

GENERAL GAS & ELECTRIC CORP. *v.* COMMISSIONER OF INTERNAL REVENUE.

CERTIORARI TO THE CIRCUIT COURT OF APPEALS FOR THE SECOND CIRCUIT.

Nos. 492 and 493. Argued March 10, 1939.—Decided April 3, 1939.

Decided upon the authority of *Helvering v. Metropolitan Edison Co.*, *ante*, p. 522.

98 F. 2d 561, reversed.

CERTIORARI, 305 U. S. 593, to review the affirmance of a decision of the Board of Tax Appeals sustaining the determination of a deficiency in income tax.

*Mr. Maurice Bower Saul*, with whom *Mr. Bradford S. Magill* was on the brief, for petitioner.

*Miss Helen R. Carloss*, with whom *Solicitor General Jackson*, *Assistant Attorney General Morris*, and *Mr. Sewall Key* were on the brief, for respondent.

MR. JUSTICE ROBERTS delivered the opinion of the Court.

These are companion cases to Nos. 486 and 487, *ante*, p. 522, and involve the same question. The Circuit Court of Appeals held that conveyances by subsidiaries to the taxpayer, consummated under the Act of April 29, 1874, did not constitute mergers so as to authorize the taxpayer to take a deduction for unamortized bond discount and expense in respect of bonds issued by the subsidiaries prior to the conveyance.

For reasons given in Nos. 486 and 487 the judgments must be

*Reversed.*