


***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*



---

# Notice of Withdrawal

---

## 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Taxation Ruling IT 2385 is withdrawn with effect from today.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 Taxation Ruling IT 2385 is withdrawn as it is replaced by draft Taxation Determination TD 2017/D4 *Income tax: deductibility of interest expenses incurred by a beneficiary of a discretionary trust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.

---

**Commissioner of Taxation**  
13 December 2017

---

ATO references

NO: 1-AVV9E6U  
ISSN: 2205-6122

---

**© AUSTRALIAN TAXATION OFFICE FOR THE  
COMMONWEALTH OF AUSTRALIA**

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).