Tax and Duty Manual Part 25-01-01

## Credit Unions Tax Treatment of "Bonus Shares"

## Part 25-01-01

This document was reviewed in February 2024

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

Consolidation Act 1997



The information in this document is provided as a guide only and is not professional advice, including legal advice. It should not be assumed that the guidance is comprehensive or that it provides a definitive answer in every case.

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.