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| **EXPOSURE DRAFT** |

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. |  |

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.