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Title:

Statement: Succession duties

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STATEMENT

from the Premier

Date.....October 16, 1975.

Embargo.....

State Administration Centre,
Victoria Square, Adelaide,
South Australia 5001
228 4811

SUCCESSION DUTIES.

The Premier, Mr. Dunstan, today announced extensive new concessions in succession duties, which will benefit widows, widowers, dependent children, orphans and pensioners. As well, very generous new benefits were announced to succession duties on rural properties.

Introducing amendments to the Succession Duties Act into the Legislative Assembly, Mr. Dunstan said the changes would implement the Government's election promise that widows and widowers without discrimination, would be able to inherit an average sized family home without payment of succession duty.

The pledge had been repeated in the Governor's speech at the opening of Parliament.

Mr. Dunstan said rebates of succession duties would be greatly increased and, in future, indexed to keep pace with the increasing cost of living and rising housing values.

"The new provisions of the Act will greatly benefit many people, and will eliminate the financial burden of succession duties for most families", Mr. Dunstan said.

The Bill provides that a spouse (male or female) is entitled to a rebate of \$17,000 for the beneficial interest in the matrimonial home. (Present legislation allows rebates of only \$6,000 for widows and \$2,000 for widowers in respect of the matrimonial home).

As well, the general rebate has been increased to \$18,000 for a widow or widower, instead of the present rebates of \$12,000 for widows and \$6,000 for widowers.

"These two provisions alone mean that a widow or widower can inherit up to \$35,000 without paying succession duties," the Premier said.

The Bill increases the general rebates for children under 18 years to \$18,000 and provides a rebate of \$6,000 for ancestors or descendants more than 18 years old.

As well, the Bill provides that an orphaned child under 18 years is entitled to the same matrimonial home rebate and general rebate as a spouse.

Mr. Dunstan said the new provisions would eliminate succession duties where the interest in the matrimonial home and the general rebate totalled \$35,000 and would cut death duties by \$2500 in the case where the inheritance totalled \$45,000.

The Premier said the general statutory rebate of \$18,000 would be indexed to the Consumer Price Index to ensure that the real value of the concessions was maintained. The \$17,000 matrimonial home rebate would be linked to an annual assessment of housing values from the Valuer-General.

It has also been made specially clear that a gift of a half interest in a matrimonial home will not attract succession duty.

The Premier repeated his offer to couples with a matrimonial home in a single name to transfer it to joint names without payment of Stamp Duty, State Gift Duty, or Lands Titles Office fees so that the maximum advantage can be taken of the new concessions.

Mr. Dunstan said the new measures to ease succession duties on rural properties were particularly generous. The rebate for rural properties will be one half of the value of rural property owned by the deceased as sole owner. The previous rural rebate was half the value of the property up to \$40,000 and then on reducing scale.

As well, the rural rebate will be extended to property owned jointly or in common with others. Previously property held in this fashion had not been eligible for any rebate, but the Government felt that a change should be made.

"These provisions have been requested by rural groups, and my Government agrees that the incidence of succession duties on rural people should be eased", Mr. Dunstan said.



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