

EXPOSURE DRAFT

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Inserts for
**Treasury Laws Amendment (Measures
for Consultation) Bill 2019: testamentary
trusts**

Commencement information

Column 1	Column 2	Column 3
Provisions	Commencement	Date/Details
1. Schedule 1	The first 1 January, 1 April, 1 July or 1 October to occur after the day this Act receives the Royal Assent.	

EXPOSURE DRAFT

Schedule 1—Testamentary trusts

Income Tax Assessment Act 1936

1 Paragraph 102AG(2)(a)

After “is assessable income”, insert “, of a kind covered by subsection (2AA),”.

2 After subsection 102AG(2)

Insert:

(2AA) For the purposes of paragraph (2)(a), assessable income of a trust estate is of a kind covered by this subsection if:

- (a) the assessable income is derived by the trustee of the trust estate from property; and
- (b) the property satisfies any of the following requirements:
 - (i) the property was transferred to the trustee of the trust estate to benefit the beneficiary from the estate of the deceased person concerned, as a result of the will, codicil, intestacy or order of a court mentioned in paragraph (2)(a);
 - (ii) the property, in the opinion of the Commissioner, represents accumulations of income or capital from property that satisfies the requirement in subparagraph (i);
 - (iii) the property, in the opinion of the Commissioner, represents accumulations of income or capital from property that satisfies the requirement in subparagraph (ii), or (because of a previous operation of this subparagraph) the requirement in this subparagraph.

3 Application

The amendments made by this Schedule apply in relation to assets acquired by or transferred to the trustee of a trust estate on or after 1 July 2019.