

FOURTH SESSION
THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

Bill 104

An Act to again amend the Succession Duty Act

First reading
Second reading
Third reading

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Ministre du revenu

L'ÉDITEUR OFFICIEL DU QUÉBEC

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EXPLANATORY NOTES

This bill follows up certain measures in respect of the Succession Duty Act announced in the Budget Speech of 25 March 1980.

The main purpose of these measures is to increase the basic exemptions applicable to the various heirs to a succession opened after 25 March 1980. Thus, as for all heirs in the direct line, the personal exemption is increased from \$75 000 to \$85 000. As for any legacy to collateral relations or third persons, the basic exemption is tripled, thus increasing from \$5 000 to \$15 000. In addition, with respect to the transmission in the direct line of property used in the operation of a farming business or of shares of a private corporation, a new basic exemption of \$200 000 is introduced. This exemption is added to the other existing personal exemptions. However, this exemption of \$200 000 may be used only once, for example if farming property is transmitted as shares of a private corporation.

Bill 104

An Act to again amend the Succession Duty Act

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

1. Section 6 of the Succession Duty Act (1978, c. 37), amended by section 35 of chapter 38 of the statutes of 1979, is again amended by replacing, in the English version, the second paragraph by the following paragraph:

“Any property in respect of which the right of a beneficiary arises owing to or upon the death of an institute or of a beneficiary of the revenue, as the case may be, is deemed to be transmitted to that beneficiary owing to such death, except where that beneficiary is an institute or a beneficiary of the revenue who has the same degree of filiation, in relation to the person disposing, as the deceased beneficiary.”

2. Section 26 of the said act, replaced by section 6 of chapter (*insert here the chapter number of Bill 80*) of the statutes of 1980, is amended by replacing the figure “75 000” in the second paragraph by the figure “85 000”.

3. Section 26.1 of the said act, enacted by section 7 of chapter (*insert here the chapter number of Bill 80*) of the statutes of 1980, is amended by replacing the figure “75 000” by the figure “85 000”.

4. Section 27 of the said act is amended by replacing the figure “75 000” by the figure “85 000”.

5. Section 29 of the said act is amended by replacing the figure “75 000” by the figure “85 000”.

6. The said act is amended by inserting, after section 29, the following section:

“29.1 Where, among the property transmitted to a beneficiary contemplated in section 27 or 29 resident in Québec or domiciled therein, there is property contemplated in section 37 or 39, this beneficiary may, in computing the taxable value of the property transmitted to him owing to death, deduct the lesser of an amount of \$200 000 and of the market value of the aggregate of the property contemplated in sections 37 and 39 in the proportion that the market value of such property so transmitted to him is to the market value of the aggregate of such property.”

7. Section 32 of the said act is amended by replacing the figure “5 000” by the figure “15 000”.

8. Section 33 of the said act is replaced by the following section:

“33. The usufructuary or the person having a right of use contemplated in section 5 may, in computing the taxable value of encumbered property, deduct that part of the exemption provided for by this division in favour of the person having naked ownership which the latter has been unable to use, not having received an inheritance of a sufficient amount for that purpose.”

9. Section 42 of the said act is replaced by the following section:

“42. No deduction may be claimed under sections 35 and 36 at the same time or, as the case may be, under sections 37 and 39 at the same time with respect to the same property; in addition, the deductions provided for by sections 35 to 39 and 41 are computed separately in each section without taking into account the other deductions granted by this chapter, while the deduction provided for by section 40 is computed after applying sections 37 and 39.”

10. Except for cases pending on (*insert here the date of the tabling of Bill 104*), sections 1, 8 and 9 have effect as from 19 April 1978.

11. Sections 2, 3, 4, 5, 6 and 7 apply in respect of any succession opened after 25 March 1980.

12. This act comes into force on the day of its sanction.