

Rev. Rul. 76-337, 1976-2 C.B. 177

Advice has been requested whether a social club exempt from Federal income tax under section 501(c)(7) of the Internal Revenue Code of 1954 must include interest received on obligations issued by a State in gross income for the purpose of computing unrelated business taxable income under section 512(a)(3).

Section 103(a) of the Code provides, in part, that gross income does not include interest on obligations of a State.

Held, interest on obligations of a State received by a social club exempt under section 501(c)(7) of the Code is not included in gross income for the purpose of computing unrelated business taxable income under section 512(a)(3).