

mony but shall make a note of all objections made by either of the parties to the introduction of any testimony and report the same to the judge who shall rule on the admissibility thereof."

Sec. 3. **Law repealed.**—That Laws 1929, Chapter 271, Section 6, be and the same hereby is repealed.

Approved April 21, 1931.

CHAPTER 303—H. F. No. 1516

An act directing the Minnesota Tax Commission to compromise taxes assessed upon shareholders of banks.

WHEREAS, the right of this State and other states to collect taxes on national banks and their shareholders is governed and controlled by the Congress of the United States, and whereas the Supreme Court of this State in *State of Minnesota vs. First National Bank*, 164 Minn. 235, and the Supreme Court of the United States, *Minnesota vs. First National Bank*, 273 U. S. 561, have held that this State cannot collect taxes on shareholders of national banks at more than about one-eighth of present rate, and whereas until Congress removes its present restriction as expressed in Section 5219 R. S., the State can do nothing which effectively will insure the collection of any taxes on national banks, and whereas during the coming two years, in addition to other difficulties relating to public revenues in the various cities, villages, school districts and counties over the State there will be almost certain loss of all revenues from bank taxation with a consequent increase in the taxes paid by all other taxpayers; and whereas in this emergency an effort must be made in some form or by some means to preserve as much of the revenue assessed against banks and their shareholders as the State can possibly secure, and whereas this legislature has at this session enacted laws providing for pressing as vigorously as may be its effort to have Congress amend the federal law now barring the State from effective taxation of national banks and their shareholders, which amendment cannot possibly be effected within one year and probably cannot be secured before the next session of this legislature, and whereas because of the

situation as to national banks the right to collect taxes assessed against shareholders of state banks is also brought into question. Be it enacted by the Legislature of the State of Minnesota :

Section 1. Tax Commission to compromise bank taxes.—The Minnesota Tax Commission is directed to enter into agreements of settlement with any state or national bank, which, acting in behalf of its shareholders, offers to settle and compromise taxes by paying 75% of such taxes as shall be assessed against the shareholders as of May 1st, 1931, and as of May 1st, 1932. Such tender shall provide for the payment of said 75% of said taxes for both of said years and shall agree to pay said taxes before they become delinquent. When any such bank signifies to said Commission that it will pay 75% of the taxes assessed against it for both of said years, the compromise herein described shall be effective without further action by said Commission. Such tender shall be signed by the president or vice-president and the cashier or assistant cashier of such bank, when so signed and approved it shall be deemed the act of any such bank and of its stockholders and shall be and remain a binding obligation of such bank, and of its stockholders as well, to pay the amount so tendered before said taxes shall become delinquent.

Sec. 2. Commission to certify the county treasurer.—After receipt of such tender and before any such tax shall become delinquent, the Commission shall certify to the Treasurer of the proper county the fact that such tender has been made and accepted and thereupon such Treasurer shall receive and accept seventy-five per cent of the taxes assessed against the shareholders of such bank in full settlement and compromise of the taxes assessed and charged against such shareholders.

Sec. 3. Commission to fix date of payment.—Said Tax Commission may fix and prescribe a date beyond which no such tender of compromise will be accepted which date shall be uniform as to all banks. Said Commission shall mail notice of the date so fixed to each bank which has not theretofore made the tender herein provided for. After such date, no such tender shall be accepted except for good cause shown.

Approved April 21, 1931.