

TD 93/D47 - Income tax: can a person receiving an annuity (or superannuation pension) resulting from another person's death claim a deduction for the undeducted purchase price of the annuity where the deceased's annuity became payable before 1 July 1983?

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Draft Taxation Determination

Income tax: can a person receiving an annuity (or superannuation pension) resulting from another person's death claim a deduction for the undeducted purchase price of the annuity where the deceased's annuity became payable before 1 July 1983?

1. No. Persons receiving this type of annuity (residuary annuity) cannot claim a deduction as they have not contributed to the purchase price of the original annuity.
2. This will not apply to an original annuity (or superannuation pension) which first became payable on or after 1 July 1983.

Example:

A became entitled to receive an annuity in January 1982. A died January 1992 and as a result B was entitled to receive 60% of the original annuity. As A's entitlement started before 1 July 1983, B is unable to claim a deduction for the undeducted purchase price.

Commissioner of Taxation

04/03/93

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