41 B.T.A. 165 (1940)

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When an employee’s housing is provided by an employer partly for the employer’s convenience, the fair rental value attributable to the employer’s convenience is excludable from the employee’s gross income, even if the housing also serves a compensatory purpose.

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Summary

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Chandler, an employee who was also a director, president, and stockholder of his employer, received rent-free housing. The Commissioner argued the entire fair rental value should be included in Chandler’s income. The Board of Tax Appeals held that a portion of the rental value, reflecting the employer’s convenience, could be excluded from Chandler’s income, even if the housing also served as compensation. The Board rejected the

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