


***TD 93/D124 - Income tax: where a trustee is assessed under sub-section 98(1) of the Income Tax Assessment Act 1936 (ITAA) and the income of the trust includes prescribed payments, are both the resident beneficiary of the trust who is under a legal disability, as well as the trustee, entitled to Prescribed Payments System (PPS) credits?***

 This cover sheet is provided for information only. It does not form part of *TD 93/D124 - Income tax: where a trustee is assessed under sub-section 98(1) of the Income Tax Assessment Act 1936 (ITAA) and the income of the trust includes prescribed payments, are both the resident beneficiary of the trust who is under a legal disability, as well as the trustee, entitled to Prescribed Payments System (PPS) credits?*

This document has been finalised by TD 93/193.

Draft Taxation Determinations (TDs) represent the preliminary, though considered, views of the ATO. Draft TDs may not be relied on; only final TDs are authoritative statements of the ATO.

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## Draft Taxation Determination

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**Income tax: where a trustee is assessed under sub-section 98(1) of the *Income Tax Assessment Act 1936* (ITAA) and the income of the trust includes prescribed payments, are both the resident beneficiary of the trust who is under a legal disability, as well as the trustee, entitled to Prescribed Payments System (PPS) credits ?**

1. No. The PPS credit is allowed in the trustee's assessment but not in the individual's assessment.
2. By virtue of paragraph 221YHF(3)(b) the trustee is entitled to a PPS credit where the trustee is assessable under sub-section 98(1) of the ITAA 1936.
3. There is no provision in the ITAA 1936 to allow the same credit in the assessment of the individual in the circumstances outlined above.

**Commissioner of Taxation**

27/5/93

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FOI INDEX DETAIL: Reference No.

Related Rulings: IT 2125

Subject Ref: beneficiaries; prescribed payments; trusts

Legislative Ref: ITAA 98(1), ITAA 221YHF(3)(b);

ATO Ref: BANTD 35

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ISSN 1038 - 8982