§ 262. Personal, living, and family expenses

(a) General rule

Except as otherwise expressly provided in this chapter, no deduction shall be allowed for personal, living, or family expenses.

(b) Treatment of certain phone expenses

For purposes of subsection (a), in the case of an individual, any charge (including taxes thereon) for basic local telephone service with respect to the 1st telephone line provided to any resident of the taxpayer shall be treated as a personal expense.

§ 263. Capital expenditures

(a) General rule

No deduction shall be allowed for—

(1) Any amount paid out for new buildings or for permanent improvements or betterments made to increase the value of any property or estate. This paragraph shall not apply to—

(A) expenditures for the development of mines or deposits deductible under section 616,

(B) research and experimental expenditures deductible under section 174,

(C) soil and water conservation expenditures deductible under section 175,

(D) expenditures for the acquisition of domestic water supplies deductible under section 176,

(E) expenditures for the acquisition of arable land or easements or rights of way for the growing of crops, and for the transportation of crops or other goods deductible under section 177,

(F) expenditures for the acquisition of lands or easements or rights of way necessary for the development and improvement of land for forest purposes deductible under section 178,

(G) expenditures for the acquisition of lands or easements or rights of way necessary for the development and improvement of land for mining purposes deductible under section 179,

(H) expenditures for the acquisition of lands or easements or rights of way necessary for the development and improvement of land for reclamation purposes deductible under section 179A,

(I) expenditures for the acquisition of lands or easements or rights of way necessary for the development and improvement of land for speculative purposes deductible under section 179B,

(J) expenditures for the acquisition of lands or easements or rights of way necessary for the development and improvement of land for transportation purposes deductible under section 179C,

(K) expenditures for the acquisition of lands or easements or rights of way necessary for the development and improvement of land for park purposes deductible under section 179D,

(L) expenditures for the acquisition of lands or easements or rights of way necessary for the development and improvement of land for public utility purposes deductible under section 179E.

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