
INCOME TAX ASSESSMENT (BONUS
SHARES).

No. 12 of 1926.

An Act to validate certain Refunds of Income Tax
and for other purposes.

[Assented to 26th March, 1926.]

BE it enacted by the King's Most Excellent Majesty, the Senate,
and the House of Representatives of the Commonwealth of
Australia, as follows :—

Short title.

1. This Act may be cited as the *Income Tax Assessment (Bonus Shares) Act 1926*.

2. In this Act, unless the contrary intention appears—

Definitions.

“Income Tax Assessment Act” means the *Income Tax Assessment Act* 1915 and includes that Act as subsequently amended by any Act or Acts passed prior to the year One thousand nine hundred and twenty-two ;

“shares distributed out of taxed profits” means shares distributed by a company to its members or shareholders prior to the first day of July One thousand nine hundred and twenty-one out of the profits of the company upon which it has paid income tax, as upon undistributed income, under the *Income Tax Assessment Act*.

3. Where the paid-up value of any shares distributed out of taxed profits has been included in any assessment under the *Income Tax Assessment Act*, as being income within the meaning of paragraph (b) of section fourteen of that Act, and income tax has been paid on that value, any refund of the income tax so paid made by the Commissioner prior to the commencement of this Act shall be deemed to be, and at all times to have been, as lawfully made as if that value had been exempt from income tax under that Act.

Validation of refunds.

4. Where the paid-up value of any shares distributed out of taxed profits has been omitted from any assessment, under the *Income Tax Assessment Act*, in which that value is assessable as income within the meaning of paragraph (b) of section fourteen of that Act, that value shall be deemed to be, and at all times to have been, as lawfully omitted as if it had been exempt from income tax under that Act.

Validation of omissions from assessments.

5. Where the paid-up value of any shares distributed out of taxed profits has been included in any assessment under the *Income Tax Assessment Act*, and the High Court has, prior to the thirty-first day of August One thousand nine hundred and twenty-four, decided that the value of shares, including the shares so distributed has been lawfully included in that assessment, the Commissioner may, nevertheless, accept, as payment of the income tax under that assessment, the amount which would be payable under that assessment if the paid-up value of the shares so distributed were omitted therefrom.

Cases where judgment given.