

***IT 2385W - Notice of Withdrawal - Income tax:  
expenses incurred by beneficiaries of discretionary  
trusts***

 This cover sheet is provided for information only. It does not form part of *IT 2385W - Notice of Withdrawal - Income tax: expenses incurred by beneficiaries of discretionary trusts*



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# Notice of Withdrawal

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## Taxation Ruling

### Income tax: expenses incurred by beneficiaries of discretionary trusts

Taxation Ruling IT 2385 is withdrawn with effect from today.

1. Taxation Ruling IT 2385 explains the Commissioner's position that a beneficiary of a discretionary trust is not allowed deductions in relation to trust distributions unless it is established that the beneficiary is 'presently entitled' to the trust income when the beneficiary incurs the expenditure.
2. Taxation Ruling IT 2385 is withdrawn as it is replaced by draft Taxation Determination TD 2017/D4 *Income tax: deductibility of interest expenses incurred by a beneficiary of a discretionary trust on borrowings on-lent interest free to the trustee* which articulates the same principles.

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**Commissioner of Taxation**  
13 December 2017

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ATO references

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