

IT 2516W - Income tax: exclusion from tax for discounts provided under employee share acquisition schemes



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This document has changed over time. This is a consolidated version of the ruling which was published on 8 October 2025



Notice of Withdrawal

Taxation Ruling

Income tax: exclusion from tax for discounts provided under employee share acquisition schemes

Taxation Ruling IT 2516 is withdrawn with effect from 9 October 2025.

1. IT 2516 outlined how a legislative amendment affected the employee share scheme rules contained in former section 26AAAC of the *Income Tax Assessment Act 1936*. It explained:
 - requirements for application of the exclusion from assessability of the discount provided under employee share schemes
 - that the cost base of shares obtained under an employee share scheme for the purpose of calculating any capital gain or capital loss had to be reduced by the amount of the discount that was not assessed due to the application of former section 26AAAC.
2. Employee share schemes are now governed by Division 83A of the *Income Tax Assessment Act 1997*.
3. IT 2516 has no ongoing relevance, and is withdrawn without replacement.

Commissioner of Taxation
8 October 2025

ATO references

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