2016 Southern African Accounting Association (SAAA)
National Teaching and Learning and Regional Conference Proceedings

ISBN number: 978-0-620-74761-5

TAX 02: The Hand Which Reaches Beyond the Grave: Reasons for and against the abolishment of Estate Duty in South Africa using Australia as a benchmark

Authors:
Patrick Dunton, Riley Carpenter,
Riyaan Mabutha (University of Cape Town)

Contact: riyaan.mabutha@uct.ac.za

ABSTRACT

This paper analysed the current position of the treatment of death as a taxable event in South Africa and Australia, by means of a high level overview. Greater detail of the reasons and arguments for and against Australia's abolishment of its death duties in 1978 were considered, and the relevant current literature regarding South Africa's Estate Duty Act. This paper then sought to determine whether the reasoning offered during the deliberations over Australia's abolishment could be applied in a South African context to the Estate Duty Act, by taking the Australian arguments, both for and against abolishment of death duties, and analysing the literature on South Africa's estate duty and whether any points or facts from the South African literature could be linked to the arguments presented during Australia's abolishment of death duties deliberations. The study found that some arguments drawn from Australia's abolishment of death duties could potentially be applied to estate duty in South Africa. However the results were not conclusive, several similarities were highlighted and potential arguments that could be applied in a South African context were evident.

Key words: Estate duty, capital gains tax, death taxes, double tax

 ISBN 978-0-620-74761-5

INTRODUCTION AND RESEARCH OBJECTIVE

The treatment of death as a taxable event in South Africa has been under considerable scrutiny since the introduction of capital gains tax in 2001. This is evidenced by the South African Treasury delegating to a committee the task of determining "the continued relevance of Estate Duty" and also focusing on the "interaction between CGT and estate duty" in 2013 (The Davis Tax Committee, 2015).

Much has also been written about the current South African position on death as a taxable event, with some questioning the value of the Estate Duty Act and some defending the use of the legislation. (Muller, 2010; Roeleveld, 2012, Thorpe 2015).

Roeleveld (2012) proposed an argument that either death should not constitute a capital gains tax event, or that estate duty should be abolished altogether. The reason for this argument was that estate duty and capital gains tax are levied on the same assets, and it was further elaborated that capital gains tax could essentially fill the role of estate duty and there was therefore no need for estate duty as an additional tax.

In order to analyse these concerns further, in particular the relevance and merits of estate duty and the perceived double tax that arises on death, this paper analyses the treatment of an individual's assets on death from a South African tax perspective. This is then contrasted to Australia, considering whether the reasons for and against the abolition of Australia's death duties can be applied to a South African context with regards to the Estate Duty Act

Comparable Country Selection of Australia

In order to compare South Africa's treatment on death against that of another country, certain criteria would have to be met in order for the study to carry value. Australia was determined to be the country that came closest to meeting the necessary criteria for the following reasons:

- Australia previously had a form of death tax that was abolished. This allows for the analysis for the reasoning of the abolishment, and whether that reasoning could be applicable to South Africa, a country which still has a form of death tax, that being estate duty. It also allows for a control variable in the comparison that would not necessarily be available from a country which never had a form of death tax or currently still has a form of death tax in force.

- South African Income Tax legislation was derived from Australian source legislation. The first Income Tax Act of South Africa (The Income Tax Act No. 28 of 1914) was derived from the New South Wales Act of 1895 (Haupt, 2014). This allows for a necessary degree of comparability that may not be viable from another country where the legislation is derived from a completely different source, and has no similarities or origins, and therefore, no comparability.

- When Australia abolished its death duties it was considered to be very controversial, as it resulted in Australia being the first member country of the Organisation of Economic Cooperation and Development (OECD) to not have any form of tax on capital appreciation. This resulted in much literature being written on the topic by academics and social commentators. This large amount of literature provides greater understanding and completeness to the study that one does not necessarily achieve with other countries (Pedrick, 1982).

- Australia had death duties as a taxing mechanism at a federal and state level. This had the effect of an asset being subject to tax at these two different levels on death, resulting in what was effectively a double taxation on the asset. South Africa currently has a similar situation with estate duty and capital gains tax, which enhances the comparability between the two countries.

The following was considered to be a limiting factor of using Australia as the comparable country:

It could be considered that South Africa has a greater degree of inequality and poverty then Australia. Although this limitation cannot be disregarded, its effect on the comparison is expected to be minimal due to the abatement (essentially up to R3.5 million of the net value of the deceased's estate is tax free from estate duty) provided by the Estate Duty Act (section 4A), therefore effectively ruling out a significant portion of the South African population, and minimising to a limited extent the effects of the differing levels of inequality on the comparison

RESEARCH METHOD

A literature review was performed on the various types of death taxes applicable in South Africa and Australia. The literature review included a survey of the literature for and against the abolishment of Australia's death duties. The paper then analyses the reasons for and against the abolishment of Australia's death duties against literature on South Africa's estate duty. It is in turn determined whether they have some relevance or can be applied currently to South African context with regards to estate duty. This paper then concludes considering recent developments in South Africa as it relates to estate duty including the work of the various tax review commissions established in South Africa.

SOUTH AFRICAN TAXES PAYABLE ON DEATH

In South Africa, there are several forms of taxation that are applicable to individuals, the most relevant being, for the purposes of this paper, estate duty and capital gains tax which is levied at death.

Estate Duty:

Estate duty is governed by the Estate Duty Act of 1955 and applies to all individuals who are ordinarily resident in South Africa on the date of their death, or who are not ordinarily resident but owned assets in the Republic on the date of their death (section 2(2)). The

 ISBN 978-0-620-74761-5

provisions of the Estate Duty Act apply to all property held worldwide by residents and the definition of property is very broad and includes items which are deemed to be property (section 3(3)). The Estate Duty Act requires that a duty be levied at a flat rate of 20% on the total net value of assets that form part of a deceased South African resident's estate, subject to certain exemptions and deductions.

Intention of Estate Duty in South Africa:

Estate duty is first and foremost a wealth tax, as only individuals who own assets of a high enough value will be subject to it. This is achieved by the Estate Duty Act allowing the deceased to apply a R3,5 million abatement (section 4A) against the net value of their estate.

In South Africa, where just under 60% of the population are deemed to be living in varying forms of poverty (Statistics South Africa, 2015), the abatement rules out a vastly significant portion of the population from ever being subject to estate duty, therefore, only a wealthy minority will be subject to the tax.

Estate Duties usefulness in generating tax revenue is very limited. In 2014, estate duty only contributed to 0.1224% of total tax revenue (South African Revenue Service & National Treasury, 2014).

Capital Gains Tax:

Capital gains tax is governed by the Income Tax Act of 1962 and came into effect in 2001. The Eighth Schedule of the Income Tax Act stipulates that any gains in the form of capital appreciation that arise on disposal of assets owned by a South African resident, or fixed property of a non-resident, will be subject to an inclusion, at a rate of 33.3% in the calculation of a natural person's taxable income. For the purposes of this paper, capital gains effecting companies are disregarded, as companies do not attract death taxes.

The Eighth Schedule in the Income Tax Act requires that for capital gains tax to be triggered, there must be a disposal, "death" is included in the definition of disposal. The implications of this is that when a resident of the Republic, or a non-resident who owns qualifying property in terms of the Eighth Schedule, becomes deceased, the deceased disposes of all their property, at a value equal to the prevailing market value on the date of their death.

Intention of Capital Gains:

Capital gains tax is intended to be a mechanism for the SARS to tax capital appreciation that would not normally fall in the scope of the income tax net due to the appreciation being capital in nature, this was intended to "strengthen the ideals of fairness and impartiality" of the South African tax system (Thorpe, 2015). The total amount of revenue generated by capital gains tax in 2014 was R11,603 million which equated to only 1,28% of total tax revenue (Thorpe, 2015).

 ISBN 978-0-620-74761-5

Recent Developments on South African Taxes on Death

Three committees have been set up to review the tax structure of South Africa, these were the Margo, Katz and Davis Commissions, and each highlighted particular insights and issues relating to estate duty. The Margo and Katz commission were held before the introduction of capital gains tax and therefore their relevance with regard to this paper is limited and are therefore are only dealt with briefly.

The Margo Commission was tasked with reviewing the state of the South African tax system in 1987, and by virtue of this detailed particular insights into Estate Duty Act.

The Margo Commission suggested that a pure form of capital gains tax was not required, but rather that a capital transfer tax be implemented and that this would take the place of estate duty, allowing for it then to be abolished (Margo Commission, 1987). It has been suggested that the transfer tax that was proposed is very similar to the capital gains tax that was implemented in 2001 (Roeleveld, 2012). The fact that the commission suggested that the capital transfer tax, which as stated, is very similar to the current capital gains tax legislation, take the place of estate duty, is relevant because it is evident that the commission specifically wanted to avoid the scenario where there are two forms of taxation on capital appreciation.

The Katz Commission (1994) supported the view that there was a need for a wealth tax. It adjudged, based on the reasons above, that some form of wealth tax was necessary in the South African tax legislation. It identified that it would want to implement a wealth tax that would yield approximately 1-1.5% of total tax revenue, and wanted to avoid high administration costs of implementing this tax. The commission also raised the point that it did not want savings and capital accumulation to be adversely affected by such a tax (Katz Commission, 1994).

Having taken the factors discussed above into account, the Katz Commission (1994) concurred with the Margo Commission and also favoured a capital transfer tax that would encompass estate duty and donations tax, but did not recommend that it be implemented immediately, but rather after more consideration and study.

The Davis Commission was established in 2013 and released a report in early 2015 dealing exclusively with estate duty, in particular “the role and continued relevance of estate duty” and the “interaction between CGT and estate duty” (The Davis Tax Committee, 2015). The Davis Tax Commission (2015) suggested that South Africa is currently underperforming with regards to revenue generation from estate duty relative to other countries’ death duties revenue generation and suggested that there is “scope to improve performance in this regard” (The Davis Tax Committee, 2015). Stemming from this low revenue generation, the Davis Tax Committee (2015) identified certain issues regarding the current Estate Duty Act:

 ISBN 978-0-620-74761-5

- It is inefficient.
- It displays various aspects that are inequitable. This point was justified by pointing out that the wealthy are “easily able to plan and implement estate duty planning mechanisms” (The Davis Tax Committee, 2015).
- It is overly complex, time consuming and inconvenient.
- It lacks transparency due the wealthy’s ability to mitigate their tax liability through adequate planning.

Based on the shortfalls discussed above, the Davis Tax Committee (2015) concluded that the following was action that could be taken

- Abolish the Estate Duty Act completely, “moving away from treating death as a taxable event” (The Davis Tax Committee, 2015). This is an option also suggested by Roeleveld (2012).
- Amend the Estate Duty Act to correct its flaws.
- Replace the present Estate Duty Act with a new form of wealth tax.

The Davis Tax Committee (2015) suggested that because of the significant inequality currently in South Africa, it would be difficult to motivate the abolishment of the only tax tool that is a direct tax on the wealthy in South Africa.

Having ruled out the other two options, and utilising several arguments against abolishment put forward by the Katz Commission, the Davis Tax Committee (2015) recommended that the estate duty legislation should remain in place and with appropriate amending, could “achieve many of the objectives” (The Davis Tax Committee, 2015) that it is intended to achieve

AUSTRALIAN TAXES PAYABLE ON DEATH

Death Duties

Australia currently has no death tax, it was abolished at a federal level in 1978 and eventually at a state level in all six states of Australia in 1982 (Grossman, 1990). The movement towards this abolishment was mostly due to the view that death duties “weighed heavily on even very modest estates, with inflation exacerbating the problem of low exemptions” (Gilding, 2010). Australia was seen to be relatively progressive with this move, as it was the first of the OECD countries at the time to make this type of tax reform (Pedrick, 1982), being no tax on capital appreciation, as capital gains tax was only introduced into Australian legislation in 1985 (Flynn & Stewart, 2010).

In 1975, the Asprey Commission was formed to review the Australian taxation system and to make any recommendations that were required to update the Australian tax system (Commonwealth Taxation Review Committee, 1975). The Death Duties Act of Australia received considerable focus, as it had not been reviewed since the 1950’s (Gilding, 2010). The commission made several recommendations regarding death duties but never considered abolition as a solution to the legislation’s shortcomings. (Commonwealth Taxation Review Committee, 1975).

 ISBN 978-0-620-74761-5

Even before the Asprey Commission, the trajectory towards abolition of death duties in Australia had begun to gain momentum. The initial pressure was mostly generated from the general public, as Australian citizens began to believe that the tax was inherently unfair. (Duff, 2005; Pedrick, 1982). Right wing political parties took advantage of this public sentiment to generate support, by proposing the abolition while focusing on the economic merits for the Australian citizen of doing so, this was especially prevalent at a state level (Grossman, 1990).

The following reasons were raised in favour of abolition:

- *Undue harshness*- Some of the perceived harshness was partly attributed to the fact that exemptions were very low, with a basic exemption of AUS$40 000 at a federal level, and sometimes as low as AUS$20 000 at a state level, depending on which state the deceased was resident in (Pedrick, 1982). The insufficiencies of these exemptions are illustrated when contrasted against the net value of estates taken from a sample in 1973. In the sample of 16 734 estates, 87 percent of these estates where greater than the value of AUS$20 000 and approximately 44 percent of these estates had a value greater than the AUS$40 000 exemption provided at a federal level, approximately ten percent of estates were considered to have a greater value of AUS$120 000 as of 1973 (Commonwealth Taxation Review Committee, 1975). An explanation for these inadequate exemptions was that they had not been adjusted adequately for inflation over the years (Pedrick, 1982). Low exemptions detracted from Australia's death duties being primarily a wealth tax, as it would even "apply to relatively modest estates", therefore not necessarily being a tax on wealth (Duff, 2005).

- *Duplication of the tax at Federal and State Level*- Death duties were effective at a federal and state level in Australia, with all residents of Australia being subject to the federal tax and each state instituting its own form of death tax at a state level, with its own provisions and exemptions. This had the unpopular effect of duplicating the tax payable on the estate of the deceased.

  This duplicative system of wealth tax increased compliance costs for all estates but the relative burden was "likely higher for small and medium sized estates" (Duff, 2005). Several recommendations were made to allocate the revenue from death duties to either the Commonwealth or the state level but the double tax remained until the final abolition of death duties at the federal level in 1978 (Duff, 2005).

  Queensland was the first Australian state to fully abolish its state death duties in 1977. The loss of revenue anticipated was AUS$25 million, but the attractiveness for citizens of other states to invest their assets or even relocate to Queensland in order to evade the state duties in their current state was expected to be very high and bring an inflow of investment and citizens to Queensland as a result of the newly acquired competitive position of the state (Grossman, 1990). The expectations proved to be

 ISBN 978-0-620-74761-5

correct, with AUS$11 million transferred in a single year between Tasmania and Queensland alone (Pedrick, 1982).

The other states, fearing the exodus of capital and pressure to also abolish their death duties or risk unhappiness of its citizens, eventually all followed Queensland's suit in the move to abolish its state duties (Duff, 2005). Tasmania was the last state to abolish their death duties in 1982 (Pedrick, 1982).

The political popularity by Queensland's move to abolish death duties was correctly recognised as a potentially powerful political tool at a federal level and therefore the attractiveness to support federal abolition in order to garner political strength was potentially a significant consideration taken into account when considering the abolition decision (Duff, 2005).

- *Complexity-* The Asprey Commission (1975) acknowledged that the system of death duties at a state and federal level lead to many complexities, for both the taxpayer and receiver. The complexities resulted in great difficulty in administering the tax, resulting in large costs being incurred by the Australian Tax office in order to try and enforce the tax, as well as determine the value of assets which did not actively trade. This proved contentious and problematic (Commonwealth Taxation Review Committee, 1975). The Asprey Commission noted that due to the complexity that resulted in a very small net revenue yield due to the costs that resulted, many factions in Australia believed it was best to do away with the tax altogether (Commonwealth Taxation Review Committee, 1975).

- *Ease of Avoidance-* Individuals with a high enough level of tax knowledge were able to avoid the tax liability of death duties significantly as a consequence of the many loopholes found within the Death Duties Act. The Asprey Commission (1975) acknowledged this significant shortcoming in its report by stating the following: "It is certainly at present a tax which can be avoided by well-advised persons with ease, and which might almost be said to be paid principally from the estates of those who died unexpectedly or who had failed to attend to their affairs with proper skill" (Commonwealth Taxation Review Committee, 1975). Several of the recommendations made by the Asprey Commission were directed towards removing several of these loopholes.

  A common example of avoidance was the use of a discretionary trust. This had the effect of deferring payment of death duties from generation to generation into perpetuity if the estate planning was maintained and the property remained in the trust (Duff, 2005).

The arguments against abolition were the following:

- *Part of modern fiscal system*- As mentioned above, Australia was considered to be very progressive with regard to the move to abolish their death tax, as it was considered an integral part of a modern fiscal policy, and to abolish it was considered somewhat of an anomaly (Gilding, 2010). The main arguments behind this point was that without death duties, there would be no tax at all in Australia on capital appreciation of assets, and that Australia would stand unique in the industrialised Western world because of this. Death duty therefore formed a "quite essential role to play in the tax structure as a whole" (Pedrick, 1982). When Australia did finally make the decision to abolish death duties it was the only country of the 21 OECD countries to not have a tax on capital appreciation (Pedrick, 1982).

- *Tax revenue*- At a federal level, between 1977-1978, the Australian death duties produced AUS$100 million, and at a state level produced a significantly higher AUS$240 million. It can therefore be seen that death duties were more valuable as a fiscal tool at a state level then a federal level in terms of revenue generation (Grossman, 1990). Total tax revenue generated by Australia during this period was AUS$21.428 million, of which death duties contributed 1.59% (The Treasury of Australia, 2012). This is in line with the prevailing trend at the time that death and gift duties contributed approximately 1-3% towards tax receipts (Pedrick, 1982).

  An issue began to arise with revenue yield produced by the death duties, as a result of the low exemptions offered. As more estates became subject to death duties due to the low exemptions, the administration costs of the death duties legislation increased at a greater proportion than the additional revenue produced by the smaller estates that now fell in the death duties scope. This greatly hampered the revenue yield of the Death Duties Act (Duff, 2005).

  It was argued at the time, that even though the amount raised was not a significant amount, it was still useful when the government was engaged in special projects which required this additional revenue, and the loss of this revenue through abolition would have to result in other forms of tax becoming more onerous in order to recoup the lost revenue (Pedrick, 1982).

- *Equity through the tax system/Against accumulated wealth*- During the 1970's in Australia there was a significant amount of wealth concentration (Pedrick, 1982). A study conducted in the year that the death duties in Australia were abolished, 1978, suggested that the top one percent of the Australian population held approximately 22 percent of the country's wealth, and that the top five percent of Australians held fifty percent of the country's wealth (Raskall, 1978).

  Being a wealth tax, death duties was seen as a form of taxation policy that could look to rectify this large concentration of wealth and bring greater equity to the residents

 ISBN 978-0-620-74761-5

of Australia. If it were to be abolished there would be no tax mechanism in place to confront this. However, the effectiveness of its ability to do this was highly disputed due to the growing increase in wealth concentration in Australia from the 1960's to the 1970's (Katic & Leigh, 2015).

It was felt that the role of death taxes served as a symbol to the Australian people that the legislation was committed to bringing equality to the people of Australia and providing equal opportunity through the redistribution of significant wealth (Pedrick, 1982). In essence, it was felt that the Death Duties Act was a symbol of Australia's commitment to progressive equality, and to abolish it would be tantamount to signalling that wealth distribution and equal opportunity was not a priority in Australia.

Capital Gains Tax

Australia introduced capital gains tax in 1985 in an attempt to generate some form of tax revenue from capital appreciation of a taxpayer's assets. The appreciation in value of these assets had not been subject to any form of taxation since the Australian authorities made the move to abolish its Death Duties Act in 1978 (Flynn & Stewart, 2010).

It was originally planned that when capital gains tax was introduced into Australian law, death would result in a deemed disposal of the deceased's assets and the capital appreciation of these assets would therefore be realised and fall into the capital gains net. The government at the time, however, decided against instituting it, as they feared it would be seen by the general public as a form of death tax being incorporated into income tax law (Flynn & Stewart, 2010).

The final decision regarding capital gains tax and its implications with regards to death was that the appreciation in value of the asset and the associated liability that would arise from such appreciation, in the form of capital gains, would be passed on to the successors or the inheritors of such assets, through various rollover provisions, and would only fall into the income tax net when such entity had sold or disposed of it themselves (Flynn & Stewart, 2010). These collective rollover provisions only apply when the assets of an Australian resident will still be subject to Australian tax once they have been bequeathed. In the case where assets are bequeathed to an entity which will render the assets not subject to Australian tax (such as an asset foreign to Australia being inherited by a non-resident), the gain will be subject to capital gains tax and included in the deceased's final tax return (Flynn & Stewart, 2010). This exception to the rollover rules are in place to ensure that Australia will not lose out on revenue that could be derived from capital appreciation by bequests taking certain assets out of their tax jurisdiction.

From this it can be seen that death in itself does not lead directly to capital gains, and by virtue of that, income tax implications.

 ISBN 978-0-620-74761-5

Recent Developments on Australian Taxes on Death

Since Australia's introduction of capital gains tax in 1985, the need for a death tax has been greatly reduced as there is now a mechanism to tax capital appreciation in Australia. There have still been, however, occasional calls for the reintroduction of a death tax as many public finance economists and tax policy experts believe it is a valuable tax mechanism (Flynn & Stewart, 2010).

A review into the Australian tax system was recently conducted and reported in 2010. Prior to the release of the final report, drafts made reference to the benefits that a wealth tax, such as death duties, can have, by stating that a tax on wealth "may help to promote equality of economic opportunity by taxing large fortunes handed down from generation to generation and by limiting the acquisition of wealth without personal effort" (The Treasury of Australia, 2009). The report, however, counters this sentiment soon after by stating that "bequest taxes may fall disproportionately on families where a death is unexpected" (The Treasury of Australia, 2009).

In the final report it is acknowledged that a bequest tax is an "economically efficient way of raising revenue" and the tax "could have a progressive element." This suggests that most of the revenue that could be raised from a bequest tax could be generated by the top 10% of households in Australia (The Treasury of Australia, 2010). Despite this, due to Australia's "controversial" history with regards to past wealth taxes, the report does not recommend the reintroduction of a wealth transfer tax, but rather suggests that there should be "full community discussion and consideration of the options available" in this regard (The Treasury of Australia, 2010).

Based on this report it appears unlikely that Australia will revise its stance on death and wealth taxes in the immediate future, but may do so in the medium to long term.

ANALYSIS

Using the reasons described above for and against the abolishment of Australia's death duties each reason is analysed against literature on South Africa's estate duty. It is then considered whether this can have some relevance or can be applied currently to the South African context with regards to estate duty.

Reasons for Abolishment:

Undue Harshness

Australian death duties was seen not to provide adequate relief in the form of exemptions to the estates that were subject to it, and in particular it was severely harsh on the surviving spouse of the deceased, with inter-spousal relief only coming into effect briefly before the decision for abolishment was enacted (Duff, 2005; Pedrick, 1982).

The Estate Duty Act of South Africa, in contrast, does provide sufficient inter-spousal relief as all assets left to the surviving spouse are deducted from the value of the deceased's estate and are therefore not subject to estate duty (section 4(3)(lA)). The abatement of R3.5

million provided could potentially be seen to be more generous than the rebates provided in Australia purely due to the fact that the abatement provided has not drawn as much, if any, criticism or discussion over its sufficiency relative to the Australian abatements. Australia's abatements were the subject of severe criticism and were considered so insufficient that the Asprey Commission felt a particular need to focus on their harshness (Commonwealth Taxation Review Committee, 1975; Pedrick, 1982).

South Africa's abatement is also subject to frequent revisions, having been increased from R1 million to R2.5 million in 2005 and finally to R3.5 million in 2007. The Davis Tax Committee has also recommended that this abatement be increased to R6 million in its 2015 Report (The Davis Tax Committee, 2015). This is contrasted against Australia where one major problem was that the death duty's exemptions had not been adjusted for inflation as frequently as was deemed necessary (Duff, 2005).

Muller (2010) suggested that wealth taxes, such as estate duty, only enhance the progressivity of the tax system when they are imposed on the very wealthy. Granting adequate exemptions ensures this. When these exemptions are not adjusted appropriately for inflation, less wealthy individuals begin to fall into the scope of the tax as a result of the inflation, and not through increases in real wealth. This leads to social unrest and unpopularity of the tax. It's progressivity is also then undermined as a result (Muller, 2010). It has been put forward however that to abolish the tax would be much more detrimental to equity in society then the slight inequity that arises due to not adjusting the exemptions, therefore highlighting the need for the tax to bring equity to society (Graetz, 2010).

It would not be appropriate to draw conclusions over the generosity of the abatements in South Africa and the exemptions in Australia offered under each tax system based on proportionate revenue generated. These numbers have the potential of being distorted by pieces of tax legislation that apply to one country but not the other, hence reducing the comparability.

It is therefore evident that this argument would not necessarily be as strong an argument against estate duty as it was against Australia's death duties.

Duplication of tax at a state and federal level

Although in the South African context death duties is not replicated at a provincial and national level, it is evident that the tax on capital appreciation is replicated through capital gains tax and estate duty, effectively resulting in a similar effect that produced this argument against Australia's death duties. It is therefore considered possible to potentially advance the argument given during Australia's deliberations over abolishment towards South Africa's Estate Duty Act, due to assets being subject to two taxes.

An example (Appendix 1) which illustrated that poor estate planning could result in an excessive tax charge on death, largely as a result of the double nature of the taxes, and evidenced the "confiscatory" nature that having two transfer taxes on capital can have (Roeleveld, 2012). The term "confiscatory" is assumed by this paper to allude to the fact

that generally the assets that the taxes are placed on have to be sold by the beneficiary in order to generate the cash to satisfy the tax liability that arises on the death of the deceased. This is suggested as being contrary to the objective of estate duty of creating an equitable situation, as having a double tax on assets could be considered “unfair and punitive” (Independent Green Voice, 2006). To elaborate further on what the paper is suggesting, any tax should not be unduly heavy or harsh on a particular taxpayer in order to try and create an equitable situation for other citizens, and society in general, because in doing so, it creates an inequitable or unfair situation for the original taxpayer (Thorpe, 2015).

The Davis Tax Committee did not concur with Roeleveld (2012) that there is a need to rectify the double nature of tax that arises on death. The reasoning behind this rejection is that Roeleveld (2012) bases the conclusion it reaches on the premise that capital gains tax and estate duty are both “wealth taxes” and the Davis Tax Committee stipulates that capital gains tax is an income tax, hence the rejection (The Davis Tax Committee, 2015) Although, the Davis Tax Committee (2015) disputes the validity of the double tax argument in South Africa, there is still sufficient concern from the general public for it to still carry significant weight (Muller, 2010; Roeleveld, 2012). This point was also evident in Australia where the Asprey Commission did not believe that the double tax that arose at a state and federal level needed to be rectified but public sentiment drove the movement towards abolishment (Commonwealth Taxation Review Committee, 1975; Pedrick, 1982).

The fact that the duplication is not a verbatim copy of the same tax at differing legislative levels as was in Australia, does not appear to harm the argument in anyway if it were put forward in South Africa, as the argument’s premise was based on the capital being taxed twice as opposed to arguing against the medium through which it was taxed.

Complexity

The Estate Duty Act of South Africa does not appear to be a very complex tax relative to Australia’s death duties. This is shown by the lack of any significant case law that would presumably have arisen if it were a contentious tax as a result of complexity (Roeleveld, 2012). The fact that it is not administered at a national and provincial level, in South Africa, also appears to have the effect of avoiding the main source of complexity that arose in the Australian instance.

The Katz Commission, however, identified that as the net value of the dutiable estate is based on the market values of the assets at the time of death, these market values could be contentious, as many of the assets would not necessarily be trading on an active exchange. Therefore, a degree of complexity could potentially play a part in determining the net value of the estate. A similar issue was raised by the Australian Asprey Commission with regards to the valuing of assets (Commonwealth Taxation Review Committee, 1975). The Margo Commission and Davis Tax Commission both stated that estate duty was “complex” (Margo Commission, 1987; The Davis Tax Committee, 2015) They did not, however, elaborate further on this point.

Therefore, the point of complexity as an argument could potentially be substantiated with reference to the difficulty in determining market values. This is significantly undermined by very little case law dealing with this point in South Africa.

Ease of avoidance

The Asprey Commission noted that the Australian death duties legislation was riddled with loopholes and therefore could easily be avoided by individuals with a high enough level of tax knowledge (Commonwealth Taxation Review Committee, 1975). Those with sufficient tax knowledge were also able to mitigate their death duties liability substantially through the use of trusts (Duff, 2005). Loopholes do not appear to be an issue with South Africa's estate duty legislation as there are several provisions in place which bring assets that were disposed of before death into the estate duty net. The Margo Commission did, however, note particular instances where individuals would make provisions to avoid estate duty (Margo Commission, 1987). The Davis Tax Committee also noted that individuals were able to mitigate their tax liability by implementing "estate duty planning mechanisms" (The Davis Tax Committee, 2015).

The repercussions of avoidance in South Africa are not as severe as they would have been in Australia, as individuals would generally still be subject to capital gains in their attempts to avoid estate duty, albeit at a lower rate.

This therefore seems not to be a sufficiently significant argument for abolition.

Reasons against Abolishment

Part of Modern Fiscal system:

In 1978, when Australia's death duties were abolished, as mentioned previously in the study, it was seen as a very controversial decision. This is because Australia was the first nation of the OECD countries to not have any tax on capital appreciation (Pedrick, 1982) and the death duties mechanism was seen as an important and powerful fiscal tool (Gilding, 2010).

In order to determine whether death duties is still considered a valuable fiscal tool, it is worth analysing what other countries' approaches and policies regarding death taxes are currently. Many modern Western countries have made the move to either abolish their death taxes all together or to limit the importance and application of such. Eleven countries and two tax jurisdictions have abolished their death duties since 2000 (Appendix 2), seven of which are OECD countries. Furthermore, no country has moved to implement death taxes since 2000 (Cole, 2015).

Furthermore as of 2004, an example of this trend is further evidenced by thirty of the American states having effectively eliminated death taxes since 1976, and many others having made moves to reduce them (Conway & Rork, 2004). As of 2014, only 19 of America's 51 state's still retained a form of death taxes, but eight of these states were in the process of reviewing their legislation over death (Ebeling, 2014). At a federal level in America, the House of Representatives voted to abolish death taxes in America in 2015, a

vote seen to be a significant step towards federal level abolishment (Goodman, 2015). The reason why America's changing policy to death taxes has been especially highlighted is that it currently has the fourth highest death tax rate in the world, and there has been much written on the topic, making it particularly useful to analyse (Cole, 2015).

As is evidenced by the above, there appears to be a strong movement or consensus towards abolishment of death taxes. This therefore undermines the importance of death taxes as a part of a countries modern fiscal system, as it can be seen that the "fiscal benefits of levying such a tax are eventually outweighed by the administrative, political and economic costs" (Cole, 2015).

It would therefore not be unreasonable to conclude that this argument against abolishment of South Africa's estate duty would not be a valid one.

Tax Revenue

South Africa's estate duty brings in a much smaller proportion of total South African tax revenue, being only 0.1224%, compared to what Australia's death duties brought in in 1978, being 1.59% of the total Australian tax revenue (South African Revenue Service & National Treasury, 2014; The Treasury of Australia, 2012). Therefore it could possibly be perceived that this argument against the abolishment of estate duty would hold much less weight as it did when it was put forward in Australia, as a result of this much lower proportional amount of revenue generated, being approximately a thirteenth of the proportional amount that was generated in Australia.

The revenue argument itself was not necessarily a strong one when initially presented in Australia due to the relatively minor amount of revenue it did generate (Gilding, 2010). Despite this, it did carry some weight, as death duties was the only mechanism with which the Australian Treasury had in place with which to generate revenue from the accumulated wealth of individuals.

This point would also carry very little weight in an argument in favour of the retention of estate duty as capital gains tax in South Africa renders the point redundant.

Equity through the Tax System and Breaking down of Accumulated Wealth

As death duties were the only form of tax on capital appreciation in Australia in 1978, it was essentially the only tool that could be used to break down accumulated wealth and provide equity through the tax system, although its effectiveness at doing this has been disputed (Katic & Leigh, 2015).

Roeleveld (2012) presented the argument that having both estate duty and capital gains tax in place was counterintuitive to bringing equity through the tax system, due to the confiscatory effect that arose as a result of having two taxes in place over the same assets (Appendix 1) as discussed above.

 ISBN 978-0-620-74761-5

The Davis Tax Committee disputed the validity of capital gains tax being a “wealth tax” and propositioned that since estate duty is currently the only wealth tax in South Africa, “it would be hard to justify a repeal” as it is the only taxing mechanism that is geared to the redistribution of wealth (The Davis Tax Committee, 2015). Muller (2010) further highlighted that the purpose of estate duty was a means to bring equity to society. Both papers do concede, however, that the current estate duty legislation does require revisions in order for it to effectively achieve its objectives (Muller, 2010; The Davis Tax Committee, 2015).

The need for estate duty to bring equity to society is therefore a potentially valid argument against the abolishment of estate duty in South Africa. The current form of the estate duty legislation, however, in combination with capital gains tax, does not appear to achieve its objectives. This was also highlighted by Roeleveld (2012) and the need for revisions in order to achieve its objectives, highlighted by Muller (2010) and the Davis Tax Committee (2015), supports this point.

SUMMARY OF RESULTS

The above analysis shows that there are reasonable grounds to advance some of the arguments for and against the abolishment of death duties in Australia towards the Estate Duty Act in South Africa (Appendix 3). The argument which carried significant weight and was most applicable to estate duty was the duplication which arises as a result of capital gains tax and estate duty being levied on the same assets. The importance of this argument is slightly undermined by the Davis Tax Commission not viewing it as a major concern (The Davis Tax Committee, 2015), but there is strong public sentiment in South Africa to rectify this (Muller, 2010; Roeleveld, 2012).

The arguments of complexity and ease of avoidance are also applicable to estate duty as issues have been raised in South Africa, mainly through the various tax commissions, which highlighted these as problem areas. The problems may not be at the same significance level that was present in Australia, but they are still applicable and carry weight in South Africa currently.

The arguments put forward against abolition of death duties in Australia were significantly weaker when applied in a South African context. Death duties, and by association, estate duty, is no longer viewed as an important fiscal tool in a South African or global context and therefore is a weak argument against abolition of death taxes worldwide, and in South Africa.

The revenue argument is critically undermined in South Africa as a result of capital gains tax effectively neutralizing the argument that death duties is the only means to generate revenue from capital appreciation. The amount of proportional revenue generated in South Africa from estate duty is also significantly less than what the proportional amount in Australia was from death duties.

Finally, the need for estate duty to break down accumulated wealth and bring equity to society is greatly disputed in South Africa. There is clearly a need for a mechanism to bridge the inequality gap and provide equity, but it is very questionable as to whether estate duty

achieves this goal. Based on this sentiment, it is inconclusive as to whether this could be provided as an argument against the abolition of estate duty in South Africa. After the revisions suggested by the Davis Tax Commission have been enacted, this argument could potentially become a strong argument against abolition of estate duty, if such revisions do in fact allow the estate duty legislation to better achieve its objectives.

SUGGESTED SOLUTIONS TO REMEDY 'DOUBLE TAX'

As the results above suggest, there is reason to believe that there could potentially be a more effective method of how death is treated as a taxable event, some of these alternatives are presented below.

In order to resolve the double tax situation, there appear to be three reasonable actions to take; either to abolish estate duty; disregard death from the capital gains tax net, in order to solve the inequitable situation that arose from the double tax; or keeping estate duty and implementing variation to the base cost determination for capital gains system on death.

The first option, as suggested by Ger (2012), was to abolish estate duty altogether. The first point raised in favour of this option was that the revenue raised by estate duty was not worth the cost of administration. Estate duty only raises approximately 0.1224%, as mentioned earlier, of total tax revenue and raising this revenue can prove to be a costly exercise, resulting in a negligible yield (Roeleveld, 2012). However, it has also been suggested that the existing collection structure through the Master's offices requires very little administration and is therefore cost efficient (Muller, 2010).

Regardless of its expenses to administer, the intention of estate duty is clearly not geared towards revenue generation but rather the breaking down of condensed wealth. The point of its low revenue generating ability, therefore, may not be considered a viable argument. A potential counter-argument to this is that because the separate piece of legislation only generates insignificant amounts, would it not prove more efficient and potentially less costly to abolish estate duty altogether and amend the capital gains legislation to recoup any revenue that would have been lost through the abolishment?

The next significant point raised in the argument in favour of the abolishment of estate duty and the retention for capital gains tax is that capital gains tax is the superior tax. Several points to support this claim are listed below:

- The definition of a "disposal" has been given a very wide meaning. This is a significant point because from this it can be seen that capital gains tax draws all assets that would be subject to estate duty into its tax net due to its broad disposal definition therefore very little or no amendment would be required.

- Capital gains tax is an easier tax to collect due to being aggregated/integrated into an individual's taxable income (Ger, 2012).

- Using a sliding scale of tax, as is the case with capital gains tax, creates a much more equitable situation than a case where an individual is taxed at a flat rate, as with estate duty (Mccaffery, 1999). This may not be considered equitable as there is not a single class of wealth, but rather several different brackets of society that would be classified within “wealthy”. The actual wealth of the individuals in these brackets varies substantially from wealth bracket to wealth bracket (Roeleveld, 2012).

- An important advantage of keeping capital gains tax as opposed to estate duty is that capital gains tax is covered by most existing double tax agreements that South Africa has in place with other foreign countries (South African Revenue Service, 2015). This is not the case with estate duty because many other foreign countries do not have a form of death taxes and therefore death model treaties are not common in these countries (Roeleveld, 2012). The problem with this is that South African residents may not get total relief if the asset in question is taxed both in South Africa, under estate duty, and a foreign tax jurisdiction.

The second alternative to the current treatment of death as a taxable event presented by Thorpe (2015) would be to disregard death as a capital gains tax event. This would be done by altering what constitutes a deemed disposal in paragraph 40 of the Eighth Schedule to exclude death. It is suggested that adopting this approach will have the lowest impact on the revenue generated on the death of an individual, as the current capital gains tax legislation already provides several provisions, such as roll-over relief on the death of a spouse and a primary residence exclusion (Roeleveld, 2012). Issues arise with this approach because the administration effects that would need to be implemented in order to amend other legislation to avoid tax inefficiencies would be significant (Roeleveld, 2012).

Van Jaarsveld (2013) suggested a third possibility of keeping estate duty as is and rather implementing a variation of the capital gains system on death. The proposed variation is either using a “stepped-up” approach, which means the asset’s base cost is revised up to market value at death and no capital gains is payable, or a “carry-over” approach, which means the beneficiary who receives the asset essentially takes the place of the deceased and no capital gains is payable until the asset is subsequently disposed of. (Van Jaarsveld, 2013). The amendments were suggested to try and rectify the double tax situation that arises on death.

Roeleveld (2012) concludes that capital gains tax on death should be retained, and that estate duty should be abolished, as capital gains tax is “far reaching and more beneficial to the fiscus”. Thorpe (2015) also highlighted that South Africa was one of a very few number of countries that had implemented a form of double taxation on death and this needed to be addressed and potentially resolved through the abolishment. Muller (2010) concurred that the double taxation that arises, while not feasible, should not merit abolition, but rather an alternative or legislative change which rectifies the double tax situation be found.

 ISBN 978-0-620-74761-5

CONCLUSION AND AREAS FOR FUTURE RESEARCH

The paper has detailed current literature that exists for South Africa and Australia with regards to their respective positions on death as a taxable event, with the focus primarily being on death taxes. The research question was not conclusively answered as instances arose where some arguments put forward for Australia's abolishment proceedings were supported in a South African context and other instances where the arguments put forward were not. The paper however has illustrated that there are some arguments that could potentially be drawn from Australia's motivations for their abolishment of their death duties in 1978 for the abolishment of estate duty in South Africa. Perhaps even more significant from the results is that the arguments put forward opposing the abolishment in Australia are generally either not applicable or their importance is greatly diminished in a South African context. This could be seen to further promote the position of abolishment due to the weak nature of the counter-arguments. The Davis Tax Commission's recommendations could potentially align the Estate Duty Act with its supposed objectives and correct the double tax situation that arises on death, the paper also presents several potential alternatives or adjustments to estate duty that have been suggested by academics. If this is done the calls for abolishment will surely diminish, until that time however, this paper has determined that there are currently potentially valid arguments for the Estate Duty Act to be abolished in South Africa, or the treatment of death as a taxable event to at least be revised.

The study has provided some useful analysis but could be improved by expanding the number of countries in the comparison. This could potentially improve the analysis of how South Africa treats death as a taxable event relative to other countries, and whether any of those approaches adopted would be applicable or potentially preferable in a South African context. The study could also focus on past cases of other countries which had two independent taxes in place, which taxed the same capital appreciation and the reasoning as to why this situation existed and the deliberations which took place to resolve it.

 ISBN 978-0-620-74761-5

APPENDICES

Appendix 1

(The illustrative example of the confiscatory nature of South African taxes on death in Roeleveld (2012) has been kept the same albeit updated with the latest amendments to South African Tax legislation for year of assessment ending 29 February 2016)

Example

A person dies, leaving only one income-generating property with a market value of R6 million to his child. The property had been donated to the deceased many years previously when the market value was R1 million and it had a base cost of R800 000 for the donor. There are no other assets of worth in the estate and because of assessed losses built up in the past the deceased's current year's taxable income is nil. There is no surviving spouse. The taxes on death are as follows (Roeleveld, 2012):

Capital Gains Tax	
Proceeds	6m
Less: Base Cost	(1m)
Total Capital gain	5m
Less Annual Exclusion	(30k)
Net Capital Gain	4.97m
Inclusion Rate of 33.3%	1.65501m
Tax Per Tables	**R 599 607**
Less: s6 Primary rebate	R -13 257
Income Tax Liabilty	**R 586 350**
Total Tax payable by Deceased Estate (Estate duty + Income tax liabilty)	**R 969 100**

Estate Duty	
Value of Estate	6m
Less: Income Tax liability	(0.586250m)
Less: S4a Abatement	(3.5m)
Net Value of Estate	R 1 913 750
Estate Duty liabilty @ 20%	**R 382 750**

In order to satisfy this liability, the executor will most probably have to sell the property as it is highly unlikely the child who inherited the property will have the funds to pay such a significant amount, the family unit is therefore harmed as a result of this confiscatory effect. The total tax liability is 121% of the original cost of the home to the family, and a significant 16.15% of the current market value of the home.

The damage to the family unit of losing the family home and the significant amount of the windfall that is lost on the sale of the home as a result of satisfying the tax liability could be seen to bear unfairly or inequitably on the child of the deceased, this simple example therefore illustrates the "confiscatory nature" (Roeleveld, 2012) of the current tax situation in South Africa.

Original Source: Roeleveld 2012

 ISBN 978-0-620-74761-5

Appendix 2

Countries which have moved to abolish death duties or inheritance tax since the year 2000

Country or Jurisdiction	Year of Repeal
Macau	2001
Portugal	2004
Slovak Republic	2004
Sweden	2005
Russia	2005
Hong Kong	2006
Hungary	2006
Singapore	2008
Austria	2008
Liechtenstein	2011
Brunei	2013
Czech Republic	2014
Norway	2014

Original Source: Cole 2015

 ISBN 978-0-620-74761-5

Appendix 3

Table illustrating the results of the study at a high level.

Points Raised in Australia	**Can Points Raised be Applied to estate duty in South Africa?**					
Arguments for Abolition	Reason 1	Applicable to SA?	Reason 2	Applicable to SA?	Reason 3	Applicable to SA?
Undue Harshness	Low Exemptions	NO	Significant burden on surviving spouse	NO		
Duplication of tax at State and Federal level	Duplication of tax on same asset	YES	Strong Public Sentiment	YES		
Complexity	Complexity at federal and state level	NO	Difficulty in valuing assets	YES	Tax Commissions cited it as "complex"	YES
Ease of Avoidance	Easily avoided by those with tax knowledge	YES	Significant Loop holes	NO		
Arguments Against Abolition						
Part of Modern Fiscal System	Death Duties was regarded globally as important fiscal tool	NO				
Tax Revenue	Only means to generate revenue from capital appreciation	NO				
Equity through the tax system and breaking down of accumulated wealth	Only tool to tax accumulated wealth	Disputed				

Source: Authors own construction

REFERENCES

1. Cole, A. (2015). *Estate and Inheritance Taxes Around the World*. Retrieved from http://taxfoundation.org/article/estate-and-inheritance-taxes-around-world
2. Commonwealth Taxation Review Committee. (1975). *Final Report*. Retrieved from http://adc.library.usyd.edu.au/view?docId=law/xml-main-texts/p00087.xml
3. Conway, K. S., & Rork, J. C. (2004). Diagnosis murder: The Death of State Death Taxes. *Economic Inquiry*, *42*(4), 537–559. http://doi.org/10.1093/ei/cbh080
4. The Davis Tax Committee. (2015). *Estate Duty: A Discussion Document*. Pretoria.
5. Duff, D. G. (2005). The Abolition of Wealth Transfer Taxes: Lessons from Canada, Australia and New Zealend. *Pittsburgh Tax Review*, *3*(72), 72–120. Retrieved from http://papers.ssrn.com/sol3/papers.cfm?abstract_id=719744
6. Ebeling, A. (2014). Where Not to Die in 2015. Retrieved from http://www.forbes.com/sites/ashleaebeling/2014/09/11/where-not-to-die-in-2015/
7. Flynn, M., & Stewart, M. (2010). Death as a Taxable Event and Its International Ramifications. *Cahiers de Troit Fiscal International*, 97–120.
8. Ger, B. (2012). Time for Estate Duty to go. *De Rebus*, 59–60.
9. Gilding, M. (2010). *The Abolition of Death Duties in Australia : A Comparative Perspective*. Retrieved from https://www.tasa.org.au/wpcontent/uploads/2011/01/Gilding-Michael.pdf
10. Goodman, J. (2015). Why Do We Have a Death Tax? Retrieved July 15, 2015, from http://www.forbes.com/sites/johngoodman/2015/04/27/why-do-we-have-a-death-tax/
11. Graetz, M. (2010). It's Fair, and We Need the Revenue. Retrieved June 21, 2016, from http://www.wsj.com/articles/SB10001424052748704358904575477593075638722
12. Grossman, P. J. (1990). Fiscal Competition Among States in Australia : The Demise of Death Duties. *Publius*, *20*(4), 145–159. Retrieved from http://www.jstor.org/stable/3330297?seq=1#page_scan_tab_contents
13. Haupt, P. (2014). *Notes on South African Income tax* (33rd ed.). Roggebaai: H & H Publications.
14. Independant Green Voice. (2006). ABOLISH THE DEATH TAX. Retrieved June 21, 2016, from http://www.sovereignty.org.uk/features/articles/manifesto07/iht.html
15. Katic, P., & Leigh, A. (2015). Top Wealth Shares in Australia 1915-2012 *. *Review of Income and Wealth*. http://doi.org/10.1111/roiw.12177
16. Katz Commission. (1994). *Third Interim Report of the Commission of Inquiry into Certain Aspects of the Tax Structure of South Africa*. Pretoria.
17. Margo Commission. (1987). *Report of the Commission of Inquiry into the Tax Structure of the Republic of South Africa*. Pretoria.
18. Mccaffery, E. J. (1999). Grave Robbers: The Moral Case against the Death Tax, (353). Retrieved from http://www.cato.org/sites/cato.org/files/pubs/pdf/pa353.pdf
19. Muller, E. (2010). *A Framework For Wealth Transfer Taxation in South Africa*. University of Pretoria. Retrieved from http://repository.up.ac.za/bitstream/handle/2263/28572/Complete.pdf?sequence=8&isAllowed=y

20. Pedrick, W. H. (1982). Oh, to Die Down Under! Abolition of Death and Gift Duties in Australia. *Western Australia Law Review*, *6*(August), 438–48. Retrieved from http://heinonline.org/HOL/LandingPage?handle=hein.journals/uwatlw14&div=29&id=&page=

21. Raskall, P. (1978). Who's Got What in Australia: The Distribution of Wealth. *The Journal Of Australian Political Economy*, (2), 3–16. Retrieved from http://search.informit.com.au/documentSummary;dn=800220684;res=IELAPA

22. Roeleveld, J. (2012). An Argument for Either Excluding Death as a Capital Gains Tax Event or Abolishing Estate Duty. *South African Journal of Accounting Research*, *26*(1), 143–164. Retrieved from http://www.tandfonline.com/doi/abs/10.1080/10291954.2012.11435167?journalCode=rsar20#.Vbj7

23. South African Revenue Service. (2015). Summary of all Treaties for the Avoidance of Double Taxation. Retrieved July 27, 2015, from http://www.sars.gov.za/AllDocs/LegalDoclib/Agreements/LAPD-IntA-DTA-2013-01 - Status Overview of All DTAs and Protocols.pdf

24. South African Revenue Service, & National Treasury. (2014). *Tax Statistics Database*. Retrieved 29 April 2015 from www.oecd-ilibrary.org

25. Statistics South Africa. (2015). Stats SA. Retrieved April 29, 2015, from http://www.statssa.gov.za/?page_id=739&id=1

26. The Treasury of Australia. (2009). *Australia's Future Tax System - Consultation Paper*. Retrieved from http://www.taxreview.treasury.gov.au/content/ConsultationPaper.aspx?doc=html/Publications/Papers/Consultation_Paper/index.htm

27. The Treasury of Australia. (2010). *Australia's Future Tax System - Final Report Part 2-Detailed Analysis-Volume 1*. Retrieved from http://www.taxreview.treasury.gov.au/content/FinalReport.aspx?doc=html/Publications/Papers/Final_Report_Part_2/index.htm

28. The Treasury of Australia. (2012). *Mid-Year Economic and Fiscal Outlook 2012-13*. Retrieved from http://www.budget.gov.au/2011-12/content/myefo/html/prelims.htm

29. T*horpe, L. L. (2015). Is it time to abolish estate duty in South Africa? A comparative look at global trends in levying death taxes and the feasibility of suggested changes to South Africa' s current regime.* University of Cape Town. Retrieved 7 June 2016 from http://hdl.handle.net/11427/15186

30. Van Jaarsveld, J. (2013). *The Levying of Capital Gains Tax at Death*. University of Johannesburg. Retrieved from https://ujdigispace.uj.ac.za/handle/10210/8595