

# TRUST TAXATION

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A trust is a way of managing assets (money, investments, land or buildings) for people - types of trust, how they are taxed, where to get help. Trusts and taxes. Skip to contents of guide. Contents. Overview. Types of trust. Parental trusts for children. Trusts for vulnerable people. Trusts and Income Tax. Trusts and Capital Gains Tax. Trusts and Inheritance Tax. Beneficiaries - paying and reclaiming tax on trusts. Trustees - tax responsibilities. When you must register a trust. Overview. Discretionary Trust Tax implications & Inheritance Tax explained. The Technical Team. 17 minutes read. A discretionary trust is one where the trustees can accumulate income or pay it at their discretion. Normally the trustees can choose from a wide class of beneficiaries (excluding the settlor) to whom they can distribute the trust funds. The beneficiaries do not have any entitlement to the trust fund thus it does not form part of their estate on divorce, bankruptcy or death. Simplifying the Taxation of Trusts. Volume 2, Issue 10. The last issue of The Wealth Counselor examined trusts and the asset protection benefits provided to trust makers and their beneficiaries through the utilization of ongoing trusts. Trusts also receive income and pay expenses. Net income is taxed either to the trust or to the beneficiaries, depending upon the trust terms, local law and, in the cases of complex trusts (defined below), whether the trust distributed the income.