

CHAPTER 18—H. F. No. 494

An act imposing an excise tax measured by income on national and state banks and taxing dividends from banks; suspending the enforcement and collection of taxes imposed for the year 1940 on the shares of such banks and refunding the same; amending Laws of 1933, Chapter 405, by adding sections thereto; and amending Mason's Supplement 1940, Section 2394-12, paragraph (1) and Section 2394-56, paragraph (a).

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

Section 1. **Law amended.**—Laws 1933, Chapter 405, is hereby amended by adding a new section to be known as Section 32-4 to immediately follow Section 32-3 of said act, and to read as follows:

“Section 32-4 (a). **Tax on income of national banks.**—An excise tax measured by net income is hereby imposed on national and state banks by this act and shall be governed by the provisions of section 2 and the term “corporation” *as used in this act*, shall include a banking corporation organized under the laws of the United States or of this state, and the taxable net income shall be computed in the manner provided by this act except that in the case of national and state banks the rate shall be eight per cent instead of six per cent and the basic date for the purpose of computing gain or loss and depreciation shall be January 1, 1940 instead of January 1, 1933.

(b) The state is hereby adopting the method numbered (4) authorized by the act of March 25, 1926, amending section 5219 of the Revised Statutes of the United States.

(c) *The revenues derived from the excise tax on banks shall be paid into the state treasury and credited to a special fund, from which shall be paid all refunds of taxes erroneously collected from banks as certified by the commissioner. The balance of said fund shall be transmitted, on the last day of May and November of each year, to the respective counties in which are located the banks paying the tax. The county auditor shall apportion and distribute the respective amounts paid by each bank in his county, less refunds paid to that bank, in the same manner and on the same basis as he distributes taxes on personal property in the taxing district in which such bank is located.”*

(d) The tax hereby imposed upon national and state banks shall be in lieu of all taxes upon the capital, surplus, property, assets and shares of such banks, except taxes imposed upon real property.

Sec. 2. **Law amended.**—Laws 1933, Chapter 405, is hereby amended by adding a new section to be known as Section 32-5 to

immediately follow the new section 32-4 of said act, to read as follows:

“Section 32-5. How computed.—By reason of the adoption of method numbered (4) authorized by the Act of March 25, 1926, amending Section 5219 of Revised Statutes of the United States whereby a state may impose an excise tax upon national banks, and the state having elected in Section 32-4 of this act to impose such tax, every taxpayer taxable under this act must include in gross income dividends received from national banks (to the extent permitted by said section 5219) and dividends from state banks in the same manner and to the same extent as other dividend income is includable in gross income for the purpose of computing his taxable net income.

Sec. 3. Effective January 1, 1940—taxes refunded in certain cases.—This act shall take effect as of January 1, 1940. The first return hereunder shall be for the calendar year 1940 and shall be filed on March 15, 1941, or within 30 days after the enactment hereof, whichever is later. *The collection and enforcement of all taxes assessed or levied upon the shares of national and state banks for the year 1940 is hereby suspended during the period that this act shall be in force and if any tax so levied shall have been paid it shall be refunded.*”

Sec. 4. Law amended—exemptions from gross income.—Mason’s Supplement 1940, Section 2394-12, paragraph (1) is hereby amended to read as follows:

“(1) Subdivisions (c), (d), (i) and (j) shall not apply to corporations and subdivisions (f) and (g) shall not apply to corporations taxable under section 2 or under section 32-4, except so far as taxable under Section 8.”

Sec. 5. Law amended—publicity of returns.—Mason’s Supplement 1940, Section 2394-56, paragraph (a) is hereby amended to read as follows:

“(a) It shall be unlawful for the Commission or any other public official or employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this act, or any information concerning, the taxpayer’s affairs acquired from his or its records, officers or employees while examining or auditing any taxpayer’s liability for taxes imposed hereunder, except in connection with a proceeding involving taxes due under this act from the taxpayer making such return, *and except as provided in Section 32-4.* The Commission may furnish a copy of any taxpayer’s return to any official of the United States or of any state having duties to perform in

respect to the assessment or collection of any tax imposed upon or measured by income, if such taxpayer is required by the laws of the United States or of such state to make a return therein and if the laws of the United States or of such state provide substantially for the same secrecy in respect to the information revealed thereby as is provided by our laws. The Commission and all other public officials and employees shall keep and maintain the same secrecy in respect to any information furnished by any department, commission or official of the United States or of any other state in respect to the income of any person as is required by this section in respect to information concerning the affairs of taxpayers under this act. Nothing herein contained, however, shall be construed to prohibit the Commission from publishing statistics so classified as not to disclose the identity of particular returns or reports and the items thereof."

Approved February 21, 1941.

CHAPTER 19—H. F. No. 285

An act to appropriate money for the expense of the publication of the 1941 Legislative Manual.

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

Section 1. Appropriation for legislative manual.—There is hereby appropriated from the moneys in the state treasury not otherwise appropriated the sum of \$20,000 for the editing, compilation and publication of the legislative manual for the year 1941. The amount herein appropriated shall include the cost of compilation and editorial work performed by the secretary of state pursuant to Mason's Minnesota Statutes of 1927, Section 5679.

Approved February 24, 1941.

CHAPTER 20—H. F. No. 123

An act providing for the renewal of the period of corporate existence of co-operative companies and co-operative associations