

cost of government as employed in statutory and charter limitations on expenditures.

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

Section 1. St. Paul, certain moneys for playground purposes. Certain cities of the first class authorized to expend accumulated rent revenues of veterans' emergency housing projects for public playgrounds purposes. That in any case where any city of the first class now or hereafter having a population of not less than 250,000 and not more than 450,000 and operating under a home rule charter shall have heretofore operated or shall hereafter operate any veterans' emergency housing project or any comparable public housing project for the creation and provision of temporary housing facilities available to veterans of the military service of the United States of America, and their families, on reasonable rental bases, on real property of such city theretofore acquired, reserved, or allocated by such city for public playgrounds or other comparable purposes, either in conjunction with the Public Housing Administration, an agency of the United States of America, or separately, all accumulated net revenues therefrom heretofore or hereafter paid to such city and constituting part of its public funds shall be placed in a separate fund of such city in its treasury, to be known and designated as "Veterans' Housing Reserve Fund," and the council or governing body of such city hereby is authorized and empowered to provide, from time to time, by resolution adopted by unanimous vote of all its membership, for expenditures from such fund for the defraying of the cost, first, of improvement of the housing units located in such veterans housing areas and the improvement and landscaping and the providing of play areas for children therein, and, secondly, for the cost of any project or projects of such city for the acquisition, improvement, or development of any public playgrounds site or sites of said city, and no such expenditure shall be deemed to constitute any part of the cost of government within the meaning of any statutory or charter limitation on expenditures by any such city.

Approved April 22, 1953.

CHAPTER 646—H. F. No. 1931

An act relating to labor credits; amending Minnesota Statutes 1949, Section 298.02, Subdivision 1, as amended by Laws 1951, Chapter 664, Section 1.

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

Section 1. Minnesota Statutes 1949, Section 298.02, subdivision 1, as amended by Laws 1951, Chapter 664, Section 1, is amended to read:

298.02 **Low grade ore.** Subdivision 1. **Credit for labor cost.** For the purpose of increasing employment and the utilization of low-grade, underground, and high labor cost ores any taxpayer on whom a tax is imposed by reason of the provisions of Minnesota Statutes 1949, Section 298.01, shall be allowed a credit against the occupation tax as computed in said section because of the mining or production of ore from any mine, in an amount calculated as follows:

(a) In the case of underground mines or mines in which in the year in question, more than *forty* percent of the crude ore produced had been beneficiated by jigging, heavy media, *cyclone process*, roasting, drying by artificial heat, sintering, magnetic separation, flotation, agglomeration, or any process requiring fine grinding, ten per cent of that part of the cost of labor employed by said mine or in the beneficiation of such ore at or near said mine in said calendar year in excess of 60 cents and not in excess of 78 cents per ton of the merchantable ore produced during that year, and fifteen per cent of that part of the cost of such labor in excess of 78 cents per ton; the expression, "crude ore produced", as used herein, means ores produced for shipment or for beneficiation and shipment, not including materials rejected by sorting or dry screening while loading; the expression "merchantable ore produced" as used herein means ores which as mined or as mined and beneficiated, are ready for shipment as a merchantable product.

(b) In the case of other mines, ten percent of the amount by which the average cost per ton of labor employed at said mine, or in the beneficiation of such ore at or near the mine, exceeds 60 cents, but does not exceed 78 cents, plus fifteen per cent of the amount by which such average labor cost per ton exceeds 78 cents, multiplied by the number of tons of ore produced at said mine, not exceeding 100,000 tons, and ten per cent of the amount by which such average cost per ton of such labor exceeds 96 cents, multiplied by the number of tons of ore produced at said mine in excess of 100,000; provided, however, that in no event shall the credit allowed hereunder be in excess of 75 per cent, as applied to underground and taconite operations, and 60 per cent, as applied to all other operations, of the total of the tax computed under the provisions of Minnesota Statutes 1949, Section 298.01.

(c) *The aggregate amount of all credits allowed under this subdivision to all mines shall not exceed 7.3 per cent of the*

aggregate amount of occupation taxes, excluding such taxes levied for the Veteran's Compensation Fund under Section 298.011, assessed against all mines in the State for said year prior to the deduction of such credits. At the time of his final determination of occupation tax pursuant to Section 298.09, Subdivision 3, the Commissioner shall reduce the credit otherwise allowable to each mine hereunder by such equal percentage as will bring the total within such limitation.

Sec. 2. This act shall apply to all ore produced after December 31, 1952.

Approved April 22, 1953.

CHAPTER 647—H. F. No. 309

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1949, Section 290.05.

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

Section 1. Minnesota Statutes 1949, Section 290.05, is amended to read:

290.05 Exemptions from tax. The following corporations, individuals, estates, trusts, and organizations shall be exempted from taxation under this chapter, provided that every such person or corporation claiming exemption under this chapter, in whole or in part, must establish to the satisfaction of the commissioner the taxable status of any income or activity:

(1) National and state banks, except as such banks are subject to the excise tax imposed by sections 290.361 and 290.362;

(2) Corporations, individuals, estates, and trusts engaged in the business of mining or producing iron ore; but if any such corporation, individual, estate, or trust engages in any other business or activity or has income from any property not used in such business it shall be subject to this tax computed on the net income from such property or such other business or activity. Royalty (as defined in section 299.02) shall not be considered as income from the business of mining or producing iron ore within the meaning of this section;

(3) Farmers' mutual insurance companies organized and existing under the laws of the state and credit unions organized under chapter 52;