

CHAPTER 82—S. F. No. 536

[Not Coded]

An act relating to cities of the first class now or hereafter having a population of not more than 150,000 inhabitants, authorizing the governing body of any such city to sell real estate which it holds as park property under certain conditions.

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

Section 1. **Duluth, may sell park property.** Notwithstanding any statute or rule of law to the contrary, or any provision to the contrary contained in the charter of any city of the first class now or hereafter having a population of not more than 150,000 inhabitants, the governing body of any such city may sell at public sale any park property which it owns and holds in fee simple.

Sec. 2. **Prerequisites for sale.** No sale of property authorized under this act shall be made unless it shall first receive the recommendation of the planning commission of such city, evidenced by a written resolution adopted by a three-fourths vote of such commission, and filed as a public record with the clerk of such city, and unless the governing body of such city, by a four-fifths vote thereof, shall duly adopt an ordinance authorizing such sale. The procedure relating to the adoption of ordinances as established by the charter of any such city shall apply equally to the adoption of any ordinance authorized under this act.

Approved March 1, 1955.

CHAPTER 83—H. F. No. 379

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Section 290.10.

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

Section 1. Minnesota Statutes 1953, Section 290.10, is amended to read:

290.10 **Non-deductible items.** In computing the net income no deduction shall in any case be allowed for:

- (1) Personal, living or family expenses;
- (2) Amounts paid out for new buildings or for perm-

ament improvements or betterments made to increase the value of any property or estate, *except as otherwise provided in this chapter*;

(3) Amounts expended in restoring property or in making good the exhaustion thereof for which an allowance is or has been made;

(4) Premiums paid on any life insurance policy covering the life of the taxpayer or of any other person;

(5) The shrinkage in value, due to the lapse of time, of a life or terminable interest of any kind in property acquired by gift, devise, bequest or inheritance;

(6) Losses from sales or exchanges of property, directly or indirectly, between members of a family, or, except in the case of distributions in liquidation, between an individual and a corporation in which such individual owns, directly or indirectly, more than 50 percent in value of the outstanding stock; or between any person or corporation and a trust created by him or it or of which he or it is a beneficiary, directly or indirectly; for the purpose of this clause, an individual shall be considered as owning the stock owned, directly or indirectly, by his family; and the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestor, and lineal descendants, but such losses shall be allowed as deductions if the taxpayer shows to the satisfaction of the *commissioner* that the sale or exchange was bona fide and for a fair and adequate consideration;

(7) In computing net income, no deduction shall be allowed under section 290.09, clause (1), relating to expenses incurred or under section 290.09, clause (2), relating to interest accrued;

(a) If such expenses or interest not paid within the taxable year or within two and one-half months after the close thereof; and

(b) If, by reason of the method of accounting of the person to whom the payment is to be made, the amount thereof is not, unless paid, includible in the gross income of such person for the taxable year in which or with which the taxable year of the taxpayer ends; and

(c) If, at the close of the taxable year of the taxpayer or at any time within two and one-half months thereafter, both the taxpayer and the person to whom the payment is to be made are persons between whom losses would be disallowed under clause (6);

(8) Contributions by employees under the federal railroad retirement act, the federal social security act, or to Minnesota or federal public employee retirement funds.

(9) Expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this act. When the federal income tax liability is joint and several under a joint federal return of husband and wife, the allowable federal income tax paid on the income included in the joint federal return may be taken as a deduction from gross income by the spouse who paid the federal income tax.

Sec. 2. **Limitation.** *The provisions of this chapter are applicable to all taxable years beginning after December 31, 1954.*

Approved March 1, 1955.

CHAPTER 84—H. F. No. 381

An act relating to taxes on and measured by net income; amending Minnesota Statutes, 1953, Section 290.06, Subdivision 3.

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

Section 1. Minnesota Statutes 1953, Section 290.06, Subdivision 3, is amended to read:

Subd. 3. **Credits.** The taxes due under the foregoing computation shall be credited with the following amounts:

(1) In the case of an unmarried individual, and, except as provided in paragraph 7, in the case of the estate of a decedent, \$10, and in the case of a trust, \$5;

(2) In the case of a married individual, living with husband or wife, and in the case of a head of a household, \$30. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;

(3) In the case of an individual, \$10 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In the case of the head of the household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, *other than a payment of the kind referred to in*