

**Senator the Hon  
Nick Sherry**  
Assistant Treasurer



**Bill Shorten MP**  
Parliamentary Secretary  
for Disabilities

## **PRESS RELEASE**

### **NEW TAX LAWS TO HELP PEOPLE WITH SEVERE DISABILITIES, THEIR FAMILIES AND CARERS PASS THROUGH PARLIAMENT**

Legislation to make the taxation of special disability trusts fairer and simpler was passed by Parliament today.

The legislation, contained in the *Tax Laws Amendment (Measures No. 3) Bill 2010*, reforms the tax treatment applying to the unexpended income of a special disability trust.

"These amendments will help families and carers to provide financially for the care and accommodation of people with severe disability," the Assistant Treasurer said.

"They also ensure that taxation is not an impediment to the establishment of a special disability trust."

Prior to these changes, the unexpended income of a special disability trust was automatically taxed at 46.5 per cent and beneficiaries may have been liable to tax on income used to pay for their care and accommodation costs.

Under the new law, which has effect from the 2008-09 income year, unexpended income of a special disability trust is taxed at the principal beneficiary's personal marginal rate of tax.

"We want to make it easier for parents and carers to look after the long-term needs of people with disability," Mr Shorten said.

"These changes will make Special Disability Trusts fairer and more attractive, by making the rules that govern them reflect the real-world experience and circumstances of people with disability."

"The Rudd Government has increased funding for disability services, raised the Disability Support Pension and offered extra support to carers, and has asked the Productivity Commission to investigate the possibility of a national disability insurance scheme," Mr Shorten said.

The Government plans to introduce legislation shortly that will extend the capital gains tax main residence exemption to residences that are owned by a special disability trust and used by the principal beneficiary as their main residence.

CANBERRA

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