

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.

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.

Except as provided in subdivision 8 of this section the amount of taxes assessable with respect to all taxable years ending after January 1, 1937, shall be assessed within three and one-half years after the return is filed. Such taxes shall be deemed to have been assessed within the meaning of this section whenever the commissioner shall have determined the taxable net income of the taxpayer and computed and recorded the amount of tax with respect thereto, and if the amount is found to be in excess of that originally declared on the return, whenever the commissioner shall have prepared a notice of tax assessment and mailed the same to the taxpayer. The notice of tax assessment shall be sent by registered mail to the post office address given in the return, and the record of such mailing shall be presumptive evidence of the giving of such notice, and such records shall be preserved by the commissioner.

Sec. 2. Minnesota Statutes 1949, Section 290.49, Subdivision 2, is amended to read:

Subd. 2. In the case of income received during the lifetime of a decedent, or by his estate during the period of administration, or by a corporation, the tax shall be assessed within 18 months, and any proceeding in court for the collection of such tax shall be begun within two years after written request for such assessment (filed after the return is made) by the executor, administrator, or other fiduciary representing the estate of such decedent, or by the corporation, but *except as provided in subdivision 8 of this section* no assessment shall be made after the expiration of three and one-half years after the return was filed. This subdivision shall not apply in the case of a corporation unless

(1) Such written request notifies the commissioner that the corporation contemplates dissolution at or before the expiration of such 18-months period; and

(2) The dissolution is in good faith begun before the expiration of such 18-months period; and

(3) The dissolution is completed.

Sec. 3. Minnesota Statutes 1949, Section 290.49, Subdivision 7, is amended to read:

Subd. 7. Where the assessment of any tax is hereafter made within the period of limitation properly applicable thereto, such tax may be collected by a proceeding in court, but only if begun

(1) within *nine* months after the expiration of the period for the assessment of the tax, or

(2) within *nine* months after the expiration of the period agreed upon by the commissioner and the taxpayer, pursuant to the provisions of subdivision 8, or

(3) within *nine* months after final disposition of any appeal from the order of assessment.

Sec. 4. Minnesota Statutes 1949, Section 290.49, Subdivision 8, is amended to read:

Subd. 8. *Where before the expiration of the time prescribed in subdivisions (1) and (2) of this section for the assessment of the tax, the commissioner and the taxpayer consent in writing to an extension of time for the assessment of the tax, the tax may be assessed at any time prior to the expiration of the period agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.*

Sec. 5. Minnesota Statutes 1949, Section 290.50, Subdivision 1, is amended to read:

290.50 Overpayments, refund. Subdivision 1. A taxpayer who has paid, voluntarily or otherwise, or from whom there has been collected (other than by the methods provided for in subdivisions 1 and 5 of section 290.48) an amount of tax for any year in excess of the amount legally due for that year, may file with the commissioner a claim for a refund of such excess. *Except as provided in subdivision 4 of this section no such claim shall be entertained unless filed within two years after such tax was paid or collected, or within three and one-half years from the filing of the return, whichever period is the longer; except that if the claim relates to taxable years beginning after December 31, 1942, and ending before December 31, 1946, such claim will not be entertained unless filed within two years after such tax was paid or collected or within*

four and one-half years from the filing of the return whichever period is the longer. If the claim relates to an overpayment on account of failure to deduct a loss due to a bad debt or to a security becoming worthless, the period shall be five years from the date the return was filed, and in such case the refund shall be limited to the amount of such overpayment; but no claim for any year ending prior to January 1, 1939, shall be allowed, unless (1) the deduction was claimed by the taxpayer with respect to a subsequent year, and disallowed by the commissioner of taxation prior to January 1, 1943, and (2) the claim is filed before December 1, 1943. If the claim is not filed within three and one-half years after the return is filed, (four and one-half years if the return covers a taxable period beginning after December 31, 1942, and ending before December 31, 1946), or, to the extent that it refers to bad debt or worthless stock losses, within five years after the return is filed, the refund shall not exceed the amount paid within two years prior to the filing of the claim. Upon the filing of a claim the commissioner shall examine the same and shall make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof by registered mail to the taxpayer at the address stated upon the return. If such claim is allowed in whole or in part, the commissioner shall issue his certificate for the refundment of the excess paid by the taxpayer, with interest at the rate of two per cent per annum computed from the date of the payment or collection of the tax until the date the refund is paid to the taxpayer, and the state auditor shall cause such refund to be paid out of the proceeds of the taxes imposed by this act, as other state moneys are expended. So much of the proceeds of such taxes as may be necessary are hereby appropriated for that purpose.

Sec. 6. Minnesota Statutes 1949, Section 290.50, Subdivision 2, is amended to read:

Subd. 2. If the claim is denied in whole or in part, the taxpayer may commence an action against the commissioner to recover any overpayments of taxes claimed to be refundable but for which the commissioner has issued no certificate of refundment. Such action may be brought in the district court of the district in which lies the county of his residence or principal place of business or if an estate or trust, of the principal place of its administration, or in the district court for Ramsey county. Such action may be commenced after the expiration of six months after the claim is filed if the commissioner has not then taken final action thereon, and shall be

commenced within 18 months after the notice of the order denying the claim. If the commissioner has not acted within *three* years after the claim is filed it shall be considered denied.

Sec. 7. Minnesota Statutes 1949, Section 290.50, Subdivision 4, is amended to read:

Subd. 4. If the *commissioner and the taxpayer have* within the periods prescribed in subdivision (1) of this section consented in writing to any extension of time for the assessment of the tax under the provisions of section 290.49, subdivision 8, the period within which a claim for refund may be filed, or a refund may be made or allowed, shall be the period within which the *commissioner and the taxpayer have* consented to an extension for the assessment of the tax *and six months thereafter, provided, however, that the period within which a claim for refund may be filed shall not expire prior to two years after the tax was paid.*

Sec. 8. **Effective date of certain sections.** The amendment by Laws 1951, Chapter 649, Section 4, shall take effect upon passage but shall not apply to any agreement for extension of time for the assessment of the tax made before the passage of this act, or to any subsequent extensions thereof.

The amendments by Laws 1951, Chapter 649, Sections 6 and 7, shall take effect upon passage but shall not apply to any claims filed prior to the passage of this act.

Approved April 21, 1951.

CHAPTER 650—H. F. No. 719

An act relating to the payment of adjusted compensation to certain persons; amending Minnesota Statutes 1949, Section 197.80, Subdivision 12, and Section 197.95.

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

Section 1. Minnesota Statutes 1949, Section 197.80, Subdivision 12, is amended to read: