

(9) **DEPLETION.**—The deduction allowed by section 611 (relating to depletion).

(d) **OTHER APPLICABLE RULES.**—

(1) **RENTAL VALUE OF REAL ESTATE.**—The deduction under subsection (c) (3) or (4) on account of any real estate owned and occupied in whole or in part by a mutual insurance company subject to the tax imposed by section 821 shall be limited to an amount which bears the same ratio to such deduction (computed without regard to this paragraph) as the rental value of the space not so occupied bears to the rental value of the entire property.

(2) **AMORTIZATION OF PREMIUM AND ACCRUAL OF DISCOUNT.**—The gross amount of income during the taxable year from interest, the deduction provided in subsection (c)(1), and the deduction allowed by section 242 (relating to partially tax-exempt interest) shall each be decreased to reflect the appropriate amortization of premium and increased to reflect the appropriate accrual of discount attributable to the taxable year on bonds, notes, debentures, or other evidences of indebtedness held by a mutual insurance company subject to the tax imposed by section 821. Such amortization and accrual shall be determined—

(A) in accordance with the method regularly employed by such company, if such method is reasonable, and

(B) in all other cases, in accordance with regulations prescribed by the Secretary or his delegate.

For taxable years beginning after December 31, 1962, no accrual of discount shall be required under this paragraph on any bond (as defined in section 171(d)).

(3) **DOUBLE DEDUCTIONS.**—Nothing in this part shall permit the same item to be deducted more than once.

[(e) **FOREIGN MUTUAL INSURANCE COMPANIES OTHER THAN LIFE OR MARINE.**—In the case of a foreign mutual insurance company (other than a life or marine insurance company or a fire insurance company subject to the tax imposed by section 831), the taxable investment income shall be the taxable income from sources within the United States (computed without regard to the deductions allowed by subsection (c)(7)), and the gross amount of income from the items described in subsection (b) (other than paragraph (1)(D) thereof) and net premiums shall be the amount of such income from sources within the United States. In the case of a company to which the preceding sentence applies, the deductions allowed in this section shall be allowed to the extent provided in subpart B of part II of subchapter N (sec. 881 and following) in the case of a foreign corporation engaged in trade or business within the United States.]