

and reasonable to conclude, in view of the range of prices over a period of two years, that the price received over and above the stated par value was due to the taxpayer's efforts at publicity, and that the value of the stock when received by him was its par value. (See *Moffitt v. Hereford*, 34 S. W. (Mo.) 252.)

For the purposes of this opinion, the voting trust certificates received by the taxpayer are to be considered on the same footing as the stock delivered outright. He was indeed the beneficial owner of the stock they represented and received them as such, and hence any value they had inured to him.

It is therefore held, in the peculiar circumstances of this case, that stock, based upon a new and untried invention, received in payment for services is income to the person receiving the stock to the extent of its market value. The market value at the time of receipt is to be fixed by taking into consideration the first prices brought for such stock when placed on sale within a reasonable time after such receipt, due allowance being made for intervening circumstances affecting such value.

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SECTION 213(a), ARTICLE 33: Compensation paid other than in cash.

(See 12-20-793; sec. 213(b), art. 71.) Premiums paid by employer on group life insurance covering lives of employees.

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SECTION 213(a), ARTICLE 33: Compensation paid other than in cash.

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~~T. D. 2992~~

Article 33 of Regulations 45 is hereby amended to read as follows:

ART. 33. *Compensation paid other than in cash.*—Where services are paid for with something other than money, the fair market value of the thing taken in payment is the amount to be included as income. If the services were rendered at a stipulated price, in the absence of evidence to the contrary such price will be presumed to be the fair value of the compensation received. Compensation paid an employee of a corporation in its stock is to be treated as if the corporation sold the stock for its market value and paid the employee in cash. When living quarters such as camps are furnished to employees for the convenience of the employer, the ratable value need not be added to the cash compensation of the employee, but where a person receives as compensation for services rendered a salary and in addition thereto living quarters, the value to such person of the quarters furnished constitutes income subject to tax. Premiums paid by an employer on policies of group life insurance covering the lives of employees, the beneficiaries of which are designated by the employees, are not income to such employees.

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SECTION 213(a), ARTICLE 38: Gross income of farmers.

(See 18-20-893; sec. 212, art. 23.) Treatment of opening inventory of farmers when changing from cash to accrual basis.

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SECTION 213(a), ARTICLE 41: Sale of good will.

(See 10-20-777; sec. 202, art. 1561.) Methods of determining value of intangible assets as at March 1, 1913.