

Subd. 7. Motor vehicles; flax straw transports; length. Any combination of vehicles which includes an unenclosed semitrailer constructed and used to transport flax fiber or flax straw in the state of Minnesota for decortication or for use in the processing and manufacture of paper to a processing plant, a warehouse, a storage yard, or a railroad siding may exceed the length limits set out in section 169.81, subdivisions 2 and 3, but shall not exceed a total combined length of 60 feet. No combination of vehicles shall consist of more than two units as heretofore provided in this section. The commissioner shall issue special permits for each such vehicle pursuant to Minnesota Statutes, Section 169.86, provided that such permits (1) shall be issued on an annual basis and shall be renewed each year for use only in an area west of state trunk highways marked number 4, 71, and 72; (2) shall be issued upon a finding by the commissioner that use thereof will not, because of weight, constitute a damaging effect upon the highways used, and, provided further, that such permits shall be issued only to a company engaged in decortication, its affiliate or subsidiary, either as owner of or lessee of any such vehicles owned by others and that not more than 15 such permits shall be in effect at any one time.

Approved May 12, 1965.

CHAPTER 402—S. F. No. 1251

[Coded in Part]

An act relating to taxes on and measured by net income providing for the allowance of losses sustained because of expropriation of property by a foreign government; amending Minnesota Statutes 1961, Section 290.095, Subdivision 2 and Section 290.095, as amended, by adding a new subdivision.

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

Section 1. Minnesota Statutes 1961, Section 290.095, Subdivision 2, is amended to read:

Subd. 2. Income tax; expropriation of property by foreign government; carryover and carryback. (a) *Except as provided in subdivision 8, A a net operating loss for any taxable year commencing on or after January 1, 1957, shall be: (1) a net operating loss carryback to each of the three taxable years preceding the taxable year of such loss, and*

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(2) A net operating loss carryover to each of the five taxable years following the taxable year of such loss; provided however,

(3) That a net operating loss incurred in a taxable year commencing prior to December 31, 1956, shall be computed under Minnesota Statutes, Section 290.095, but the net operating loss so determined shall be a carryover to each of the five taxable years following the taxable year of such loss, which year of loss shall not be prior to a taxable year ending in the year 1952. A net operating loss incurred in a taxable year commencing on or after January 1, 1956, may not be carried back to any taxable year commencing prior to December 31, 1956.

Sec. 2. Minnesota Statutes 1961, Section 290.095, as amended by Laws 1963, Chapter 355, Sections 5, 6, and 7 is amended by adding a new subdivision to read:

Subd. [8] Foreign expropriation loss. (a) For the purpose of Chapter 290, the term "foreign expropriation loss" means, for any taxable year, the sum of the losses sustained by reason of the expropriation, intervention, seizure or similar taking of property by the government of any foreign country, any political subdivision thereof, or any agency or instrumentality of the foregoing. For the purpose of the preceding sentence, a debt which becomes worthless shall, to the extent of any deduction allowed under section 290.09, subdivision 6, be treated as a loss.

The portion of the net operating loss for any taxable year attributable to a foreign expropriation loss is the amount of the foreign expropriation loss for such year (but not in excess of the net operating loss for such year.)

(b) In the case of a taxpayer who has a foreign expropriation loss (as defined in (a)) for any taxable year ending after December 31, 1958, a portion of the net operating loss shall not be a net operating loss carryback to any taxable year preceding the taxable year of such loss and shall be a net operating loss carryover to each of the ten taxable years following the taxable year of such loss. This paragraph shall apply only if (1) the foreign expropriation loss (as defined in (a)) for the taxable year equals or exceeds 50 percent of the net operating loss for the taxable year; (2) in the case of a foreign expropriation loss for a taxable year ending after December 31, 1964, the taxpayer elects (at such time and in such manner as the commissioner by regulation prescribes) to have (a) apply and, (3) the case of a foreign expropriation loss for a taxable year ending after December 31, 1958 and before January 1, 1965, the taxpayer elects (in such manner as the commissioner by regulation prescribes) on or before December 31, 1966, to have (a) apply.

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If a taxpayer makes an election as described above, the new deficiency attributable to such election may be assessed at any time before January 1, 1969 and refund or credit of any overpayment attributable to such election may be made or allowed if claim therefor is filed before January 1, 1969.

(c) *In determining the amount of any carryback or carry-over of a net operating loss, the amount of the net operating loss deduction for any taxable year shall be determined without regard to that portion of a net operating loss which, under (b) above, may not be carried back to a prior taxable year and if a portion of a net operating loss for the loss year is attributable to a foreign expropriation loss, to which (b) applies, such portion shall be considered as a separate net operating loss for such year to be applied after the other portion of such net operating loss.*

Approved May 12, 1965.

CHAPTER 403—S. F. No. 1253

An act relating to taxes on and measured by net income and specifying the circumstances under which an income tax return must be filed; amending Minnesota Statutes, 1961, Section 290.37, Subdivision 1, as amended.

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

Section 1. Minnesota Statutes 1961, Section 290.37, Subdivision 1, as amended by Laws 1963, Chapter 355, Section 11, is amended to read:

290.37 **Income tax; persons required to make returns.** Subdivision 1. **Persons making returns.** The following persons shall make a return for each taxable year, or fractional part thereof where permitted or required by law:

(a) A single individual with respect to his own taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed, or if his gross income exceeds \$750.

(b) A married individual if his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would ex-

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