

Title: IMO, it's a stock split, not a stock dividend.

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I think there is some confusion and misinformation going on about whether "a stock split in the form of a stock dividend" is a stock dividend or a stock split. I think it's a stock split based on the following sources.

1. u/itsnotadeadpan actually provided a source (4.4.4 Stock dividends and stock splits: [https://viewpoint.pwc.com/dt/us/en/pwc/accounting_guides/financing_transactions/financing_transactions_US/chapter_4_common_sto_US/44_dividends_US.html](https://viewpoint.pwc.com/dt/us/en/pwc/accounting_guides/financing_transactions/financing_transactions_US/chapter_4_common_sto_US/44_dividends_US.html)) to determine which one is a stock dividend and which one is a stock split, including a stock split in the form of a stock dividend. In a nutshell, it depends on the size of the new shares. If the size and distribution of the new shares is greater than 25% of the number of shares outstanding prior to the distribution, it is a stock split even though a company might describe it as a stock split in the form of a stock dividend.

"Although" [*ASC 505-20-25*](https://viewpoint.pwc.com/dt/us/en/fasb/GAAP/Codification/Codification/Equity/505_Equity/505-20_Stock_dividends_and_stock_splits/505-20-25.html#topic-505-20-25-subsect-01-112648) *uses a different threshold than the NYSE, a reporting entity listed on the NYSE would generally treat a distribution of greater than 25% of the shares outstanding as a stock split.*

"When" a stock dividend in form is determined to be a split in substance****, [*ASC 505-20-50-1*](https://viewpoint.pwc.com/dt/us/en/fasb/GAAP/Codification/Codification/Codification/Equity/505_Equity/505-20_Stock_dividends_and_stock_splits/505-20-50.html#topic-505-20-50-subsect-01-112650) *recommends that every effort be made* ****to avoid the use of the word dividend*** *in related corporate resolutions, notices, and announcements and that,* ***in those cases where because of legal requirements this cannot be done,*** ****the transaction be described, for example, as a stock split effected in the form of a dividend****. "

2. If a stock split in the form of a stock dividend is indeed a stock dividend, it should be a taxable event.

Here is a case where Union Pacific did a 2:1 split in the form of a stock dividend ([https://www.up.com/investor/shareholders/stock_split/faq/index.htm](https://www.up.com/investor/shareholders/stock_split/faq/index.htm)) and they say that it's **not a taxable transaction** in their FAQs.