


***IT 342W - Notice of Withdrawal - Income tax:
determination of a trust estate's net income - ruling
of the High Court of Australia on the Union Fidelity
Trustee Company***

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Notice of Withdrawal

Taxation Ruling

Income tax: determination of a trust estate's net income – ruling of the High Court of Australia on the Union Fidelity Trustee Company

Taxation Ruling IT 342 is withdrawn with effect from today.

1. Taxation Ruling IT 342 explains the effect of the High Court decision in *Union-Fidelity Trustee Co. of Australia Ltd. v. Federal Commissioner of Taxation* (1969) 119 CLR 177. In that case the court held that only income from sources in Australia could be taken into account, in calculating the net income of a trust estate for the purposes of Division 6 of Part III of the *Income Tax Assessment Act 1936* (ITAA 1936).

2. IT 342 is withdrawn because the definition of 'net income' in subsection 95(1) of the ITAA 1936 was amended with effect from the 1978-79 income year to overcome that decision. The definition now provides that the net income of a trust estate is calculated on the same basis as if it were the income of a resident.

Commissioner of Taxation
17 February 2010

ATO references

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