces and which is recognized by the Government of the United States of America as a non-appropriated fund activity; or

(*b*)is serving with an organization that, with the approval of the Government of the Commonwealth, accompanies the United States Forces in Australia;

‘dependant’, in relation to a person, means—

(*a*)the spouse of that person; or

(*b*)a relative, other than the spouse, of that person who is wholly or partly dependent for support on that person,

but, in the case of a person who, immediately before becoming such a spouse or relative, was ordinarily resident in Australia, does not include that person so long as that person continues to be ordinarily resident in Australia;

‘foreign contractor’ means a person who is a party to a prescribed contract and is not—

(*a*)a company incorporated in Australia;

(*b*)an Australian citizen; or

(c) a person, other than a company, who is ordinarily resident in Australia;

‘foreign employee’ means a person who—

(*a*)is an employee of a foreign contractor; or

(*b*)is a director of a company that is a foreign contractor,

and is not an Australian citizen or ordinarily resident in Australia;

‘personal property’ does not include—

(*a*) property held as, or for the purpose of, an investment;

(*b*) copyright;

(*c*) property arising out of the grant of letters patent for an invention, or the registration of a trade mark or an industrial design; or

(*d*)property held in connexion with the carrying on of a business other than a business carried on for prescribed purposes;

‘prescribed contract’ means—

(*a*)a contract to which the Government of the United States of America is a party in connexion with the establishment, maintenance or operation of the North West Cape naval communication station; or

(*b*)a contract made for purposes connected with the performance of a contract referred to in the last preceding paragraph;

‘prescribed purposes’ means—

(*a*)in relation to a foreign contractor or foreign employee—purposes relating to the performance of a prescribed contract; and

(*b*)in relation to a member of the United States Forces or a civilian accompanying the United States Forces—purposes relating to the carrying on of activities agreed upon between the Government of the Commonwealth and the Government of the United States of America;

‘the North West Cape naval communication station’ means the naval communication station the establishment of which is provided for by the agreement approved by the *United States Naval Communication Station Agreement Act* 1963;

‘the United States Forces’ means the armed forces of the Government of the United States of America.

“(2.) For the purposes of this section, a foreign contractor or a foreign employee who is in Australia, or is carrying on business in Australia, solely for prescribed purposes does not

cease to be in Australia solely for those purposes, or to be carrying on business in Australia solely for those purposes, by reason of anything undertaken or done by him in connexion with a project in Australia of the Government of the United States of America, other than the North West Cape naval communication station, agreed upon between the Government of the Commonwealth and the Government of the United States of America.

“(3.) For the purposes of this Act, a person shall not be taken to have become domiciled in Australia at the commencement of, or during, any period in which that person was—

(*a*)a foreign contractor, a foreign employee, a member of the United States Forces or a civilian accompanying the United States Forces who was in Australia solely for prescribed purposes; or

(*b*)a dependant of such a contractor, employee, member or civilian,

except, in the case of a woman, by reason of marriage to a man domiciled in Australia.

“(4.) The last preceding sub-section does not apply in respect of, or of a part of, a period in which a person was, or was a dependant of, a foreign contractor, a foreign employee or a civilian accompanying the United States Forces if the person was not a citizen of, and was not domiciled in, the United States of America during that period or that part of that period, as the case may be.

“(5.) Duty shall not be assessed or payable upon so much of the estate of a deceased person as consists of personal property that, at the time of his death, was held by him in Australia solely by reason of his having been, at that time—

(*a*)a foreign contractor, a foreign employee, a member of the United States Forces or a civilian accompanying the United States Forces who was in Australia solely for prescribed purposes; or

(*b*)a dependant of such a contractor, employee, member or civilian,

if that property is, or has been, by reason of his death, subject to estate tax under the law of the United States of America.”.

**Quick succession rebates.**

**4.** Section eight a of the Principal Act is amended by omitting from paragraphs (*a*)and (*b*)of sub-section (4.) and paragraphs (*c*) and (*d*)of sub-section (5.) the words “the last preceding section” and inserting in their stead the words “section eight of this Act”.

**Deductions from gross value of estate.**

**5.** Section seventeen of the Principal Act is amended by inserting after sub-section (1.) the following sub-section:—

“(1a.) A reference in the last preceding sub-section to a debt due and owing by a deceased person at the time of his death does not include a reference to such a debt that was incurred by him in respect of property upon which, by virtue of sub-section (5.) of section eight aa of this Act, duty is not to be assessed or payable.”.

**Statutory exemption.**

**6.**—(1.) Section eighteen a of the Principal Act is amended by omitting paragraphs (*a*)and (*b*)of sub-section (1.) and inserting in their stead the following paragraphs:—

“(*a*)where the whole of the estate passes by will, intestacy, gift *inter vivos,* settlement or right of survivorship to the widow, children or grandchildren of the deceased—

(i) where the value of the estate does not exceed Ten thousand pounds—a sum equal to the value of the estate; or

(ii) where the value of the estate exceeds Ten thousand pounds—the sum of Ten thousand pounds decreased by One pound for every Four pounds by which that value exceeds Ten thousand pounds;

“(*b*)where no part of the estate so passes to the widow, children or grandchildren of the deceased—

(i) where the value of the estate does not exceed Five thousand pounds—a sum equal to the value of the estate; or

(ii) where the value of the estate exceeds Five thousand pounds—the sum of Five thousand pounds decreased by One pound for every Four pounds by which that value exceeds Five thousand pounds; or”.

(2.) The amendment made by the last preceding sub-section applies only to the estates of persons dying after the commencement of this section.

**Apportionment of duty among beneficiaries.**

**7.** Section thirty-five of the Principal Act is amended by omitting the words “by sub-section (5.) of section eight of this Act”.

**Application of certain amendments.**

**8.** The amendments made by sections three, four, five and seven of this Act apply only to the estates of persons dying after the commencement of this section.