

Sec. 2. [Subd. 6] **Application.** The provisions of this chapter are applicable to all taxable years beginning after December 31, 1950.

Approved April 20, 1951.

CHAPTER 578—H. F. No. 1032

An act relating to taxes on or measured by net income: amending Minnesota Statutes 1949, Section 290.075.

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

Section 1. Minnesota Statutes 1949, Section 290.075, is amended to read:

290.075 Renegotiated war contracts adjusted. Any taxpayer who supplies any goods, wares and merchandise or performs services, or both, under any contract, with the United States of America, or under any subcontract thereunder, or under a cost-plus-a-fixed-fee contract with the United States of America, or any agency thereof and who is subject to renegotiations under the renegotiation laws of the United States of America, or is required to renegotiate with his subcontractor, shall be required to adjust his or its Minnesota income and franchise tax liability in accordance with the following rules:

A return shall be filed and the income and franchise tax computed, on the basis of the Minnesota taxable net income without giving effect to any renegotiations occurring after the close of the taxable year. If after the close of the taxable year there is a final determination under renegotiation, the difference between (1) the amount determined by the renegotiation to be (a) excess profits, (b) excess fees under a fixed fee contract with the United States, or any agency thereof, or (c) the amount of any item for which the taxpayer has been reimbursed but which is disallowed as an item or cost chargeable to a fixed fee contract, and (2) the amount of federal income and excess profits taxes applicable thereto, *shall be allowed as a deduction from gross income in the taxable year*

in which said final determination is made, but only to the extent that such renegotiated profits, fees or amounts were included in the taxable net income in a prior year. If the taxable net income for the taxable year in which said final determination is made is less than said deduction, the taxpayer shall be entitled to a refund of the state income tax which it has paid on the difference between said deduction and said taxable income. This section shall apply to all taxable years ending after December 31, 1941, notwithstanding the expiration of the period of limitation provided by law; provided, that no refund shall be allowed unless a claim therefor is filed as provided by law within *three and one-half* years after the return was filed or two years after the tax was paid or collected, whichever period is the longer. The certificate of the agency or instrumentality of the United States conducting such renegotiation proceedings shall be evidence of the amount of the renegotiated profit and of the date thereof.

Sec. 2. **Time of application of section 290.075.** The amendments by Laws 1951, Chapter 578, shall be applicable to all taxable years beginning after December 31, 1949.

Approved April 20, 1951.

CHAPTER 579—H. F. No. 1061

[Not Coded]

An act relating to public drainage systems and providing for reassessment of lands benefited by the repair thereof in certain cases.

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

Section 1. Nobles County; repair of public drainage systems, reassessments. In any case in any county having a population according to the 1940 federal census of more than 21,000 and less than 23,000 inhabitants and containing more than 19 and less than 23 full and fractional congressional townships and having an assessed valuation of more than \$16,000,000 where repair of the county or judicial ditch system or any part thereof benefiting the lands originally assessed for