Section 1. Minnesota Statutes 1961, Section 297.36, is amended to read:

297.36 **Tobacco products; out of state shipments; taxation; refunds, credits.** Where tobacco products upon which the tax imposed by sections 297.31 to 297.39 has been reported and paid, are shipped or transported by the distributor *to consumers, to be consumed without the state, or* to retailers *or subjobbers* without the state, to be sold by those retailers, *or subjobbers without the state,* or are returned to the manufacturer by the distributor or destroyed by the distributor, refund of such tax or credit may be made to the distributor in accordance with regulations prescribed by the commissioner. Any overpayment of the tax imposed under section 297.32 may be made to the taxpayer in accordance with regulations prescribed by the commissioner. The state auditor shall cause any such refund of tax to be paid out of the general revenue fund, and so much of said fund as may be necessary is hereby appropriated for that purpose.

Approved March 30, 1965.

CHAPTER 136—S. F. No. 741

An act relating to taxation, concerning the imposition of the tax upon the sale of cigarettes and tobacco products, amending Minnesota Statutes 1961, Section 297.02, Subdivision 1, as amended by Laws 1963, Chapter 790, Article IV, Section 1, and Section 297.32, Subdivision 1.

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

Section 1. Minnesota Statutes 1961, Section 297.02, Subdivision 1, as amended by Laws 1963, Chapter 790, Article IV, Section 1, is amended to read:

297.02 **Tax on cigarettes.** Subdivision 1. **Rates.** A tax is hereby imposed upon the sale of cigarettes in this state ~~to be advanced and prepaid as hereinafter provided by~~ *or having cigarettes in possession in this state with intent to sell and upon* any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, four mills on each such cigarette;

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

(2) On cigarettes weighing more than three pounds per thousand, eight mills on each such cigarette.

All cigarette taxes and excises paid pursuant to any law of this state shall conclusively be presumed to be direct taxes on the retail consumer, advanced and prepaid for the purpose of convenience and facility only.

Sec. 2. Minnesota Statutes 1961, Section 297.32, Subdivision 1, is amended to read:

297.32 **Tax on tobacco products.** Subdivision 1. A tax is hereby imposed upon all tobacco products in this state to be advanced and prepared as hereinafter provided by *and upon* any person engaged in business as a distributor thereof, at the rate of ten percent of the wholesale sales price of such tobacco products. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

All tobacco products' taxes and excises paid pursuant to any law of this state shall conclusively be presumed to be direct taxes on the retail consumer, advanced and prepaid for the purpose of convenience and facility only.

Approved March 30, 1965.

CHAPTER 137—S. F. No. 742

An act relating to gross earnings taxes and destruction of certain papers amending Minnesota Statutes 1961, Section 294.11.

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

Section 1. Minnesota Statutes 1961, Section 294.11, is amended to read:

294.11 **Gross earnings taxes; destruction of certain papers.** Any detached papers subordinate to statements of gross earnings, or reports compiled in the accounting department, the full details of which are included in other statements or reports on file in as perfect a form, and which have been passed upon in a general examination by the special examiners or representatives of the state, but

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