

to any unamortized discount (computed as of the first day of the taxable year in which such discharge occurred) with respect to such indebtedness shall not be allowed as a deduction.

Where any amount is excluded from gross income under this clause the whole or a part of the amount so excluded from gross income shall be applied in reduction of the basis of any property held (whether before or after the time of the discharge) by the taxpayer during any portion of the taxable year in which such discharge occurred. The amount to be so applied (not in excess of the amount so excluded from gross income, reduced by the amount of any deduction disallowed under the preceding paragraph) and the particular properties to which the reduction shall be allocated, shall be determined under regulations (prescribed by the commissioner) in effect at the time of the filing of the consent by the taxpayer. The reduction shall be made as of the first day of the taxable year in which the discharge occurred, except in the case of property not held by the taxpayer on such first day, in which case it shall take effect as of the time the holding of the taxpayer began.

Sec. 2. *The provisions of this chapter are applicable to all taxable years beginning after December 31, 1956.*

Approved April 29, 1957.

---

#### CHAPTER 890—H. F. No. 1429

*An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Section 290.53, Subdivision 4, as amended.*

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

Section 1. Minnesota Statutes 1953, Section 290.53, Subdivision 4, as amended by Laws 1955, Chapter 766, is amended to read:

Subd. 4. **Failure to file, filing false or fraudulent returns; intent to evade tax; criminal provisions.** In addition to the penalties hereinbefore prescribed, (a) Any person required by this act to make a return, who *knowingly* fails to make such a return at the time required by law, shall be guilty of a misdemeanor; (b) Any person who wilfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he

knows to be false and untrue as to any material matter, shall be guilty of a felony. Notwithstanding the provisions of Minnesota Statutes 1949, Sections 628.26 and 628.30, or any other provision of the criminal laws of this state, an indictment may be found and filed, or an information filed, upon any criminal offense specified in this subdivision, in the proper court within six years and six months after the commission of the offense. The term "person" as used in this subdivision includes any officer or employee of a corporation or a member or employee of a partnership who as such officer, member or employee is under a duty to perform the act in respect to which the violation occurs.

Approved April 29, 1957.

---

CHAPTER 891—H. F. No. 1437

[Not Coded]

*An act relating to the state building code commission; amending Laws 1955, Chapter 760, Sections 5 and 6.*

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

Section 1. Laws 1955, Chapter 760, Section 5, is amended to read:

Sec. 5. **Report** The commission shall make its report to the legislature not later than *January 15, 1959*.

Sec. 2. Laws 1955, Chapter 760, Section 6, is amended to read:

Sec. 6. **Appropriation.** There is hereby appropriated out of any monies in the state treasury not otherwise appropriated the sum of \$7,500 *for the biennium ending July 1, 1959*, or so much thereof as may be necessary, to pay expenses incurred by the code commission. The payment of such expenses shall be approved on behalf of the code commission by the chairman and at least two other members of the commission and then shall be made in the manner provided by law. A general statement of expenses of the code commission shall be included with its report.

Approved April 29, 1957.

---