

275. Definitions.

(s) "*Accident and Health Welfare Fund or Plan*" shall mean a fund or plan established, maintained and operated ~~in corporate form or under a trust agreement~~ for the purpose of providing group benefits to employees and their beneficiaries in the event of sickness, accident or death and into which fund or plan one or more employers contribute all or part of the requirements of such fund or plan but shall not include a corporation or organization wholly owned or controlled by such fund or plan and conducting an activity for the production of income which is otherwise taxable under this sub-title.

276. Gross Income and Exclusions Therefrom.

"Gross income" means income from whatever source derived, including salaries, wages or compensation for personal services of whatever kind and in whatever form paid; alimony received, interest, dividends, rents, royalties and annuity income; and gains, profits and income derived from professions, vocations, trades, business and commerce. The gross income of an employee shall include the amount of the employer's contribution to a pension fund or trust which is not exempt or approved under federal standards, where the employee's rights may not be forfeited; such income to be taxable in the year in which the contribution is made [.] and gross income shall include amounts received by an employee under an accident and health welfare plan as defined in this sub-title to the extent that such amounts represent reimbursement for the medical deduction provided under Section 277 (q-1) hereof and claimed by the employee in a return filed hereunder for a taxable year prior to the year such reimbursement is received by the taxpayer. "Gross income" shall not include the following:

(a) Capital gains realized from the sale, exchange or other disposition of property held by a taxpayer (whether or not connected with his trade or business) other than stock in trade of the taxpayer or other property of a kind that would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(b) The proceeds of life insurance policies paid by reason of the death of the insured, whether in a single sum or otherwise (but if such amounts are held by the insurer under an agreement to pay interest thereon, the interest payments shall be included in gross income).

(c) Amounts received (other than amounts paid by reason of the death of the insured) under life insurance or endowment contracts, either during the term or at maturity or upon surrender of the contract, equal to the total amount of the premiums paid therefor.

(d) The value of property acquired by gift, bequest, devise, inheritance or succession. Beginning with the calendar year 1944 and hereafter, there shall not be excluded from gross income under this paragraph, the income from such property, or, in case the gift, bequest, devise or inheritance is of income from property, the amount of such income. For the purposes of this paragraph, if, under the terms of the gift, bequest, devise, or inheritance, payment, credit, or distribution thereof is to be made at intervals, to the extent that it