

Credit Unions

Tax Treatment of “Bonus Shares”

Part 25-01-01

This document was reviewed in April 2022

This document should be read in conjunction with section 698 of the Taxes Consolidation Act 1997

This manual clarifies the view of Revenue in relation to the tax treatment of “bonus shares” issued by Credit Unions.

Revenue consider that such “bonus shares” fall within the definition of share interest in section 698 TCA 1997.

The definition treats as share interest **“any... bonus, or other sum payable to a shareholder of the society by reference to the amount of the shareholder’s holding in the share capital of the society”**,

Accordingly, these bonus shares are taxable and should be included in tax returns.