



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

OFFICE OF  
CHIEF COUNSEL

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The Honorable Michele Bachmann  
Member, U.S. House of Representatives  
2850 Cutters Grove Avenue, Suite 205  
Anoka, MN 55303

Attention:

Dear Congresswoman Bachmann:

I am responding to your letter dated August 20, 2014, on behalf of your constituent, . She asked whether the food stamps, SSDI, and Medical Assistance benefits that she receives might be reduced if she raises funds to attend a conference and educate legislators about a rare autoimmune disease.

We cannot determine whether funds that raises to attend the conference and educate legislators will affect the food stamps, SSDI, and Medical Assistance benefits that she receives. The federal agencies with jurisdiction over these programs would make those decisions.

However, I hope the following general information will help understand whether she must include in gross income for federal income tax purposes any funds that she raises.

Gross income includes all income from whatever source derived, except as otherwise provided by law (section 61 of the Internal Revenue Code (Code)). Thus, in general, taxpayers must include in gross income money they receive without an offsetting obligation to repay it.

Gifts, however, are not gross income (section 102 of the Code). Whether a payment is a gift is highly factual, and depends on the payor's intent. To be a gift, the payment must proceed from the payor's "detached and disinterested generosity" out of "affection, respect, admiration, charity or like impulses" (*Commissioner v. Duberstein*, 363 U.S. 278, 285 (1960)). For example, a court held that contributions a minister solicited from

listeners to his radio programs were not gifts, but were gross income. In that case, the listeners did not refer to the contributions as gifts and did not personally know the minister. Rather, it appeared that the listeners made the contributions because they desired to support the minister's programs financially (*Webber v. Commissioner*, 219 F.2d 834 (10th Cir. 1955)).

I hope this information is helpful. If you have questions, please call me or at ( ) .

Sincerely,

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