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## Internal Revenue Code Section 3231(e)(12)

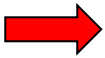
### Definitions

...

(e) Compensation.

For purposes of this chapter-

...



(12) Qualified stock options.

The term "compensation" shall not include any remuneration on account of-

(A) a transfer of a share of stock to any individual pursuant to an exercise of an incentive stock option (as defined in section 422(b) ) or under an employee stock purchase plan (as defined in section 423(b) ), or

(B) any disposition by the individual of such stock.

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