

(e) Income which this State is prohibited from taxing under the Constitution of the United States, or by any Act of Congress passed pursuant to, and in conformity therewith, and interest upon the obligations of this State, or any of its political subdivisions and municipalities.

217. DEDUCTIONS. Taxpayers reporting income as prescribed by this sub-title shall be allowed the following deductions:

(a) All ordinary and necessary expenses paid or incurred during the taxable year in carrying on any trade or business, including a reasonable allowance for salaries or other compensation paid for personal services actually rendered in producing the taxable income.

(b) All interest paid or accrued within the taxable year except on indebtedness incurred to purchase or continue to carry property, the income from which is exempt from taxation under this sub-title.

(c) Property taxes, and other taxes paid to this State or its political sub-divisions and taxes paid to the United States.

(d) Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in trade or business, the income from which is subject to taxation under this sub-title.

(e) Losses sustained during the taxable year and not compensated for by insurance or otherwise, if incurred in any transaction entered into for profit which profit would be subject to taxation under this sub-title, though not connected with the trade or business.

(f) Losses sustained during the taxable year of property not connected with the trade or business (but in the case of a taxpayer other than a resident, only of real property or tangible personal property having a permanent situs in this State), if arising from fire, storms, shipwrecks or other casualty or from theft and not compensated for by insurance or otherwise.

(g) Debts ascertained to be worthless and charged off within the taxable year. In the case of a debt existing on the effective date of this sub-title, not more than its fair market value on that date shall be deducted. A worthless debt arising after the effective date of this sub-title from unpaid wages, salaries, sales, rent or any similar item of taxable income is not an allowable deduction unless the income which said item represents has been included as an income by the taxpayer