

Gift Duty (Amendment) Bill 1979

EXPLANATORY MEMORANDUM

Clause 1. This clause contains the usual statutory provisions concerning the short title of the Act and the date of commencement. It also preserves the existing provisions so that they may continue to apply to gifts made before the commencement of the new legislation.

It should be noted that the changed level of exemption from 1 January 1980 does not alter the effect of the provisions in the legislation which require the rate of duty on any gift to be determined by aggregation of all gifts within an 18 month period before and after the gift being assessed. Thus a gift of \$12 000 made on say 1 January 1980 (i.e. after the exemption is raised to \$15 000) will not be exempt if other gifts have been made in the previous 18 months which take the aggregate over \$15 000. Similarly, those earlier gifts even though under \$10 000, would also become dutiable.

Clause 2. This Clause amends section 19 (2) to provide that gift duty returns are to be lodged with the Commissioner of Gift Duty where the value of a gift exceeds \$10 000. Under the present legislation, returns are to be lodged where the value of a gift exceeds \$7500. The amendment is consequential upon the increase in the exemption from gift duty.

Clause 3. This Clause inserts a new schedule of rates of gift duty to give effect to the Government's announced policy to increase the exemption from the payment of Victorian gift duty from the present level of \$10 000 to \$15 000.

