

TREASURER



NO. 43

EMBARGO Budget. Not for release before 7.30 pm AEST, 13 May 1997.

TAXATION OF TRUSTS

Financial Implications (\$m)

1997-98	1998-99	1999-00	2000-01
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Explanation

Information gathered by the Australian Taxation Office (ATO) High Wealth Individuals Taskforce has identified the use of complex trust structures for tax avoidance or undue tax minimisation. The Government is concerned to ensure that the taxation provisions relating to trusts deal appropriately with the modern day usage of trusts and do not permit tax avoidance or undue tax minimisation. It will be necessary to review the taxation of trusts accordingly.

Before the review, the Treasury and the ATO will release a discussion paper, outlining relevant tax issues and broad policy options. Public submissions will be invited following the paper's release. The timing of the paper will enable the Government to consider this matter, in the light of submissions received, in the context of the 1998-99 Budget. The Government reserves the right to take earlier legislative action to prevent tax minimisation or avoidance by the use of trusts.

The above material is a full extract of the description of the measure as contained in *Budget Paper No 2: Budget Measures 1997-98*. This paper explains all outlays and revenue measures, and is available from Australian Government Bookshops or from the Treasury Internet site at <http://www.treasury.gov.au/budget>

CANBERRA
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Contact Officer: Robert Puckridge (Australian Tax Office)
(tel: (06) 216 1486)