

pany or national bank under a deed of trust or like instrument as collateral security for any bonds, notes, or other obligations of such corporation, and held as such collateral by such bank, trust company or national bank (with or without an individual co-trustee, resident or non-resident) and such income shall not be taxable either to such trustee or to such corporation.

(i) Income received by an executor, administrator or personal representative of a deceased person during the period of administration of the deceased person's estate, which is subject to estate, inheritance or succession taxes payable to the State of Maryland.

(j) Interest upon the obligations of this State, of any county, municipal or public corporation, special district or political subdivision of this State, or of the respective instrumentalities thereof.

(k) Income which this State is prohibited from taxing under the Constitution of the United States, or under any Act of Congress passed pursuant thereto and in conformity therewith.

217. *Deductions.* The following deductions shall be allowed, but in the case of a corporation or a non-resident only to the extent that they are properly allocable to income taxable under this sub-title:

(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 for personal services actually rendered in producing taxable income.

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

(c) All taxes paid or accrued during the taxable year to this State, its political sub-divisions or the United States, except income, inheritance, estate, succession and gift taxes.

(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 of property not connected with trade or business (but in the case of a taxpayer other than a resident, only of real 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.