

PARLIAMENT OF CEYLON

3rd Session 1958-59



Estate Duty (Amendment) Act, No. 15 of 1959

Date of Assent: May, 15, 1959

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AN ACT TO AMEND THE ESTATE DUTY ORDINANCE AND
TO MAKE CERTAIN CONSEQUENTIAL PROVISIONS.

Chapter 187
(Vol. IV.,
page 574).

[Date of Assent: May 15, 1959]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Senate and the House of Representatives of Ceylon in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the Estate Duty (Amendment) Act, No. 15 of 1959.

Short title.

2. Section 2 of the Estate Duty Ordinance (hereinafter referred to as the "principal enactment") is hereby repealed and the following section is substituted therefor:—

Replacement
of section 2
of Chapter 187.

" Officers.

2. (1) For the purposes of this Ordinance, there may be appointed such number of Deputy Commissioners of Inland Revenue, Assistant Commissioners of Inland Revenue and Assessors of Estate Duty as may be necessary.

(2) A Deputy Commissioner of Inland Revenue appointed for the purposes of the Income Tax Ordinance shall have all the powers under this Ordinance of a Deputy Commissioner of Inland Revenue appointed for the purposes of this Ordinance.

(3) An Assistant Commissioner of Inland Revenue appointed for the purposes of the Income Tax Ordinance shall have all the powers under this Ordinance of an Assistant Commissioner of Inland Revenue appointed for the purposes of this Ordinance.

(4) An Assistant Commissioner exercising or performing any power, duty or function of the Commissioner under this Ordinance shall, until the contrary is proved, be deemed for all purposes to be authorised to exercise or perform such power, duty or function.

(5) The Commissioner or an Assistant Commissioner may exercise any powers conferred on an Assessor by this Ordinance.

(6) An Assessor of Income Tax appointed for the purposes of the Income Tax Ordinance shall have all the powers of an Assessor of Estate Duty under this Ordinance."

Amendment of
section 5 of
the principal
enactment.

3. Section 5 of the principal enactment, as amended by Act No. 3 of 1948, Act No. 34 of 1955 and Act No. 50 of 1956, is hereby amended, in sub-section (1) of that section, as follows:—

(1) by the substitution, in paragraph (iv) of that sub-section, for the words "the appointed date or any subsequent date," of the following:—

"not earlier than the first day of April, 1956, and not later than the seventeenth day of July, 1958,";

(2) by the substitution, in paragraph (iv) of that sub-section, for the word "Part: ", of the words "Part; and "; and

(3) by the addition, immediately after paragraph (iv) of that sub-section, of the following paragraph:—

"(v) where the date of his death is the eighteenth day of July, 1958, or any subsequent date, be computed in accordance with the provisions of this Ordinance—

(a) if the value of his total estate does not exceed the value of his Ceylon estate, at the rates shown in the second column of Part V of the Schedule, each such rate being applicable to such portion of the value of the estate as is shown in the corresponding entry in column I of the Schedule, and

(b) if the value of his total estate exceeds the value of his Ceylon estate, at a rate equal

to the percentage which the amount that would be estate duty on his total estate, if his total estate were entirely his Ceylon estate, bears to the value of his total estate.”.

4. Section 6 of the principal enactment, as amended by Act No. 3 of 1948, is hereby amended as follows:—

Amendment of
section 6 of
the principal
enactment.

(1) in paragraph (b) of that section by the substitution, for the words “made or effected”, of the words and figures “made or effected before July 18, 1958, and”;

(2) in paragraph (c) of that section by the substitution, for the words “made or effected”, of the words and figures “made or effected before July 18, 1958, and”; and

(3) in paragraph (d) of that section—

(a) by the substitution, for the words “which shall not have been bona fide made”, of the words and figures “which, if the disposition was made before July 18, 1958, shall not have been bona fide made”;

(b) by the substitution, for the words “contract or otherwise:”, of the following:—

“contract or otherwise, or taken under a gift of any description whatsoever made on or after July 18, 1958:”.

(c) in the proviso to that paragraph—

(i) by the substitution, in paragraph (i) of that proviso, for the words “by means”, of the words and figures “but before July 18, 1958, by means”;

(ii) by the substitution, in paragraph (ii) of that proviso, for the words “gift made”, of the

words and figures "gift made before July 18, 1958,"; and

(iii) by the substitution, in paragraph (iii) of that proviso, for the words "gifts made", of the following:—

"gifts made before July 18, 1958, which are";

(iv) by the renumbering of paragraph (iv) of that proviso as paragraph (v); and

(v) by the insertion, immediately after paragraph (iii) of that proviso, of the following paragraph:—

"(iv) nothing herein contained shall apply to gifts to which the Personal Tax Act of 1959 does not apply, other than any gift specified in paragraph (b), paragraph (h) or paragraph (i) of section 21 (1) of that Act;".

Amendment of
section 7 of
the principal
enactment.

5. Section 7 of the principal enactment is hereby amended by the substitution, for the words "made by the deceased more than", of the words and figures "made by the deceased before July 18, 1958, and more than".

Amendment of
section 16 of
the principal
enactment.

6. Section 16 of the principal enactment is hereby amended by the substitution, for the words "deducted from the amount of the estate duty payable in respect of that property:", of the words and figures "deducted from the amount of the estate duty payable in respect of that property unless that property is gifted property in respect of which a contribution has been made, or has to be made, to the Personal Tax under the Personal Tax Act of 1959:".

7. The following new section is hereby inserted immediately after section 16, and shall have effect as section 16A, of the principal enactment:—

Insertion of
new section
16A in the
principal
enactment.

“ Set off
against
estate duty
of contri-
butions in
respect of
gifted
property to
Personal Tax.

16A. Where any contribution has been made, or has to be made, to the Personal Tax under the Personal Tax Act of 1959 in respect of any property which has been gifted by any person, the amount of such contribution, without deducting from that amount any sum allowed to be deducted under section 19 (3) of the Personal Tax Act of 1959, shall be set off against the amount of the estate duty payable on his Ceylon estate upon his death.”.

8. Section 20 of the principal enactment, as amended by Ordinance No. 8 of 1941 and Act No. 34 of 1955, is hereby amended by the addition, at the end of that section, of the following new sub-section:—

Amendment of
section 20 of
the principal
enactment.

“(7) Where the property to be valued is property in respect of which a contribution has been made, or has to be made, to the Personal Tax under Chapter IV of the Personal Tax Act of 1959, the value of such property for the purposes of this Ordinance shall be the value of such property for the purposes of the determination of such contribution increased by the amount of such contribution, without deducting from that amount any sum allowed to be deducted under section 19 (3) of the Personal Tax Act of 1959.”.

9. Section 33 of the principal enactment is hereby amended, in sub-section (1) of that section, by the substitution for the word “three”, wherever that word occurs in that sub-section, of the word “six”.

Amendment of
section 33 of
the principal
enactment.

10. Section 54 of the principal enactment is hereby amended, in sub-section (1) of that section, by the addition, at the end of that sub-section, of the following proviso:—

Amendment of
section 54 of
the principal
enactment.

“ Provided that property by the sale of which the duty may be recovered shall not include property gifted by the deceased in respect of which a contribution has been made, or has to be made, to the Personal Tax under the Personal Tax Act of 1959.”.

Amendment of
section 75 of
the principal
enactment.

11. Section 75 of the principal enactment is hereby amended by the substitution, for the word " Commissioner ", wherever that word occurs in that section, of the word " Minister ".

Amendment of
section 77 of
the principal
enactment.

12. Section 77 of the principal enactment is hereby amended as follows:—

(a) in the definition of " Assistant Commissioner ", by the substitution, for the words " Estate Duty ", of the words " Inland Revenue "; and

(b) by the substitution, for the definition of " Commissioner ", of the following definition:—

" " Commissioner " means the Commissioner of Inland Revenue appointed for the purposes of the Income Tax Ordinance and includes a Deputy Commissioner of Inland Revenue appointed for the purposes of this Ordinance or of the Income Tax Ordinance, and an Assistant Commissioner of Inland Revenue who is appointed for the purposes of this Ordinance or of the Income Tax Ordinance and who is authorised by the Commissioner either generally or for some specific purpose to act on behalf of the Commissioner; '.

Amendment of
the Schedule
to the
principal
enactment.

13. The Schedule to the principal enactment, as amended by Act No. 3 of 1948, Act No. 34 of 1955 and Act No. 50 of 1956, is hereby amended by the addition, at the end of that Schedule, of the following new Part:—

" Part V.

I	II
Rate per cent	
On the first Rs. 20,000 of the value of the estate ...	Nil
On the next Rs. 30,000 of the value of the estate ...	5
On the next Rs. 30,000 of the value of the estate ...	7½
On the next Rs. 30,000 of the value of the estate ...	10
On the next Rs. 40,000 of the value of the estate ...	11

<i>I</i>	<i>II</i> <i>Rate per cent</i>
On the next Rs. 50,000 of the value of the estate ...	12
On the next Rs. 100,000 of the value of the estate ...	13
On the next Rs. 100,000 of the value of the estate ...	15
On the next Rs. 100,000 of the value of the estate ...	20
On the next Rs. 100,000 of the value of the estate ...	25
On the next Rs. 125,000 of the value of the estate ...	27
On the next Rs. 125,000 of the value of the estate ...	30
On the next Rs. 200,000 of the value of the estate ...	35
On the next Rs. 350,000 of the value of the estate ...	40
On the next Rs. 750,000 of the value of the estate ...	45
On the balance ...	50."

14. (1) All suits, prosecutions, appeals or other legal proceedings, civil or criminal, instituted by or against the Commissioner of Estate Duty before the date on which this Act comes into operation may be continued by or against the Commissioner of Inland Revenue.

Savings.

(2) Any proxy signed by the Commissioner of Estate Duty and filed of record in any legal proceedings pending on the day immediately preceding the date on which this Act comes into operation shall on and after that date have effect as if it had been signed by the Commissioner of Inland Revenue.

(3) All decrees or orders made by any competent court in favour of, or against, the Commissioner of Estate Duty before the date on which this Act comes into operation shall on and after that date be deemed to have been made in favour of, or against, the Commissioner of Inland Revenue.

(4) All notices, certificates, other documents or orders issued or made under the principal enactment by the Commissioner of Estate Duty before the date

on which this Act comes into operation shall on and after that date have effect as if they were issued or made by the Commissioner of Inland Revenue.

(5) Every contract, agreement, or other instrument made or executed by or in favour of the Commissioner of Estate Duty and in force on the day immediately preceding the date on which this Act comes into operation shall on and after that date be deemed to have been made or executed by or in favour of the Commissioner of Inland Revenue.

(6) Any notice of objection given under the principal enactment to the Commissioner of Estate Duty and pending on the day immediately preceding the date on which this Act comes into operation shall on and after that date be deemed to have been given to the Commissioner of Inland Revenue.

(7) Any appeal referred under the principal enactment to the Supreme Court by the Commissioner of Estate Duty and pending on the day immediately preceding the date on which this Act comes into operation shall on and after that date be deemed to have been referred by the Commissioner of Inland Revenue.

(8) Any act or proceeding commenced under the principal enactment by the Commissioner of Estate Duty and not completed before the date on which this Act comes into operation may be completed by the Commissioner of Inland Revenue.

(9) Any notice, assessment, certificate or order issued or made under the principal enactment by a Deputy Commissioner of Estate Duty or an Assistant Commissioner of Estate Duty before the date on which this Act comes into operation shall on and after that date have effect as if it was issued or made by a Deputy Commissioner of Inland Revenue or an Assistant Commissioner of Inland Revenue.

(10) Any act or proceeding commenced under the principal enactment by a Deputy Commissioner of Estate Duty or an Assistant Commissioner of Estate Duty and not completed before the date on which this Act comes into operation may be completed by a Deputy Commissioner of Inland Revenue or an Assistant Commissioner of Inland Revenue.

(11) The reference to Commissioner of Estate Duty in any written law shall, on or after the date on which this Act comes into operation, be deemed to be a reference to the Commissioner of Inland Revenue.