

17-530 WISCONSIN CENTRAL LTD. V. UNITED STATES

DECISION BELOW: 856 F.3d 490

LOWER COURT CASE NUMBER: 16-3300, 16-3303, 16-3304

QUESTION PRESENTED:

The Railroad Retirement Tax Act, 26 U.S.C. § 3231(e)(l), defines taxable "compensation" as "any form of money remuneration paid to an individual for services rendered as an employee."

Petitioners' employees obtained stock when they exercised stock options granted by petitioners. The Seventh Circuit-agreeing with the Fifth Circuit but in direct conflict with the Eighth Circuit-held that stock is "money remuneration" and hence taxable "compensation."

The question presented is:

Whether stock that a railroad transfers to its employees is taxable under the Railroad Retirement Tax Act, 26 U.S.C. § 3231(e)(l).

CERT. GRANTED 1/12/2018