



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

October 17, 2011

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Dear

I am responding to your letter of August 30, 2011, to Mr. Floyd Williams. You ask whether a

realizes gross income for federal income tax purposes.

In general, gross income includes all accessions to wealth, whether realized in the form of cash, property or other economic benefit. However, some benefits a taxpayer receives are excludable from income, either because they do not meet the definition of gross income or because the law provides a specific exclusion for certain benefits that Congress chose not to tax. Whether a benefit is excludable from income depends on the particular facts and circumstances under which the taxpayer realizes the benefit.

A taxpayer may request a private letter ruling from the Internal Revenue Service that applies the law to the taxpayer's particular facts and circumstances. The procedure for obtaining a private letter ruling is set forth in Rev. Proc. 2011-1, 2011-1 I.R.B. 1. You may obtain a copy of Rev. Proc. 2011-1 on the Service's website, [www.irs.gov](http://www.irs.gov), and at <http://www.irs.gov/pub/irs-irbs/irb11-01.pdf>

If you have any questions, please contact \_\_\_\_\_ or me at ( ) \_\_\_\_\_.

Sincerely,

Michael J. Montemurro  
Chief, Branch 4  
Office of Associate Chief Counsel  
(Income Tax & Accounting)