



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

OFFICE OF THE CHIEF COUNSEL

June 13, 2016

Number: **2016-0046**
Release Date: 9/30/2016

CONEX-116993-16

UIL: 9999.00-00, 119.00-00

CC:TEGE:EOEG:ET2

The Honorable Bennie G. Thompson
U.S. House of Representatives
Washington, DC 20515

Dear Representative Thompson:

I am responding to your letter of May 18, 2016 to Commissioner Koskinen concerning whether realize gross income for federal income tax purposes.

In general, gross income includes all accessions to wealth, whether realized as cash, property, or other economic benefit. However, some benefits a taxpayer receives are excludable from income, because they do not meet the definition of gross income or because the law provides a specific exclusion of benefits that Congress chose not to tax.

Lodging furnished by an employer to an employee may be additional compensation and therefore taxable to the employee. However, as you point out, section 119 of the Code specifically excludes the value of lodging an employer furnishes to an employee if the three following requirements are met:

- The employer provides the lodging on the employer's business premises.
- The employer provides the lodging for the convenience of the employer.
- The employee must accept the lodging as a condition of employment.

Whether a benefit is excludable from income depends on the particular facts and circumstances under which the taxpayer gets the benefit. A taxpayer may request a private letter ruling from the IRS that applies the law to the taxpayer's particular facts and circumstances. The procedure for getting a private letter ruling is in Revenue

Procedure 2016-1, 2016-1 I.R.B. 1. You may get a copy of Revenue Procedure 2016-1 on our website, www.irs.gov.

I hope this information is helpful. If you have any questions, please contact or me at .

Sincerely,

Lynne A. Camillo
Chief, Employment Tax Branch 2
Office of Associate Chief Counsel
(Tax Exempt and Government Entities)