



TD 93/87W - Income tax: should TFN amounts be deducted from that part of a unit trust distribution which is funded by fully franked dividends received by the trust?

 This cover sheet is provided for information only. It does not form part of *TD 93/87W - Income tax: should TFN amounts be deducted from that part of a unit trust distribution which is funded by fully franked dividends received by the trust?*

 This document has changed over time. This is a consolidated version of the ruling which was published on 18 October 2006



Notice of Withdrawal

Taxation Determination

Income tax: should TFN amounts be deducted from that part of a unit trust distribution which is funded by fully franked dividends received by the trust?

Taxation Determination TD 93/87 is withdrawn with effect from today.

1. Taxation Determination TD 93/87 explains that the unit manager of a unit trust is required to deduct a TFN amount that is worked out in accordance with subsection 221YHZC(1C) of the *Income Tax Assessment Act 1936* (ITAA 1936) from any unit trust distribution of income made by the manager to a unitholder, if the unitholder has not provided a TFN or claimed an exemption.
2. Subsection 221YHZC(1AAAA) of the ITAA 1936 provides that subsection 221YHZC(1A) does not apply to a payment made after 30 June 2000. Under subsection 221YHZC(1A), the unit manager is required to deduct an amount that is worked out in accordance with subsection 221YHZC(1C). By virtue of the provisions in subsection 221YHZC(1AAAA), subsection 221YHZC(1C) does not apply to a payment of income made by the unit manager to a unit holder after 30 June 2000. The pay as you go (PAYG) withholding system applies to the payment (see sections 12-140 and 12-145 of Schedule 1 to the *Taxation Administration Act 1953*).
3. Taxation Determination TD 93/87 does not have application to a payment made after 30 June 2000.

Commissioner of Taxation
18 October 2006

ATO references

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