

Sec. 2. This act shall become effective only after its approval by a majority of the council in the village of Crosby and upon compliance with the provisions of Minnesota Statutes 1961, Section 645.021.

Approved March 22, 1963.

CHAPTER 105—H. F. No. 553

An act relating to inheritances and transfer taxes and exemption for employee retirement plans and amending Minnesota Statutes 1961, Section 291.065.

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

Section 1. Minnesota Statutes 1961, Section 291.065, is amended to read:

291.065 Employee retirement plans, exemption. The value of an annuity or other payment receivable by any beneficiary (other than the executor) after December 31, 1956, shall be exempt from inheritance tax if received under (1) an employees' trust (or under a contract purchased by an employees' trust) forming part of a pension, stock bonus, or profit-sharing plan, which at the time of the decedent's separation from employment (whether by death or otherwise), or at the time of termination of the plan if earlier, met the requirement of section 401(a) of the internal revenue code of 1954, as adapted to the provisions of this chapter under regulations issued by the commissioner of taxation; ~~or~~ (2) a retirement annuity contract purchased by an employer (and not by an employees' trust) pursuant to a plan, which at the time of the decedent's separation from employment (by death or otherwise), or at the time of termination of the plan if earlier, met the requirements of paragraph (3) of section 401(a) of such code, as adapted to the provisions of this chapter under regulations issued by the commissioner of taxation; *or (3) a retirement annuity contract purchased by an employer which is an organization referred to in section 503 (b) (1) (2) or (3) of such code and which is exempt from tax under section 501 (a) of such code, as adapted to the provisions of this chapter under regulations issued by the commissioner of taxation.* If such amounts payable after the death of the decedent under a plan described in clause (1) ~~or~~ (2) *or (3)* are attributable to any extent to payments or contributions made by the decedent, no exemption shall be allowed for that part of the value of such amounts in the proportion that the total payments or contributions made by the decedent bears to the total payments or contributions made. For

Changes or additions indicated by italics, deletions by strikethrough.

purposes of the preceding sentence, contributions or payments made by the decedent's employer or former employer under a trust or plan described in clause (1) ~~or~~ (2) or (3) shall not be considered to be contributed by the decedent.

Sec. 2. *The provisions of this act shall become effective and apply in all cases where death occurs on or after July 1, 1963.*

Approved March 22, 1963.

CHAPTER 106—H. F. No. 554

An act relating to inheritance and transfer taxes and the appraisal of assets; amending Minnesota Statutes 1961, Section 291.23.

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

Section 1. Minnesota Statutes 1961, Section 291.23, is amended to read:

291.23 **Inheritances, how appraised.** Every inheritance, devise, bequest, legacy, transfer, or gift upon which a tax is imposed under this chapter shall be appraised at its full and true value immediately upon the death of decedent, or as soon thereafter as may be practicable; provided, that when such devise, bequest, legacy, transfer, or gift shall be of such a nature that its full and true value cannot be ascertained, as herein provided, at such time, it shall be appraised in like manner at the time such value first becomes ascertainable; *further provided that if a federal estate tax return is filed and the alternate valuation under section 2032 of the Internal Revenue Code is elected for federal estate tax purposes, every inheritance, devise, bequest, legacy, transfer, or gift upon which a tax is imposed under this chapter shall be valued as of the applicable federal valuation date or dates.*

Sec. 2. *The provisions of this act shall become effective and apply in all cases where death occurs on or after July 1, 1963.*

Approved March 22, 1963.

CHAPTER 107—H. F. No. 555

An act relating to inheritance tax rates; amending Minnesota Statutes 1961, Section 291.03.

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

Changes or additions indicated by italics, deletions by ~~strikeout~~.