Finance Act 1965

Section 69 - Amendment of Act 34 of 1953

In the Estate Duty Act, 1953, -

(i) in section 9, in sub-section (1), for the words "two years", the words "one year" shall be substituted;

(ii) in section 10, -

(a) in the proviso, for the words "two years", the words "one year" shall be substituted;

(b) after the proviso, the following proviso shall be inserted, namely :-

"Provided further that a house or part thereof taken under any gift made to the spouse, son, daughter, brother or sister, shall not be deemed to pass on the donors death by reason only of the residence therein of the donor except where a right of residence therein is reserved or secured directly or indirectly to the donor under the relevant disposition or under any collateral disposition.";

(iii) in sub-section (2) of section 11, -

(a) for the words "two years", wherever they occur, the words "one year" shall be substituted;

(b) after the first proviso, the following proviso shall be inserted, namely :-

"Provided further that where the disposition or determination of an interest limited to cease on the death in a house or part thereof was effect or suffered in favour of the spouse, son, daughter, brother or sister, then, the disposition or determination shall, notwithstanding the residence therein of the person who immediately before the disposition or determination had the interest, be deemed to be excepted by this sub-section save where a right of residence therein is reserved or secured directly or indirectly to such person under the relevant disposition or under any collateral disposition.";

(iv) in sub-section (1) of section 12, -

(a) in the proviso, for the words "two years", the words "one year" shall be substituted;

(b) after the proviso and before the Explanation, the following proviso shall be inserted, namely :-

"Provided further that a house or part thereof comprised in such settlement made in favour of the spouse, son, daughter, brother or sister, shall not be deemed to pass on the settlers death by reason only of the residence therein of the settlor except where a right of residence is reserved or secured directly or indirectly to the settlor under the settlement or under any collateral disposition.";

(v) in section 22, -

(a) for the words "two years", the words "one year" shall be substituted;

(b) for the proviso, the following proviso shall be substituted, namely :-

"Provided that a house or part thereof held by the deceased as trustee for another person under a disposition made by him in favour of the spouse, son, daughter, brother or sister, shall not be deemed to be included in the property passing on the death of the deceased by reason only of the residence therein of the deceased except where a right of residence therein is reserved or secured directly or indirectly to the deceased under the relevant disposition or under any collateral disposition.";

(vi) after section 29, the following section shall be inserted, namely :-

"29A. Exemption of pensions, etc., in certain cases. -Estate duty shall not be payable in respect of -

(a) any pension accruing or arising on the death of the deceased to his widow or other dependants under the revised Pension Rules of the Central Government or under any similar scheme of a State Government, a local authority or a corporation established by a Central, State or Provincial Act, or under the New Pension Code applicable to the members of the Defence Services; or

(b) any annuity or pension payable to such widow or dependants from -

(i) a superannuation fund approved under the Indian Income-tax Act, 1922 (11 of 1922), or the Income-tax Act, 1961 (43 of 1961), to the extent to which the amount of such annuity or pension does not exceed the equivalent of fifteen thousand rupees per annum, or

(ii) a superannuation or pension fund established by such international organisations as the Central Government may, by notification in the Official Gazette, specify in this behalf.";

(vii) in section 33, in sub-section (1), -

(a) in clause (b), for the words "two years", the words "one year" shall be substituted;

(b) after clause (n), the following clause shall be inserted, namely :-

"(o) property taken under any gift made by the deceased to the spouse, son, daughter, brother or sister, beyond a period of five years before his death :

Provided that the property is either chargeable to gift-tax under the Gift-tax Act, 1958 (18 of 1958), or is not chargeable under section 5 of that Act, for any assessment year commencing after the 31st day of March, 1964.";

(viii) in section 34, in clause (a) of sub-section (1), for the word, brackets and letter "and (n)", the brackets, letters and word ", (n) and (o)" shall be substituted;

(ix) in section 46, in sub-section (2), for the words "two years", the words "one year" shall be substituted.