

date on which the contract is purchased, or if an amount is deposited after January 1, 1955 with the insurer for payment of a substantial number of future premiums on the contract.)

(c) If personal property is *or educational services are* purchased under a contract which provides that payment of part or all of the purchase price is to be made in installments, and in which carrying charges are separately stated but the interest charge cannot be ascertained, then the payments made during the taxable year under the contract shall be treated for purposes of this paragraph as if they included interest equal to six percent of the average unpaid balance under the contract during the taxable year, and such interest shall be allowed as a deduction. For purposes of the preceding sentence, the average unpaid balance is the sum of the unpaid balance outstanding on the first day of each month beginning during the taxable year, divided by 12. In the case of any contract to which this paragraph applies, the amount treated as interest for any taxable year shall not exceed the aggregate carrying charges which are properly attributable to such taxable year.

For purposes of this subdivision the term "educational services" means any service including lodging which is purchased from an educational institution (as defined in section 151 (e) (4) of the Internal Revenue Code of 1954, as amended) and which is provided for a student of such institution.

Sec. 2. *The provisions of this act shall be applicable to the taxable years beginning after December 31, 1964.*

Approved May 7, 1965.

CHAPTER 366—S. F. No. 616

[Not Coded]

An act appropriating money to the adjutant general for the erection and dedication of a monument memorializing the service of Minnesota National Guard troops on the Mexican border in 1916 and 1917.

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

Section 1. **Appropriation for memorial monument; Mexican border service by Minnesotans.** Whereas the national guard of the state of Minnesota was called into federal service in 1916 to serve along the Mexican border, and whereas several of the states have

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erected memorials honoring the national guard troops of their states in the area where these troops were stationed; now, therefore, the sum of \$1,000 is appropriated from the general revenue fund to the adjutant general of the state of Minnesota for the following purposes: (1) Expenses related to the erection of a memorial monument to the officers and men of the Minnesota national guard who served along the Mexican border during 1916 and 1917, which monument shall be located near the city of Weslaco, Texas, in the sector formerly known as Llano Grande; and (2) Expenses of suitable dedicatory ceremonies to be arranged by the adjutant general.

Approved May 7, 1965.

CHAPTER 367—S. F. No. 1033

An act relating to credits against taxable net income for contributions made; amending Minnesota Statutes 1961, Section 290.21, Subdivision 3.

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

Section 1. Minnesota Statutes 1961, Section 290.21, Subdivision 3, is amended to read:

Subd. 3. **Income tax; credits; contributions.** An amount for contribution or gifts made within the taxable year:

(a) to or for the use of the state of Minnesota, or any of its political subdivisions for exclusively public purposes,

(b) to or for the use of any community chest, corporation, organization, trust, fund, association, or foundation located in and carrying on substantially all of its activities within this state, organized and operating exclusively for religious, charitable, public cemetery, scientific, literary, artistic, or educational purposes, or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private stockholder or individual,

(c) to a fraternal society, order, or association, operating under the lodge system located in and carrying on substantially all of their activities within this state if such contributions or gifts are to be used exclusively for the purposes specified in subdivision 3(b), or for or to posts or organizations of war veterans or auxiliary units or societies of such posts or organizations, if they are within

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