

state thereafter, except elective state officers and others specifically excluded from membership by this chapter, shall become members of the association by acceptance of state employment and the head of the department shall thereupon cause deductions to be made from the salary of such new employees, and acceptance of employment shall be deemed consent to have such deductions made from salary for deposit to the credit of the member's individual account in the retirement fund.

(2) *However, any elected constitutional officer who was formerly a state employee in the classified service, who took a refundment from the state employees retirement fund, may elect to again become a member of the retirement association, and may repay such refundment as provided in section 352.02, subdivision 4. Any such constitutional officer electing to again become a member of the retirement association shall cause deductions to be made from his salary in the same manner as such deductions are made from the salaries of new employees as provided for in this subdivision.*

(3) In the event that any error has been or should be made in the deductions from the salaries of members it shall be the duty of heads of departments to cause corrections to be made in such deductions upon discovery of the error. No person in the employ of the state on July 1, 1929, shall be eligible to apply for membership in the retirement association after July 1, 1931, except as provided in this chapter.

Approved April 13, 1953.

CHAPTER 321—S. F. No. 586

An act relating to income tax; amending Minnesota Statutes 1949, Section 290.21, as amended.

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

Section 1. Minnesota Statutes 1949, Section 290.21, as amended by Laws 1951, Chapter 679, Section 3, is amended to read:

290.21 Credits against taxable net income. The taxes imposed by this chapter shall be on, or measured by, as the case may be, the taxable net income less the following credits against it:

- (1) A credit of \$500 in the case of each corporation;
- (2) An amount for contributions or gifts made within the taxable year;

(a) to or for the use of the State of Minnesota, or any of its political subdivisions for exclusively public purposes;

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation operating within this state, organized and operating exclusively for religious, charitable, *public cemetery*, scientific, literary, artistic or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual;

(c) to a fraternal society, order, or association, operating under the lodge system, if such contributions or gifts are to be used within this state exclusively for the purposes specified in clause (2) (b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within the state and no part of their net income inures to the benefit of any private shareholder or individual;

(d) to or for the use of the United States of America for exclusively public purposes, and to or for the use of any community chest, corporation, trust, fund, association, or foundation, organized and operated exclusively for any of the purposes specified in clauses (2) (b) and (2) (c), but not operating within this state, in an amount equal to the ratio of Minnesota taxable net income to total net income;

(e) the total credit against net income hereunder shall not exceed 15 per cent of the taxpayer's taxable net income;

(3) (a) 85 per cent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the incomes and gains therefrom. The remaining 15 per cent shall be allowed if the recipient owns 80 per cent or more of all the voting stock of such other corporation, and the dividends were paid from income arising out of business done in this state by the corporation paying such dividends; but if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the remainder shall be allowed as a credit as the amount of the taxable net income of the corporation paying the dividends assignable to this state bears to the entire net income of the

corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof; except that with respect to dividends distributed during the year 1933 the rate shall be determined by the corporation's return for that year; the burden shall be on the taxpayer of showing that the amount of remainder claimed as a credit has been received from income arising out of business done in this state;

(b) If the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 per cent or more of all the voting stock of such other corporation, from income arising out of business done in this state by the corporation paying such dividends; but, if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the dividends shall be allowed as credit as the amount of the taxable net income of the corporation paying the dividends assignable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof; except that with respect to dividends distributed during the year 1933 the rate shall be determined by the corporation's return for that year. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a credit has been received from income arising out of business done in this state;

(4) To each mutual savings bank organized and existing as such under the laws of this state, an amount equal to the interest and dividends paid or credited during the taxable year of its depositors;

(5) To each regulated investment company as that term is defined and limited by the United States internal revenue code, section 361, (a) and (b) an amount equal to the interest and dividends paid during the taxable year, and to each building and loan and savings and loan association, an amount equal to the dividends paid during the taxable year to its members as members. For the purposes of this paragraph any dividend or portion thereof declared by a regulated investment company after the close of the taxable year and prior to the time prescribed by law for the filing of its return for the taxable year (including the period of any extension of time granted for filing such return) shall, to the extent the company so elects in such return, be treated as having been paid during

such taxable year, but only if distribution of such dividend is actually made to shareholders in the 12-month period following the close of such taxable year and not later than the date of the first regular dividend payment made after such declaration.

Sec. 2. The provisions of this chapter shall be applicable to all taxable years beginning after December 31, 1952.

Approved April 13, 1953.

CHAPTER 322—S. F. No. 647

[Not Coded]

An act relating to tax levies for road and bridge purposes.

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

Section 1. **Road levy, Winona County.** In any county in this state now or hereafter having a population of not less than 39,000, nor more than 42,000 inhabitants, according to the 1950 federal census and containing more than 19 and less than 23 full and fractional congressional townships and having an area of not less than 600 nor more than 700 square miles, the county board at its July meeting may include in its annual levy an amount for the county road and bridge fund which shall not exceed twenty mills on the dollar of the taxable valuation of the county.

Approved April 13, 1953.

CHAPTER 323—S. F. No. 990

[Coded]

An act relating to the use of saccharin, sulfamate or other artificial sweetening product in dietary foods and beverages and providing for the labeling of such products.

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

Section 1. [31,023] **Dietary foods; artificial sweetening; labeling.** It is unlawful for any person, firm, or corporation to manufacture and sell, or cause to be sold, within the state any article of food or beverage intended for human consumption as a special dietary product when such food or beverage is sweetened or made palatable with saccharin, sulfamate, or other artificial sweetening product approved by the commissioner of agriculture, dairy, and food, when saccharin, sulfamate, or other approved artificial sweetening product is com-