

income "accrued" for purposes of Federal income tax. Compensation eventually paid after the conclusion of the receivership, in accordance with both the letter and the spirit of the original order which provided that on being discharged from his trust the receiver might apply for such further compensation as might then appear just and reasonable, can not be held to have accrued during the period of the receivership. The fact that the court declined, although the taxpayer several times requested it to do so, to make any additional award during the course of the receivership, is far stronger evidence that during the receivership it did not consider additional compensation to have accrued, than is its finding seemingly to the contrary effect but made after the matter had been closed.

It is, therefore, recommended that the past practice of the Bureau be adhered to, and that in this case the additional compensation received in 1918 be subjected to taxation at the rates in effect for that year.

**Section 213 (a), Article 32: Compensation for personal services.** 1-19-27.  
O. D. 15.

Compensation received by Federal reserve agents and their assistants, as well as other employees of Federal reserve banks, is subject to the income tax.

**Section 213 (a), Article 33: Compensation paid other than in cash.** 18-19-475.  
O. D. 265.

Board and lodging furnished seamen in addition to their cash compensation is held to be supplied for the convenience of the employer and the value thereof is not required to be reported in such employees' income tax returns.

**Section 213 (a), Article 35: Gross income from business.**

(See 28-19-610; sec. 203, art. 1583.) Treatment of cash discounts on purchases in connection with valuation of inventories.

**Section 213 (a), Article 38: Gross income of farmers.** 18-19-476.  
O. D. 266.

The use of Form 1040 F is optional since it is designed merely to assist farmers in computing their net income. Therefore, it is unnecessary to file same where the taxpayer has made return and paid the taxes due.

**Section 213 (a), Article 38: Gross income of farmers.**

(See 6-19-268; sec. 212, art. 23.) Returns and inventories of farmers when books of account are on an accrual basis.

**Section 213 (a), Article 39: Sale of stock and rights.** 19-19-495.  
T. B. M. 73.

*Revenue Act of 1916.*—The entire amount received from the sale of rights to subscribe for stock is income.

In the year 1916 the taxpayer owned shares of stock in a bank. In that year the bank voted to increase its capital stock by issuing addi-

Exh. A