

**Internal Revenue Service**

**Department of the Treasury**

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CC:IT&A:2 – COR-116289-00  
**Date:**  
November 16, 2000

Dear Mr. [REDACTED]:

You asked whether the amount of money that you spend in a prison canteen can be deducted on your income tax return, as your only income comes from gifts from friends and family members.

Section 262 of the Internal Revenue Code generally disallows any deduction for personal or living expenses, which would presumably include expenses for items purchased at a prison canteen. Section 102, however, provides that gross income does not include the value of property acquired by gift. Thus, the amount of money that is received as a gift from family or friends is not reportable on the recipient's federal income tax return.

We hope that this information is helpful. If you have any questions, please call Victoria Driscoll at (202) 622-4920.

Sincerely,

Associate Chief Counsel  
(Income Tax & Accounting)

By: \_\_\_\_\_  
Robert A. Berkovsky  
Chief, Branch 2