

only if verified under the rules and regulations prescribed by the Comptroller.

(l) Losses from lawful wagering transactions incurred and paid during the taxable year but only to the extent of gains derived therefrom.

(m) All ordinary and necessary expenses (not otherwise herein provided for) paid or incurred during the taxable year for the acquisition of income or the care of income-producing property.

(n) Net additions to legal reserves for the taxable year, as required by law, in the case of life insurance companies and/or mutual fire insurance companies.

(o) In the case of mutual insurance companies (including interinsurers and reciprocal underwriters, but not including mutual life or mutual marine insurance companies) requiring their members to make premium deposits to provide for losses and expenses, the amount of premium deposits returned to their policyholders and the amount of premium deposits retained for the payment of losses, expenses, and reinsurance reserves.

218. *Items Not Deductible.* No deductions shall be allowed in respect of the following items:

(a) Capital losses sustained from the sale, exchange or other disposition of property held by a taxpayer (whether or not connected with his trade or business) other than stock in trade of the taxpayer or other property of a kind that would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(b) Personal, living or family expenses;

(c) Any amount paid out for new buildings or new machinery, for permanent improvements or betterments, or for any other capital outlay made to increase the value of any property or estate;

(d) Any amount expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made;

(e) Any amount expended or reserved for repairs to or maintenance of residence property occupied by its owner, or for depreciation thereof;

(f) Premiums paid on any life insurance policy covering the life of any officer or employee, or of any person financially interested in any trade or business carried on by the