

other in the military or naval forces of the United States in time of war, or as a State pension for services rendered by the beneficiary or another for which the State is paying a pension ;

(10) The amount received by an individual as dividends or interest from domestic building and loan associations, substantially all the business of which is confined to making loans to members, but the amount excluded from gross income under this paragraph in any taxable year shall not exceed \$300 ;

(11) The rental value of a dwelling house and appurtenances thereof furnished to a minister of the gospel as part of his compensation ;

(12) The receipts of shipowners' mutual protection and indemnity associations, not organized for profit, and no part of the net earnings of which inures to the benefit of any private shareholder ; but such corporations shall be subject as other persons to the tax upon their net income from interest, dividends, and rents ;

(13) In the case of a person, amounts distributed as dividends to or for his benefit by a corporation organized under the China Trade Act, 1922, if, at the time of such distribution, he is a resident of China, and the equitable right to the income of the shares of stock of the corporation is in good faith vested in him ;

(14) In the case of an individual citizen of the United States, a bona fide nonresident of the United States for more than six months during the taxable year, amounts received from sources without the United States if such amounts constitute earned income as defined in section 209 ; but such individual shall not be allowed as a deduction from his gross income any deductions properly allocable to or chargeable against amounts excluded from gross income under this paragraph.

**ART. 71. Exclusions from gross income.**—The term "gross income" as used in the Act does not include those items of income exempted by statute or by fundamental law. The exemption of such income should not be confused with the reduction of taxable income by the application of allowable deductions. Every person owning obligations of a State, Territory, any political subdivision thereof, or the District of Columbia ; securities issued under the provisions of the Federal Farm Loan Act or of such Act as amended ; or obligations of the United States or its possessions, must, however, submit in his income tax return a statement showing the number and amount of such obligations and securities owned and the income received therefrom.

**ART. 72. Proceeds of insurance—Compensation—Pensions.**—The proceeds of life insurance policies, paid by reason of the death of an insured to his estate or to any beneficiary (individual, partnership, or corporation, but not a transferee for a valuable consideration), directly or in trust, are excluded from the gross income of the beneficiary. It is immaterial whether the proceeds are received in a single sum or in installments. If, however, such proceeds are held by the insurer under an agreement to pay interest thereon, the inter-