

## CHAPTER 648—H. F. No. 597

*An act relating to taxes on and measured by net income; amending Minnesota Statutes 1949, Section 290.65, Subdivisions 1 and 16; Section 290.41, Subdivision 2, and amending Section 290.65 by adding a new subdivision thereto.*

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

Section 1. Minnesota Statutes 1949, Section 290.65, Subdivision 1, is amended to read:

**290.65 Members of Armed Forces, exemptions.** Subdivision 1. The first \$5,000 received by any individual as compensation for personal services in the Armed Forces of the United States or the United Nations, shall be excluded from gross income in computing income taxes under the provisions of sections 290.01 through 290.63, as amended. This *subdivision* shall apply to the taxable year 1942 and all subsequent taxable years.

Sec. 2. Minnesota Statutes 1949, Section 290.65, Subdivision 16, is amended to read:

*Subd. 16. In the case of any individual who dies on or after December 31, 1949, while in active service as a member of the military or naval forces of the United States or of any of the United Nations, any income tax imposed under the provisions of sections 290.01 through 290.63, shall not be imposed with respect to the taxable year in which falls the date of his death, and such tax imposed for any prior taxable year which is unpaid at the date of his death (including additions to the tax, interest and penalties) shall not be assessed, and if assessed, the assessment shall be abated. In addition, upon the filing of a claim for refund within seven years from the date the return was filed, the tax paid or collected with respect to any taxable year beginning after December 31, 1949, during which such decedent was in active service shall be refunded.*

Sec. 3. Minnesota Statutes 1949, Section 290.65, is amended by adding a new subdivision to read:

*[Subd. 17.] Penalties and interest abated. The commissioner of taxation shall have power, with respect to individuals referred to in this section, to abate penalties and in-*

*terest 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. 4. Minnesota Statutes 1949, Section 290.41, Subdivision 2, is amended to read:

Subd. 2. **By persons or corporations.** Every person or corporation making payments during the taxable year to any person or corporation in excess of \$500 on account of rents, or of \$250 or more on account of interest, or in excess of \$100 on account of dividends, or in excess of \$1,000 on account of either wages, salaries, or commissions, shall make a return in respect to such payments in excess of the amounts specified, giving the names and addresses of the persons to whom such payments were made, the amounts paid to each. The state treasurer or other corresponding officer, by whatever name known, of every political subdivision of the state, of every city, village, or borough and of every school district, shall, on or before the first day of March each year, beginning with March, 1938, make and file with the commissioner of taxation a report giving the name of each employee or official to whom the state or such political subdivision, city, village, borough, or school district, during the preceding calendar year, paid any salary or wages in excess of \$1,000, together with the last known address of such employee or official.

Approved April 21, 1951.

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CHAPTER 649—H. F. No. 641

*An act relating to taxes on and measured by net income; amending Minnesota Statutes 1949, Section 290.49, Subdivisions 1, 2, 7 and 8, 290.50, Subdivisions 1, 2 and 4.*

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

Section 1. Minnesota Statutes 1949, Section 290.49, Subdivision 1, is amended to read:

290.49 **Assessment and collection.** Subdivision 1.