

Sec. 11. The provisions of this act appropriating mon-
 eys shall be in force and effect from and after the passage of
 this act.

Approved April 29, 1957.

EXTRA SESSION

CHAPTER 1—H. F. No. 1

An act relating to taxation: to taxes on and measured by net income and imposing an additional privilege and income tax on individuals, trusts, estates and corporations and providing for the distribution of the proceeds thereof; the occupation tax upon the business of mining and producing iron ore and other ores and imposing an additional tax thereon; royalty taxes and imposing an additional tax thereon; fermented malt beverage tax; intoxicating liquor tax; the veterans adjusted compensation taxes; a tax upon tobacco products and upon distributors and consumers thereof, providing for its collection and penalties for its violation; and providing for the disposition of tax revenues; amending Minnesota Statutes 1953, Sections 290.03; 290.06, Subdivision 3, as amended; 290.06, Subdivision 4; 290.06, Subdivision 5; 290.095, Subdivision 2; 290.361, Subdivision 6; 290.45, Subdivision 1; 290.62, as amended; 298.01, as amended; 299.01, as amended; 340.47, Subdivisions 3 and 4; Laws Ex. 1955, Chapter 2, Article IV, Section 1; Laws Ex. 1955, Chapter 2, Article IV, Section 2; Laws Ex. 1955, Chapter 2, Article V, Section 1; Laws Ex. 1955, Chapter 2, Article V, Section 2, Subdivisions 1 and 2; Laws Ex. 1955, Chapter 2, Article V, Section 3, Subdivision 4; Laws Ex. 1955, Chapter 2, Article V, Section 4, Subdivision 1; Laws Ex. 1955, Chapter 2, Article V, Section 5; Laws Ex. 1955, Chapter 2, Article V, Section 6: and repealing Minnesota Statutes 1953, Section 290.061.

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

ARTICLE I

Section 1. Minnesota Statutes 1953, Section 290.06, Subdivision 5, is amended to read:

Subd. 5. **Surtax upon individuals, estate, trusts.** The rates of taxation fixed by subdivision 2 as the several rates to be applied in computing the income taxes imposed by this chapter upon individuals, estates, and trusts, other than those taxable as corporations, *after deducting the credits allowable*

under section 290.06, Subd. 3, are increased five percent of such respective rates; provided, however, that if the taxpayer elects to compute his tax according to the schedule of taxes contained in subdivision 2 (b), that tax, less the credits allowable under section 290.06, Subd. 3, shall be increased by five percent. This subdivision shall apply to all taxable years which begin after December 31, 1948, and prior to January 1, 1959. The increase of the rates of taxation of the income taxes imposed by this chapter upon individuals, estates, and trusts, other than those taxable as corporations, and the increase of taxes of those taxpayers who elect to compute their taxes according to the schedule of taxes contained in subdivision 2 (b), shall hereafter be known as the surtax upon individuals other than corporations. The proceeds of the surtax imposed by this subdivision and received after July 1, 1957 shall be deposited in the state treasury to the credit of the income tax school fund. There shall be paid from the income tax school fund all refunds of such surtaxes erroneously collected from taxpayers under this chapter as provided herein.

Sec. 2. Minnesota Statutes 1953, Section 290.061, is hereby repealed.

Sec. 3. *Except as specifically provided therein, the provisions of this article are applicable to all taxable years beginning after December 31, 1956.*

ARTICLE II

Section 1. Minnesota Statutes 1953, Section 290.06, Subdivision 3, as amended by Laws 1955, Chapter 84, Section 1, is amended to read:

Subd. 3. Credits against tax. The taxes due under the foregoing computation shall be credited with the following amounts:

(1) In the case of an unmarried individual, and, except as provided in paragraph 6, in the case of the estate of a decedent, \$10, and in the case of a trust, \$5;

(2) In the case of a married individual, living with husband or wife, and in the case of a head of a household, \$30. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;

(3) In the case of an individual, \$10 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In

the case of the head of the household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, other than a payment of the kind referred to in section 290.072, subdivision 1, shall not be considered a payment by the husband for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional \$10;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional \$10;

(c) In the case of a married individual, living with husband or wife, an additional \$15 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional \$15 for each spouse who is blind at the close of the individual's taxable year. If such husband and wife make separate returns, these credits may be taken by either or divided between them;

(d) For the purposes of sub-paragraphs (b) and (c) of paragraph (4) of this subdivision, an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(5) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under this act is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(6) If the status of a taxpayer, insofar as it affects the credits allowed under paragraphs 1, 2 and 3 shall change during the taxable year, or if the taxpayer shall either become or cease to be a resident of the state during such taxable year, such credit shall be apportioned, in accordance with the number of months before and after such change. For the purpose of such apportionment, a fractional part of a month shall be disregarded unless more than one-half of the month, in which case it shall be considered as a month. In case of death during a taxable year a credit shall be allowed to the decedent, in proportion to the number of months before his death, and to his estate, in proportion to the number of months after his death, and in any event a minimum credit of \$5 shall be allowed to the decedent and his estate, respectively;

(7) In the case of a non-resident individual, credits under paragraphs 1, 2, 3 and 4 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 2. The provisions of this article are applicable to all taxable years beginning after December 31, 1956.

ARTICLE III

Section 1. Minnesota Statutes 1953, Section 290.03, is amended to read:

290.03 Income tax; imposition, classes of taxpayers. An annual tax for each taxable year, computed in the manner and at the rates hereinafter provided, is hereby imposed upon the taxable net income for such year of the following classes of taxpayers:

(1) Domestic and foreign corporations not taxable under section 290.02 which own property within this state or whose business within this state during the taxable year consists exclusively of foreign commerce, interstate commerce, or both;

Business within the state shall not be deemed to include transportation in interstate or foreign commerce, or both, by means of ships navigating within or through waters which are made international for navigation purposes by any treaty or agreement to which the United States is a party;

(2) Resident and non-resident individuals;

(3) Estates of decedents, dying domiciled within or without this state; and,

(4) Trusts (except those taxable as corporations) however created by residents or non-residents or by domestic or foreign corporations.

Sec. 2. The provisions of this article are applicable to all taxable years beginning after December 31, 1956.

ARTICLE IV

Section 1. Minnesota Statutes 1953, Section 298.01, as amended by Laws Ex. 1955, Chapter 2, Article II, Section 1, is amended to read:

298.01 Mining or producing ores. Subdivision 1. Every person engaged in the business of mining or producing

iron ore or other ores in this state shall pay to the State of Minnesota an occupation tax equal to 11 percent for the year 1947, and for each year thereafter of the valuation of all ores mined or produced. Said tax shall be in addition to all other taxes provided for by law and shall be due and payable from such person on May 1 of the year next succeeding the calendar year covered by the report thereon to be filed as hereinafter provided.

Subd. 2. There is hereby imposed an additional tax on all persons and companies engaged in the business of producing or mining iron ore or other ores (except taconite) at the rate of 15 percent of the tax required to be paid, pursuant to the provisions of subdivision 1 on the ore to be mined or produced for each of two taxable years, the first of which shall commence with the taxpayer's first taxable year commencing after December 31, 1956, which tax shall be in addition to all other taxes required by law *and shall not be subject to reduction by any of the credits allowed by Chapter 298.*

Sec. 2. Minnesota Statutes 1953, Section 299.01, as amended by Laws Ex. 1955, Chapter 2, Article III, Section 1, is amended to read:

299.01 **Tax on levies.** Subdivision 1. There shall be levied and collected upon all royalty received during the year ending December 31, 1947, and upon all royalty received during each calendar year thereafter, for permission to explore, mine, take out and remove ore from land in this state, a tax of 11 percent.

Subd. 2. There is hereby imposed as an additional tax at the rate of 15 percent of the taxes required to be paid upon all royalty received for the permission to explore, mine, take out and remove ore from land pursuant to the provisions of *Subdivision 1* except taxes upon royalties received because of the actual production of taconite, for each of two taxable years, the first of which shall commence with the taxpayer's first taxable year commencing after December 31, 1956, which tax shall be in addition to all other taxes required by law.

Sec. 3. Laws Ex. 1955, Chapter 2, Article IV, Section 1, is amended to read:

Section 1. **Additional privilege and income tax.** There is hereby imposed an additional privilege and income tax for each of the two taxable years, the first of which starts after December 31, 1956, as follows:

(a) On all individuals, estates and trusts, other than those taxable as corporations, a surtax of five percent of the

tax determined under section 290.06, subdivision 2, less the credits allowable under section 290.06, subdivision 3.

(b) On all corporations required to file a return under the provisions of Minnesota Statutes 1953, Chapter 290, an additional tax equal to one percent on all taxable net income attributable to this state less credit allowed by section 290.21, and section 290.06, subdivision 3 (5).

Sec. 4. Laws Ex. 1955, Chapter IV, Section 2, is amended to read:

Sec. 2. **Collection.** The said additional taxes imposed by *section 3* shall be collected by the commissioner of taxation as all other income and privilege, excise and gross earnings taxes are collected and shall be deposited in the state treasury to the credit of the *income tax school fund*. All refunds of taxes illegally or erroneously collected under the provisions of this act from taxpayers shall be repaid from the income tax school fund.

ARTICLE V

Section 1. Laws Ex. 1955, Chapter 2, Article V, Section 1, is amended by adding a subdivision to read:

"Consumer" means any person who has title to or possession of tobacco products in storage, for use or other consumption in this state.

Sec. 2. Laws Ex. 1955, Chapter 2, Article V, Section 1, is amended by adding a subdivision to read:

"Storage" means any keeping or retention of tobacco products for use or consumption in this state.

Sec. 3. Laws Ex. 1955, Chapter 2, Article V, Section 1, is amended by adding a subdivision to read:

"Use" means the exercise of any right or power incidental to the ownership of tobacco products.

Sec. 4. Laws Ex. 1955, Chapter 2, Article V, Section 2, Subdivision 1, is amended to read:

Sec. 2. **Tax on tobacco products.** Subdivision 1. Commencing July 1, 1957, and continuing through June 30, 1959, a tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of 15 percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for

sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 5. Laws Ex. 1955, Chapter 2, Article V, Section 2, Subdivision 2, is amended to read:

Subd. 2. *From and after July 1, 1957, a tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of 15 percent of the cost of such tobacco products.*

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. *Less than 25 cigars;*
2. *Less than 10 oz. snuff or snuff powder;*
3. *Less than 1 lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.*

Sec. 6. Laws Ex. 1955, Chapter 2, Article V, Section 3, Subdivision 4, is amended to read:

Subd. 4. Each application for a distributor's license shall be accompanied by a fee of \$25. The application shall also be accompanied by a corporate surety bond issued by a surety licensed to do business in this state, *in the sum of \$1,000, conditioned upon the true and faithful compliance by the distributor with all the provisions of this act and the payment when due of all taxes, penalties and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the State of Minnesota.* This bond shall be in a form to be fixed by the commissioner and approved by the attorney general. Whenever it is the opinion of the commissioner that the bond given by a licensee is inadequate in amount to fully protect the state, he shall require *either an increase in the amount of said bond or additional bond, in such amount as he deems sufficient.* Any bond required by this subdivision, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license.

A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under this act.

Sec. 7. Laws Ex. 1955, Chapter 2, Article V, Section 4, Subdivision 1, is amended to read :

Sec. 4. Licensees, duties. Subdivision 1. Every distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices, of tobacco products held, purchased, manufactured, brought in or caused to be brought in from without the state, or shipped or transported to retailers in this state, and of all sales of tobacco products made, except sales to the ultimate consumer.

When a licensed distributor sells tobacco products exclusively to the ultimate consumer at the address given in the license, no invoice of those sales shall be required, but itemized invoices shall be made of all tobacco products transferred to other retail outlets owned or controlled by that licensed distributor. All books, records, and other papers and documents required by this subdivision to be kept shall be preserved for a period of at least one year after the date of the documents, as aforesaid, or the date of the entries thereof appearing in the records, unless the commissioner, in writing, authorizes their destruction or disposal at an earlier date. At any time during usual business hours the commissioner, or his duly authorized agents or employees, may enter any place of business of a distributor, without a search warrant, and inspect the premises, the records required to be kept under this subdivision, and the tobacco products contained therein, to determine whether or not all the provisions of this act are being fully complied with. If the commissioner, or any such agent or employee, is denied free access or is hindered or interfered with in making such examination, the license of the distributor at such premises shall be subject to revocation by the commissioner.

Sec. 8. Laws Ex. 1955, Chapter 2, Article V, Section 5, is amended by adding a new subdivision to read :

On or before the 20th day of each calendar month, every consumer who, during the preceding calendar month, has acquired title to or possession of tobacco products for use or storage in this state, upon which tobacco products the tax imposed by section 5 has not been paid, shall file a return with the commissioner showing the quantity of tobacco products so acquired. The return shall be made upon a form furnished and prescribed by the commissioner, and shall contain such other information as the commissioner may require. The return shall be accompanied by a remittance for the full unpaid tax liability shown by it.

Sec. 9. Laws Ex. 1955, Chapter 2, Article V, Section 5, Subdivision 2, is amended to read :

Subd. 2. As soon as practicable after any return is filed, the commissioner shall examine *each* return and correct it, if necessary, according to his best judgment and information. If the commissioner finds that any amount of tax is due from the *taxpayer* and unpaid, he shall notify the *taxpayer* of the deficiency, stating that he proposes to assess the amount due together with interest and penalties as hereinafter provided. If a deficiency disclosed by the commissioner's examination cannot be allocated by him to a particular month or months, he shall notify the *taxpayer* of the deficiency, stating his intention to assess the amount due for a given period without allocating it to any particular month or months. If any *taxpayer* making any return shall die or shall become incompetent at any time before the commissioner issues his notice that he proposes to assess an amount due, that notice shall be issued to the administrator, executor, or other legal representative, as such, of that *taxpayer*.

Sec. 10. Laws Ex. 1955, Chapter 2, Article V, Section 5, Subdivision 3, is amended to read:

Subd. 3. If, within 20 days after mailing of notice of the proposed assessment, the *taxpayer* or his legal representative shall file a protest to said proposed assessment and request a hearing thereon, the commissioner shall give notice to that *taxpayer* or legal representative of the time and place fixed for the hearing, shall hold a hearing on such protest, and shall issue a final assessment to the *taxpayer* or legal representative for the amount found to be due as a result of the hearing. This hearing shall be held within 45 days after filing of the protest. If a protest is not filed within the time herein prescribed, the commissioner shall issue a final assessment to the *taxpayer* or legal representative, as such. Any such assessment made by the commissioner shall be *prima facie* correct and valid, and the taxpayer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

Sec. 11. Laws Ex. 1955, Chapter 2, Article V, Section 5, Subdivision 4, is amended to read:

Subd. 4. If any *taxpayer* required by this act to file any return shall fail to do so within the time prescribed by this act, he shall, on the written demand of the commissioner, file such return within 20 days after the mailing of such written demand and at the same time pay the tax due on the basis thereof. If such *taxpayer* shall fail within that time to file such return, the commissioner shall make for him a return, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on

the basis thereof, which tax shall be paid within ten days after the commissioner has mailed to such *taxpayer* a written notice of the amount thereof and demand for its payment. Any such return or assessment made by the commissioner on account of the failure of the *taxpayer* to make a return shall be prima facie correct and valid, and the *taxpayer* shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

Sec. 12. Laws Ex. 1955, Chapter 2, Article V, Section 5, Subdivision 5, is amended to read:

Subd. 5. All taxes shall be due and payable not later than the twentieth day of the month following the calendar month in which they were incurred, and thereafter shall bear interest at the rate of one percent per month.

Where, under the provisions of subdivisions 2 and 3 of this section, the amount of tax due for a given period is assessed without allocating it to any particular month or months, the interest shall commence to run from the date of such assessment.

The commissioner shall have power to reduce or abate interest when in his opinion the facts warrant such reduction or abatement. The exercise of this power shall be subject to the approval of the attorney general.

Sec. 13. Laws Ex. 1955, Chapter 2, Article V, Section 5, Subdivision 6, is amended to read:

Subd. 6. The commissioner in issuing his final assessment pursuant to subdivision 3 shall add to the amount of tax found due and unpaid a penalty of ten percent thereof, except that, if he finds that the *taxpayer* has made a false and fraudulent return with intent to evade the tax imposed by this act, the penalty shall be 25 percent of the entire tax as shown by the return as corrected. The commissioner in assessing a tax on the basis of a return made pursuant to subdivision 4 shall add to the amount of tax found due and unpaid a penalty of 25 percent thereof.

The commissioner shall have power to abate penalties, when in his opinion their enforcement would be unjust and inequitable. The exercise of this power shall be subject to the approval of the attorney general.

Sec. 14. Laws Ex. 1955, Chapter 2, Article V, Section 6, is amended to read:

Sec. 6. Refunds, credits. Where tobacco products upon which the tax imposed by this act has been reported and

paid, are shipped or transported by the distributor to retailers without the state, to be sold by those retailers, or are returned to the manufacturer by the distributor or destroyed by the distributor, refund of such tax or credit may be made to the distributor in accordance with regulations prescribed by the commissioner. *Any overpayment of the tax imposed under Section 5 may be made to the taxpayer in accordance with regulations prescribed by the commissioner.* The state auditor shall cause any such refund of tax to be paid out of the general revenue fund, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Sec. 15. *The provisions of this article shall become effective July 1, 1957.*

ARTICLE VI

Section 1. Minnesota Statutes 1953, Section 290.45, Subdivision 1, is amended to read :

290.45 Payment of tax, time for. Subdivision 1. **Date due, installments.** The tax imposed by this chapter shall be paid at the time fixed for filing the return on which the tax is based, except that at the election of the taxpayer the tax may be paid in two equal installments *as follows:*

(a) *as to individuals, estates and trusts;* the first shall be paid at the time fixed for filing the return, and the second on or before six months thereafter.

(b) *as to corporations:* the first shall be paid at the time fixed for filing the return and the second on or before three months thereafter. If any instalment is not paid on or before the date fixed for its payment the whole amount of the tax unpaid shall become due and payable. They shall be paid to the commissioner or to the local officers designated by the commissioner with whom the return is filed as hereinbefore provided.

Sec. 2. Minnesota Statutes 1953, Section 290.095, Subdivision 2, is hereby amended to read :

Subd. 2. Carry-over. (a) *A net operating loss for any taxable year commencing on or after January 1, 1957 shall be: (1) a net operating loss carryback to each of the two taxable years preceding the taxable year of such loss, and*

(2) *a net operating loss carryover to each of the five taxable years following the taxable year of such loss; provided however,*

(3) *that a net operating loss incurred in a taxable year*

commencing prior to December 31, 1956, shall be computed under Section 290.095, Minnesota Statutes 1953, but the net operating loss so determined shall be a carryover to each of the five taxable years following the taxable year of such loss, which year of loss shall not be prior to a taxable year ending in the year 1952. A net operating loss incurred in a taxable year commencing on or after January 1, 1956, may not be carried back to any taxable year commencing prior to December 31, 1956.

Sec. 3. Except as provided herein the provisions of this article shall apply to all taxable years beginning after December 31, 1956.

ARTICLE VII

Section 1. Minnesota Statutes 1953, Section 290.62, as amended by Laws 1955, Chapter 127, is amended to read:

290.62 Distributions, income tax school fund. The revenues derived from the taxes, interest, penalties and charges under this chapter shall be paid into the state treasury and credited to a special fund to be known as income tax school fund, and be distributed as follows:

(1) There shall be paid from this income tax school fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There shall be transferred each year from this fund to the general revenue fund the amount expended from the latter fund for expenses of administering this chapter;

(3) *Of the income tax receipts (exclusive of veterans adjusted compensation taxes) received from corporate taxpayers during the fiscal year beginning July 1, 1957, and ending June 30, 1958, there shall be transferred from the income tax school fund to the general revenue fund 11.2 percent thereof.*

(4) Out of the balance in this income tax school fund, after meeting the requirements of clauses (1) and (2), there shall be distributed as income tax school aid to each school district of the state, including municipalities operating their own school, an amount equal to \$10 per child between the ages of six and 16 years, both years inclusive, residing in such district without being subject to any conditions; provided, that a child in his sixteenth year shall be included only if in actual attendance in school;

(5) The balance thereof shall be credited to the special state aid fund to be distributed as in this act provided.

Sec. 2. Minnesota Statutes 1953, Section 290.06, Subdivision 4, is amended to read:

Subd. 4. Surtax upon corporations other than banks. The rate of taxation fixed by subdivision 1 as the rate to be applied in computing the privilege and income taxes imposed by this chapter upon corporations is increased five percent of such rate. This subdivision shall apply to all taxable years which begin after December 31, 1948, and prior to January 1, 1959. The increase in the rate of taxation of the privilege and income taxes imposed by this subdivision shall hereafter be known as the surtax upon corporations other than banks. The proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the *general revenue* fund. There shall be paid from this *general revenue* fund all refunds of such surtaxes erroneously collected from taxpayers under this chapter as provided herein.

Sec. 3. Minnesota Statutes 1953, Section 290.361, Subdivision 6, is amended to read:

Subd. 6. Surtax. The rate of taxation fixed by subdivision 2 as the rate to be applied in computing the privilege and income taxes imposed by this chapter upon national and state banks is increased five percent of such rate. This subdivision shall apply to all taxable years which begin after December 31, 1948, and prior to January 1, 1959. The increase in the rate of taxation of the privilege and income taxes imposed by this subdivision shall hereafter be known as the surtax upon national and state banks. The proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the *general revenue* fund. There shall be paid from this *general revenue* fund all refunds of such surtaxes erroneously collected from taxpayers under this chapter as provided herein.

Sec. 4. Minnesota Statutes 1953, Section 340.47, Subdivision 3, is amended to read:

Subd. 3. Veterans bonus excise tax. The several rates of taxation levied by subdivision 1 on all intoxicating liquors sold in this state are increased ten percent, except on intoxicating liquors which are within the state on June 30, 1949. On or before July 10, 1949, every manufacturer, distiller, or wholesaler shall file with the commissioner a verified itemized inventory of all stamps in his possession outside of the state on June 30, 1949, which are unaffixed or affixed to containers of intoxicating liquors outside of the state and of unaffixed stamps in his possession within the state on June 30, 1949, and shall pay to the state treasurer ten percent of the

total tax value of all stamps so inventoried as payment of the increases imposed by this subdivision of the several rates of taxation on all intoxicating liquors to which such stamps are affixed levied by subdivision 1 and shall thereby increase the tax value of the stamps so inventoried by ten percent of their face value. Every manufacturer, distiller, or wholesaler shall pay to the state treasurer for all stamps purchased after June 30, 1949, in addition to the face tax value of the stamps so purchased, a sum equal to ten percent of the face value of the stamps so purchased. On and after July 1, 1949, all stamps sold by the state treasurer shall have a tax value which is ten percent greater than their face tax value. This subdivision shall be effective as of July 1, 1949, and shall expire on *June 30, 1959*, except as to the collection of taxes theretofore levied thereunder and unpaid. The increase in the several rates of taxation levied by this subdivision on all intoxicating liquors sold in this state shall hereafter be known as the surtax on intoxicating liquors. Notwithstanding the provisions of subdivision 1, the proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the *general revenue* fund.

Sec. 5. The provisions of sections 2, 3 and 4 of this article shall be applicable to July 1, 1957.

ARTICLE VIII

Section 1. Minnesota Statutes 1953, Section 340.47, Subdivision 4, is amended to read:

Subd. 4. **Veterans bonus liquor surtax.** The several rates of taxation levied by subdivision 2 on the sale, either directly or indirectly, of fermented malt beverages other than for shipment in interstate or foreign commerce are increased ten percent, except on fermented malt beverages which are within the state on June 30, 1949. On or before July 10, 1949, every brewer or wholesaler shall file with the commissioner a verified itemized inventory of all stamps in his possession outside of the state on June 30, 1949, which are unaffixed or affixed to containers of fermented malt beverages outside of the state and of unaffixed stamps in his possession within the state on June 30, 1949, and shall pay to the state treasurer ten percent of the total tax value of all stamps so inventoried as payment of the increases imposed by this subdivision of the several rates of taxation on all fermented malt beverages to which such stamps are affixed levied by subdivision 2 and shall thereby increase the tax value of the stamps so inventoried by ten percent of their face tax value. Every brewer or wholesaler shall pay to the state treasurer for all stamps

purchased after June 30, 1949, in addition to the face tax value of the stamps so purchased, a sum equal to ten percent of the face tax value of the stamps so purchased. On and after July 1, 1949, all stamps sold by the state treasurer shall have a tax value which is ten percent greater than their face tax value. This subdivision shall be effective as of July 1, 1949, and shall expire on June 30, 1959, except as to the collection of taxes theretofore levied thereunder and unpaid. The increases in the several rates of taxation levied by this subdivision on the sale, either directly or indirectly, of fermented malt beverages other than for shipment in interstate or foreign commerce shall hereafter be known as the surtax on fermented malt beverages. The proceeds of the surtax imposed by this subdivision are pledged to the payment of the bonds authorized by Laws 1949, Chapter 642, and the surtax shall not be reduced below ten percent of the respective rates as they are now fixed by law on the sale, either directly or indirectly, of fermented malt beverages other than for shipment in interstate or foreign commerce. Notwithstanding the provisions of subdivision 2, the proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the veterans compensation fund.

Approved May 2, 1957.

EXTRA SESSION

CHAPTER 2—H. F. No. 2

[Not Coded]

An act relating to public buildings of the state of Minnesota; authorizing the construction, alteration, repair and rehabilitation of said buildings; the acquisition by gift, purchase, or condemnation of certain real property therefor; the equipping and replacement of equipment of certain of said buildings; appropriating and reappropriating money therefor, including necessary expenses from the Minnesota state building fund, levying a tax to provide funds therefor, including a tax on homesteads, notwithstanding the provisions of Minnesota Statutes 1953, Section 273.13, Subdivisions 6 and 7; and authorizing the issuance of certificates of indebtedness and providing for the sale thereof.

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

Section 1. Subject to the provisions of this act, there is hereby appropriated from the Minnesota state building fund