

Estate Duty (Amendment) Bill

Table of Contents

Bill No: 61/2004

Read the first time: 19th October 2004

Long Title

Enacting Formula

1 Short title

2 Amendment of section 14

3 Amendment of section 27

4 Amendment of section 31

5 Amendment of section 36

6 Amendment of section 38

7 Amendment of section 45

8 Amendment of section 46

9 Amendment of section 47

10 Amendment of section 58

11 Repeal and re-enactment of Sixth Schedule

Explanatory Statement

Expenditure of Public Money

Estate Duty (Amendment) Bill

Bill No. 61/2004

Read the first time on 19th October 2004.

An Act to amend the Estate Duty Act (Chapter 96 of the 2001 Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title

1. This Act may be cited as the Estate Duty (Amendment) Act 2004.

Amendment of section 14

2. Section 14(7) of the Estate Duty Act (referred to in this Act as the principal Act) is amended by deleting paragraph (a) and substituting the following paragraph:

“(a) approved under the Home Office Scheme by the Urban Redevelopment Authority or the Housing and Development Board; or”.

Amendment of section 27

3. Section 27 of the principal Act is amended —

- (a) by deleting the words “\$1,000 or 5% of the ascertained value of the estate, whichever is the smaller” in the 3rd and 4th lines of subsection (1) and substituting the words “the amount specified in subsection (5)”; and

- (b) by inserting, immediately after subsection (4), the following subsection:

“(5) For the purpose of subsection (1), the amount specified —

- (a) in the case of a person dying before 1st January 2005, is \$1,000 or 5% of the ascertained value of the estate, whichever is the smaller;
- (b) in the case of a person dying on or after 1st January 2005, is \$6,000.”.

Amendment of section 31

4. Section 31(1) of the principal Act is amended by inserting, immediately after the words “any interest”, the word “, penalty”.

Amendment of section 36

5. Section 36 of the principal Act is amended —

(a) by deleting subsection (1) and substituting the following subsections:

“(1) Subject to the provisions of this Act, simple interest at the appropriate rates specified in the Sixth Schedule shall be payable upon all estate duty, and shall be recoverable in the same manner as if it were part of the duty —

- (a) in the case of a person dying before 1st January 2005, from the date of death of the deceased to the date of payment of the duty;
- (b) in the case of a person dying on or after 1st January 2005, from the date of death of the deceased to whichever of the following dates occurs first:
 - (i) the date of receipt by the Commissioner of an estate duty return without omission of assets;
 - (ii) the date of the notice of assessment; or
 - (iii) the date of payment of the duty.

(1A) In the case of a person dying on or after 1st January 2005, if any estate duty or interest thereon is not paid in full on or before the relevant date —

- (a) a penalty equal to 6% per year of the unpaid estate duty shall be added thereto for the first complete month that the duty remains unpaid after the relevant date; and
- (b) an additional penalty of 1% per year of the unpaid estate duty shall be payable for each subsequent complete month that the duty remains unpaid, subject to a maximum of 12% per year of the amount of unpaid duty.

(1B) In subsection (1A) —

“relevant date” means the date 30 days after the date of the notice of assessment, or the date 6 months after the date of death of the deceased, whichever is the later;

“unpaid estate duty” includes any interest payable under

subsection (1)(b).”;

(b) by deleting subsection (4) and substituting the following subsections:

“(4) In cases where estate duty is payable when an interest in expectancy falls into possession, interest on the estate duty shall be payable at the appropriate rates specified in the Sixth Schedule —

- (a) in the case of a person dying before 1st January 2005, from the date when such interest falls into possession to the date of payment;
- (b) in the case of a person dying on or after 1st January 2005, from the date when such interest falls into possession to whichever of the following dates occurs first:
 - (i) the date of receipt by the Commissioner of a further estate duty return or further account in relation to such interest which falls into possession;
 - (ii) the date of a further notice of assessment in relation to such interest which falls into possession; or
 - (iii) the date of payment of the duty,

and if the duty or interest thereon, if any, is not paid in full within 30 days from the date of the further notice of assessment, a penalty shall be payable at the rates specified in subsection (1A).

(4A) For the purposes of determining the penalty payable under subsection (4)(b), the references in subsection (1A) to —

- (a) the relevant date shall be read as the date 30 days after the date of the further notice of assessment, or the date 6 months after the date of death of the deceased, whichever is the later; and
- (b) the unpaid estate duty shall be read as the unpaid estate duty payable on such interest in expectancy which falls into possession, and includes any interest payable under subsection (4)(b).”; and

(c) by inserting, immediately after the word “duty” in the section heading, the

words “and penalty for late payment”.

Amendment of section 38

6. Section 38 of the principal Act is amended by deleting the words “or interest thereon” in subsections (1) and (2) and substituting in each case the words “, interest thereon or penalty”.

Amendment of section 45

7. Section 45 of the principal Act is amended by deleting the words “and interest thereon” and substituting the words “, interest thereon and penalty”.

Amendment of section 46

8. Section 46 of the principal Act is amended —

- (a) by deleting the word “and” at the end of subsection (1)(b);
- (b) by deleting paragraph (c) of subsection (1) and substituting the following paragraphs:

“(c) at the same time pay to the Commissioner interest upon such difference at the appropriate rates specified in the Sixth Schedule from the date of the death, or from such subsequent date as the Commissioner may in the circumstances think proper —

- (i) in the case of a person dying before 1st January 2005, to the date of payment;
- (ii) in the case of a person dying on or after 1st January 2005, to whichever of the following dates occurs first:
 - (A) the date of receipt by the Commissioner of the further estate duty return or further account required under paragraph (a) without omission of assets;
 - (B) the date of the notice of assessment of the difference; or
 - (C) the date of payment; and