

the provisions of section 1361 of the Internal Revenue Code and other applicable provisions of said code and regulations.

Approved May 18, 1967.

CHAPTER 578—H. F. No. 1116

An act relating to the assessment of ad valorem taxes and the lien thereof; amending Minnesota Statutes 1965, Sections 272.31 and 273.17, Subdivision 1.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1965, Section 272.31, is amended to read:

272.31 Taxation; assessments; liens. The taxes assessed upon real property shall be a perpetual lien thereon, and on all structures and standing timber thereon and on all minerals therein, from and including ~~May first~~ *January 2* in the year in which they are levied, until they are paid; but, as between grantor and grantee, such lien shall not attach until the first Monday of January of the year next thereafter.

Sec. 2. Minnesota Statutes 1965, Section 273.17, Subdivision 1, is amended to read:

273.17 Assessment of real property in odd-numbered years. Subdivision 1. ~~In every odd-numbered year, at the time of assessing personal property on January 2,~~ the assessor shall also assess all real property that may have become subject to taxation since the last previous assessment, including all real property platted since the last real estate assessment in the even-numbered year, and all buildings or other structures of any kind, whether completed or in process of construction, of over \$100 in value, the value of which has not been previously added to or included in the valuation of the land on which they have been erected. He shall make return thereof to the county auditor, with his return of personal property, showing the tract or lot on which each structure has been erected and the true value added thereto by such erection. Every assessor shall list, without revaluing, in each odd-numbered year, on a form to be prescribed by the commissioner of taxation, all parcels of land that shall have become homesteads or shall have ceased to be homesteads for taxation purposes since the last real estate assessment.

Changes or additions indicated by italics, deletions by strikeout.

The county auditor shall note such change in the assessed valuation upon the tax lists, caused by a change in classification, and shall calculate the taxes for such odd-numbered year on such changed valuation. In case of the destruction by fire, flood, or otherwise of any building or structure, over \$100 in value, which has been erected previous to the last valuation of the land on which it stood, or the value of which has been added to any former valuation, the assessor shall determine, as nearly as practicable, how much less such land would sell for at private sale in consequence of such destruction, and make return thereof to the auditor.

Approved May 18, 1967.

CHAPTER 579—H. F. No. 1121

An act relating to taxes on and measured by net income and electing small business corporations; amending Minnesota Statutes 1965, Section 290.01, Subdivision 20.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1965, Section 290.01, Subdivision 20, is amended to read:

Subd. 20. Income tax; small business corporations; gross income. Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source.

The term "gross income" in its application to individuals, estates and trusts means the adjusted gross income as computed for federal income tax purposes as defined in the laws of the United States for the taxable year with the modifications specified in this section.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any such other state exempt from federal income taxes under the Internal Revenue Code;

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