

Corporations — License Taxes — Profit — Interest — Taxation.

Profit from the sale of tax-exempt government securities, and interest received therefrom, may be included in computing the gross income of corporations for the purpose of arriving at the net income subject to taxation under the Montana corporation license tax law.

State Board of Equalization,
Helena, Montana.

April 30, 1932.

Gentlemen:

In reply to your request for an opinion from this office as to the

right to include profit from the sale of tax exempt government securities and interest received therefrom in the gross income of corporations for the purpose of arriving at the net income of said corporations in computing the tax under the Montana corporation license tax law, I wish to advise that such income and interest may be included as a part of the gross income of the corporation in arriving at the net income for taxation purposes.

The recent case of *The Pacific Company, Ltd. vs. Johnson*, decided on the 11th of April, 1932, by the United States Supreme Court, as well as the cases of *Flint vs. Stone Tracy Co.*, 220 U. S. 107; *Macallen Co. vs. Massachusetts*, 279 U. S. 620; and *Educational Films Corporation vs. Ward*, 282 U. S. 379, uphold this right of the state.

Very truly yours,

L. A. FOOT,

Attorney General.