

ment, upon payment of all lawful costs, charges, expenses, and fees in the proceeding which shall be assessed against all the petitioners in such manner and in such amounts as determined by the board or court.

Approved June 4, 1971.

CHAPTER 729—S.F.No.330

[Coded in Part]

An act relating to income taxation; extension of withholding to unemployment compensation benefits; amending Minnesota Statutes 1969, Section 290.92, by adding a subdivision.

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

Section 1. Minnesota Statutes 1969, Section 290.92, is amended by adding a subdivision to read:

Subd. 21. TAXATION; INCOME TAX; WITHHOLDING; UNEMPLOYMENT COMPENSATION. For purposes of this section, any supplemental unemployment compensation benefit paid to an individual to the extent includable in such individual's Minnesota adjusted gross income, shall be treated as if it were a payment of wages by an employer to an employee for a payroll period.

Sec. 2. The provisions of this act shall apply to payments made on or after July 1, 1971.

Approved June 4, 1971.

CHAPTER 730—S.F.No.389

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1969, Section 290.17.

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

Changes or additions indicated by underline, deletions by ~~strikeout~~.

Section 1. Minnesota Statutes 1969, Section 290.17, is amended to read:

290.17 TAXATION; INCOME TAX; INTANGIBLE PROPERTY. Items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of non-resident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held and whether in trust or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; provided that income or gains from such property held in trust shall be assigned to this state if the recipient of such income is domiciled within this state and such income or gains would be taxable to such recipient under section 290.22, or if the grantor of such trust is domiciled within this state and such income or gains would be taxable to such grantor under section 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in

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such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1).

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) All other items of gross income shall be assigned to the taxpayer's domicile.

Approved June 4, 1971.

CHAPTER 731—S.F.No.586

[Not Coded]

An act authorizing the sale of certain state owned lands in St. Louis county.

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

Section 1. **CONVEYANCE OF STATE LANDS; ST. LOUIS COUNTY.** Notwithstanding any law to the contrary, the commissioner of natural resources shall offer for sale at public auction in the same manner as provided for the sale of other trust fund land, the following described trust fund land in St. Louis county, to wit:

Changes or additions indicated by underline, deletions by strikeout.