

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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ceed the specified credits allowed, or if his gross income or the combined gross income of himself and his spouse exceeds \$1,500.

(c) The executor or administrator of the estate of a decedent with respect to the taxable net income of such decedent for that part of the taxable year during which he was alive if such taxable net income exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if such decedent's gross income for the aforesaid period exceeds \$750.

(d) The executor or administrator of the estate of a decedent with respect to the taxable net income of such estate if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if such estate's gross income exceeds \$750.

(e) The trustee or other fiduciary of property held in trust with respect to the taxable net income of such trust if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such trust exceeds \$750, if in either case such trust belongs to the class of taxable persons.

(f) The guardian of an infant or other incompetent person with respect to such infant's or other person's taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such infant or other incompetent person exceeds \$750.

(g) Every corporation with respect to its taxable net income if in excess of \$500, or if its gross income exceeds \$5,000. The return in this case shall be signed by the president, vice-president, or other principal officer, and by the treasurer or assistant treasurer.

(h) The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed (or, if the taxpayer is a corporation, if the taxable net income exceeds \$500), or if such taxpayer's gross income exceeds \$5,000.

Such return shall (a) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (b) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

For purposes of (a) through (f) the term "gross income" shall

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mean gross income as defined in section 61 of the internal revenue code of 1954, as amended, *modified and adjusted in accordance with the provisions of sections 290.08, 290.17 and 290.65.*

Approved May 12, 1965.

CHAPTER 404—S. F. No. 1254

An act relating to taxes on and measured by net income defining stock exchanges; amending Minnesota Statutes 1961, Section 290.136, Subdivision 9.

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

Section 1. Minnesota Statutes 1961, Section 290.136, Subdivision 9, is amended to read:

Subd. 9. Income tax; stock exchanges; definitions relating to corporate reorganization. (a) (1) For purposes of sections 290.131 through 290.136, the term "reorganization" means;

(A) a statutory merger or consolidation;

(B) the acquisition by one corporation, in exchange solely for all or a part of its voting stock, (*or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation*), of stock of another corporation if, immediately after the acquisition, the acquiring corporation has control of such other corporation (whether or not such acquiring corporation had control immediately before the acquisition);

(C) the acquisition by one corporation, in exchange solely for all or a part of its voting stock (*or in exchange solely for all or a part of the voting stock of a corporation which is in control of the acquiring corporation*), of substantially all of the properties of another corporation, but in determining whether the exchange is solely for stock the assumption by the acquiring corporation of a liability of the other, *or* the fact that property acquired is subject to a liability, shall be disregarded;

(D) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor, or one or more of its shareholders (including persons who were shareholders immediately before the transfer), or any combination thereof, is in control of the corporation to which the assets are transferred; but only if, in pursuance of the plan, stock or se-

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