



Taxation Determination

Income tax: capital gains: does CGT event G1 in section 104-135 of the *Income Tax Assessment Act 1997* (about capital payments for shares) apply to a bonus share issued out of a share capital account?

Preamble

*This Taxation Determination is a 'public ruling' for the purposes of Part IVAAA of the **Taxation Administration Act 1953** and is legally binding on the Commissioner. Taxation Rulings TR 92/1 and TR 97/16 together explain when a Determination is a public ruling and how it is legally binding on the Commissioner.*

Date of Effect

This Determination applies to years commencing both before and after its date of issue. However, this Determination does not apply to taxpayers to the extent that it conflicts with the terms of settlement of a dispute agreed to before the date of the Determination (see paragraphs 21 and 22 of Taxation Ruling TR 92/20).

1. No. Subdivision 130-A of the *Income Tax Assessment Act 1997* ('the 1997 Act') deals specifically with the treatment of bonus shares. It applies rather than section 104-135.

Note:

2. This Taxation Determination rewrites and replaces Taxation Determination TD 32. There is no material change in this Taxation Determination to the views expressed in TD 32 apart from updating it with the rewritten income tax law in the 1997 Act and with recent Corporations Law changes.

3. Subdivision 130-A and section 104-135 of the 1997 Act, to which this Determination refers, express the same ideas, respectively, as Divisions 8 and 8A and section 160ZL of the *Income Tax Assessment Act 1936*.

Commissioner of Taxation

19 January 2000

Previous draft:

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FOI status: may be released

Related Rulings/Determinations:

TD 35

Subject references:

bonus shares; CGT event G1; payment; share capital account; shares

Legislative references:

The 1997 Act	The 1936 Act
1. Subdivision 130-A	1. Division 8 Division 8A
2. Section 104-135	2. Section 160ZL

ATO references:

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