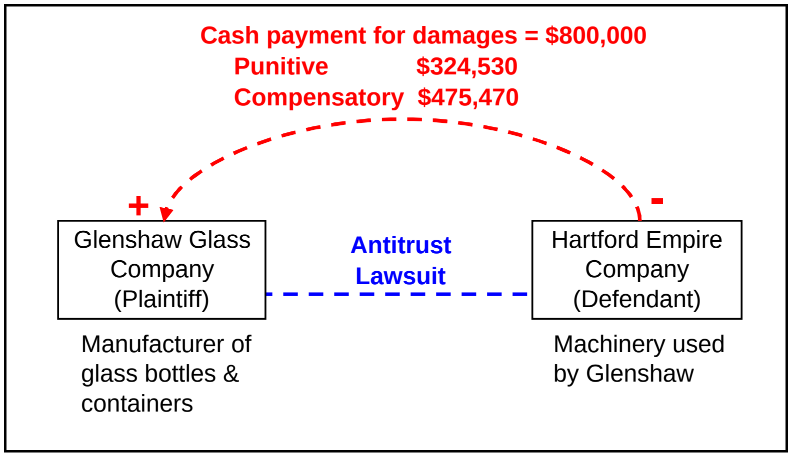
Commissioner v. Glenshaw Glass Co.
348 U.S. 426 (1954)

Accessions to Wealth

Glenshaw Glass



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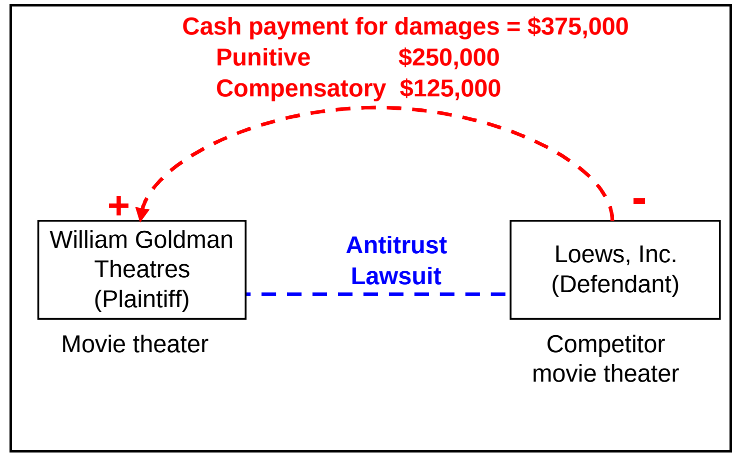

In Collins v. Commissioner, 3 F.3d 625 (2nd Cir. 1993), the Second Circuit summarized Glenshaw as follows:

> The Court finally abandoned the stilted capital-labor formulation of gross income and jettisoned its earlier attempts to define the term in Commissioner v. Glenshaw Glass . . . . There the taxpayers had received treble damage awards from successfully prosecuting antitrust suits. They argued that two-thirds of these awards constituted punishment imposed on the wrongdoer and, under the gross income definition of Eisner, this punitive portion of the damages could not be treated as income derived from either labor or capital. . . . In rebuffing this proposition, the Court ruled the damage awards taxable in their entirety. It cast aside Eisner's definition of income stating that it was "not meant to provide a touchstone to all future gross income questions." . . . Instead the Court stated, "Congress applied no limitations as to the source of taxable receipts, nor restrictive labels as to their nature." . . . The legislature intended to simply tax "all gains," which the Court effectively described as all "accessions to wealth, clearly realized, and over which the taxpayers have complete dominion."
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> Since Glenshaw Glass the term gross income has been read expansively to include all realized gains and forms of enrichment, that is, "all gains except those specifically exempted."