

Subd. 2. The clerk of probate court of any county upon order of the probate judge may destroy the original record books as enumerated in this subdivision provided a Minnesota State Archives Commission approved photographic, photostatic, microphotographic, microfilmed, or similarly reproduced copy of the original record book is on file in his office.

*Enumerated original record books:*

(a) All record books kept for recording in compliance with Minnesota Statutes, Section 525.03, Clauses (3), (4), (5) and (7).

(b) All record books kept for entering claims in compliance with Minnesota Statutes, Section 525.03, Clause (6), after the expiration of 15 years from the date of the last proceeding entered therein. The destruction of any claim record book in accordance with this subdivision shall require an entry in the register kept under Minnesota Statutes, Section 525.03, Clause (2), to show the later disposition of any claim and shall have the same force and effect as though the disposition of the claim was entered in the original claim register.

(c) All record books kept for inheritance tax purposes in compliance with Minnesota Statutes, Section 291.29, Subdivisions 1 and 2, after the expiration of 15 years from the date of the last proceeding entered therein.

Subd. 3. A photographic, photostatic, microphotographic, microfilmed, or similarly reproduced record is of the same force and effect as the original and may be used as the original document or book of record in all proceedings.

Subd. 4. This section does not apply to the probate court of any county until the county board of the county adopts a resolution authorizing the destruction of probate records pursuant to the provisions of this section. When the county board has complied with this subdivision, Minnesota Statutes, Section 525.092 and any act amendatory thereof shall no longer apply to the probate court of that county.

Sec. 2. Minnesota Statutes 1961, Section 525.094, and Laws 1961, Chapter 337, are hereby repealed.

Approved May 27, 1965.

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CHAPTER 884—H. F. No. 854

[Coded in Part]

*An act relating to taxes on and measured by net income and*

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*withholding tables; providing for an increase in individual tax rates and personal credits; continuing corporate and liquor surtaxes; re-enacting certain additional taxes; requiring the payment of estimated taxes by corporations; amending Minnesota Statutes 1961, Sections 290.06 by adding a new subdivision; 290.06, Subdivision 3; 290.06, Subdivision 4 as amended; 290.06, Subdivision 6 as amended; 290.361, Subdivision 6 and Subdivision 7 as amended; 290.62 as amended; 290.92, Subdivision 2; 298.011 as amended; 299.011 as amended; 340.47, Subdivision 5 as amended; and suspending Minnesota Statutes 1961, Section 290.06, Subdivision 2. Appropriating money to the department of taxation.*

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

#### Article I

Section 1. Minnesota Statutes 1961, Section 290.06, as amended by Laws 1963, Chapter 835, Section 1 and Chapter 886, Sections 1, 2, 3 and 4, is amended by adding a new subdivision to read:

*Subd. 2. [Subd. 2a.] Income tax; rates; credits; payments; computation; individuals, estates and trusts. (a) The income taxes imposed by this chapter upon individuals, estates, and trusts, other than those taxable as corporations, shall be computed by applying to their taxable net income in excess of the applicable credits allowed by section 290.21 the following schedule of rates:*

- (1) *On the first \$500, one and one half percent;*
- (2) *On the second \$500, two percent;*
- (3) *On the next \$1,000, three percent;*
- (4) *On the next \$1,000, five percent;*
- (5) *On the next \$1,000, six percent;*
- (6) *On the next \$1,000, seven percent;*
- (7) *On the next \$2,000, eight percent;*
- (8) *On the next \$2,000, nine percent;*
- (9) *On the next \$3,500, ten percent;*
- (10) *On all over \$12,500, and not over \$20,000, eleven percent;*
- (11) *On the remainder, twelve percent.*

*(b) In lieu of a tax computed according to the rates set forth in clause (a) of this subdivision, the tax of any individual taxpayer*

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*whose adjusted gross income for the taxable year is less than \$10,000, at his election shall be computed in accordance with tables prepared and issued by the commissioner of taxation. Such tables shall be prepared upon the same basis as the tables contained in Minnesota Statutes 1961, Section 290.06 taking into account, however, the increase in rates provided by clause (a) of this subdivision.*

Sec. 2. Minnesota Statutes 1961, Section 290.06, Subdivision 3, is amended to read:

Subd. 3. **Credits against tax.** The taxes due under the foregoing computation shall be credited with the following amounts:

(1) In the case of an unmarried individual, and, except as provided in paragraph 6, in the case of the estate of a decedent, ~~\$10~~ \$19, and in the case of a trust, \$5;

(2) In the case of a married individual, living with husband or wife, and in the case of a head of a household, ~~\$30~~ \$38. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;

(3) In the case of an individual, ~~\$15~~ \$19 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In the case of the head of a household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, other than a payment of the kind referred to in section 290.072, subdivision 3, shall not be considered a payment by the husband for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional ~~\$10~~ \$20;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional ~~\$10~~ \$20;

(c) In the case of a married individual, living with husband or wife, an additional ~~\$15~~ \$20 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional ~~\$15~~ \$25 for each spouse who is blind at the close of the individual's taxable year. If such husband and wife make separate returns, these credits may be taken by either or divided between them;

(d) For the purposes of sub-paragraphs (b) and (c) of paragraph (4), an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his

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visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(5) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under this act is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(6) If the status of a taxpayer, insofar as it affects the credits allowed under paragraphs 1, 2 and 3 shall change during the taxable year, or if the taxpayer shall either become or cease to be a resident of the state during such taxable year, such credit shall be apportioned, in accordance with the number of months before and after such change. For the purpose of such apportionment, a fractional part of a month shall be disregarded unless more than one-half of the month, in which case it shall be considered as a month. In case of death during a taxable year a credit shall be allowed to the decedent, in proportion to the number of months before his death, and to his estate, in proportion to the number of months after his death, and in any event a minimum credit of \$5 shall be allowed to the decedent and his estate, respectively;

(7) In the case of a non-resident individual, credits under paragraphs 1, 2, 3 and 4 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 3. Minnesota Statutes 1961, Section 290.06, Subdivision 4, as amended by Laws 1963, Chapter 886, Section 1, is amended to read:

Subd. 4. **Additional privilege and income tax upon corporations other than banks.** There is hereby imposed on all corporations (other than banks) required to file a return under the provisions of chapter 290 an additional privilege and income tax equal to 1.8 percent of all taxable net income attributable to this state less credit allowed by section 290.21 and section 290.06, subdivision 3 (5). This subdivision shall apply to all taxable years which begin after December 31, 1958, and prior to January 1, ~~1965~~ 1967. The proceeds of the tax imposed by this subdivision shall be deposited in the state treasury to the credit of the income tax school fund. There shall be paid from this income tax school fund all refunds of such taxes erroneously collected from taxpayers under this chapter as provided herein.

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

Sec. 4. Minnesota Statutes 1961, Section 290.06, Subdivision 6, as amended by Laws 1963, Chapter 886, Section 3, is amended to read:

Subd. 6. **Surtax upon corporations.** The rates of taxation fixed by subdivisions 1 and 4 as the several rates to be applied in computing the privilege and income tax imposed by this chapter upon all corporations (other than banks) are increased ten percent of such respective rates. This subdivision shall apply to all taxable years which begin after December 31, 1960 and prior to January 1, ~~1965~~ 1967. The proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the income tax school fund.

Sec. 5. Minnesota Statutes 1961, Section 290.361, Subdivision 6, as amended by Laws 1963, Chapter 886, Section 5, is amended to read:

Subd. 6. **Surtax.** There is hereby imposed an additional privilege and income tax on corporations subject to the tax imposed by subdivision 2 equal to 1.9 percent of all taxable net income. This subdivision shall apply to all taxable years which begin after December 31, 1958, and prior to January 1, ~~1965~~ 1967. The proceeds of the tax imposed by this subdivision shall be deposited in the state treasury to the credit of the general revenue fund. There shall be paid from this general revenue fund all refunds of such taxes erroneously collected from taxpayers under this chapter as provided herein.

Sec. 6. Minnesota Statutes 1961, Section 290.361, Subdivision 7, as amended by Laws 1963, Chapter 886, Section 6, is amended to read:

Subd. 7. **Added surtax.** The rates of taxation fixed by subdivisions 2 and 6 as the several rates to be applied in computing the privilege and income tax on banks are increased ten percent of such respective rates. This subdivision shall apply to all taxable years which begin after December 31, 1960 and prior to January 1, ~~1965~~ 1967. The proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the general revenue fund.

✓ Sec. 7. Minnesota Statutes 1961, Section 290.92, Subdivision 2, is amended to read:

Subd. 2. **Collection at source.** (1) **Deductions.** Every employer making payment of wages on or after October 1, 1961 shall deduct and withhold upon such wages a tax as provided in this section.

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(2) **Withholding on payroll period.** The employer shall withhold the tax on the basis of each payroll period or as otherwise provided in this section.

(3) **Withholding tables.** Unless the amount of tax to be withheld is determined as provided in subdivision 3, the amount of tax to be withheld for each individual shall be based upon tables to be prepared and distributed by the commissioner. The tables shall be computed for the several permissible withholding periods and shall take account of exemptions allowed under this section; and the amounts computed for withholding shall be such that the amount withheld for any individual during his taxable year shall approximate in the aggregate as closely as possible the tax which is levied and imposed under Minnesota Statutes, Chapter 290 for that taxable year, upon his salary, wages, or compensation for personal services of any kind for the employer, and shall take into consideration the allowable deduction for federal income tax and the deduction allowable under Minnesota Statutes, Section 290.09, Subdivision 15, and the credits against the tax allowable under the Minnesota Income Tax Act.

~~The tables so prepared shall be in effect until the end of the quarterly period following the quarter in which any change shall be made in the income tax liability of individuals imposed by the Federal Income Tax Act and any change in the provisions of Minnesota Statutes 1957, Chapter 290, as amended; with respect to income tax liability of individuals or until the commissioner shall have given the employers 90 days' notice with respect to any such change.~~

The withholding tables and the declarations of estimated tax with respect to amounts and declarations filed during the first six months of the calendar year 1963 shall be determined as if the temporary taxes imposed by Minnesota Statutes 1957, Section 290.06, Subdivision 4, as amended; Subdivision 5, as amended; and Section 290.361, Subdivision 6, as amended; and Section 290.06, Subdivision 7, were continued to be in effect for that taxable year.

(4) **Miscellaneous payroll period.** If wages are paid with respect to a period which is not a payroll period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days, including Sundays and holidays, equal to the number of days in the period with respect to which such wages are paid.

(5) **Miscellaneous payroll period.** (a) In any case in which wages are paid by an employer without regard to any payroll period or other period, the amount to be deducted and withheld shall be that applicable in the case of a miscellaneous payroll period containing a number of days equal to the number of days, including

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Sundays and holidays, which have elapsed since the date of the last payment of such wages by such employer during the calendar year, or the date of commencement of employment with such employer during such year, or January 1 of such year, whichever is the later.

(b) In any case in which the period, or the time described in (a), in respect of any wages is less than one week, the commissioner, under regulations prescribed by him, may authorize an employer to determine the amount to be deducted and withheld under the tables applicable in the case of a weekly payroll period, in which case the aggregate of the wages paid to the employee during the calendar week shall be considered the weekly wages.

(6) **Wages computed to nearest dollar.** If the wages exceed the highest bracket, in determining the amount to be deducted and withheld under this subdivision, the wages may, at the election of the employer, be computed to the nearest dollar.

(7) **Regulations on withholding.** The commissioner may, by regulations, authorize employers:

(a) To estimate the wages which will be paid to any employee in any quarter of the calendar year;

(b) To determine the amount to be deducted and withheld upon each payment of wages to such employee during such quarter as if the appropriate average of the wages so estimated constituted the actual wages paid; and

(c) To deduct and withhold upon any payment of wages to such employee during such quarter such amount as may be necessary to adjust the amount actually deducted and withheld upon wages of such employee during such quarter to the amount required to be deducted and withheld during such quarter without regard to this paragraph (7).

(8) **Additional withholding.** The commissioner is authorized to provide by regulation, under such conditions and to such extent as he deems proper, for withholding in addition to that otherwise required under this subdivision and subdivision 3 in cases in which the employer and the employee agree to such additional withholding. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this section.

Sec. 8. *The provisions of this article, except as otherwise therein specifically provided, shall be applicable to taxable years beginning after December 31, 1964 and prior to January 1, 1968.*

Sec. 9. *Minnesota Statutes 1961, Section 290.06, Subdivision 2, is hereby suspended until January 1, 1968.*

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

## Art. II

**Section 1. [290.931] Declarations of estimated income tax by corporations.** *Subdivision 1. Requirements of declaration. Every corporation subject to taxation under section 290.06 or 290.361 shall make a declaration of estimated tax for the taxable year if its income tax imposed by section 290.06 or 290.361, reduced by the credits against tax provided by section 290.21, can reasonably be expected to exceed \$1,000.*

**Subd. 2. Estimated tax.** *For the purpose of this section, the "estimated tax" means the excess of —*

(1) *the amount which the corporation estimates as the amount of the income tax imposed by section 290.06 or 290.361 over*

(2) *the sum of —*

(a) *\$1,000, and*

(b) *the amount which the corporation estimates as the sum of any credits against tax provided by section 290.21.*

**Subd. 3. Contents of declaration.** *The declaration shall contain such pertinent information as the commissioner may by forms or regulations prescribe.*

**Subd. 4. Amendment of declaration.** *A corporation may make amendments of a declaration filed during the taxable year under regulations prescribed by the commissioner.*

**Subd. 5. Short taxable year.** *A corporation with a taxable year of less than 12 months shall make a declaration in accordance with regulations prescribed by the commissioner.*

**Sec. 2. [290.932] Time for filing declarations of estimated income tax by corporations.** *Subdivision 1. General rule. The declaration of estimated tax required of corporations by section 1 shall be filed as follows (except that the declaration required for the first taxable year commencing after December 31, 1964, shall be filed in accordance with the provisions of subdivision 5):*

*If the requirements of section 1 are first met—*      *The declaration shall be filed on or before—*

*before the 1st day of the 3rd month of the taxable year*      *the 15th day of the 3rd month of the taxable year*

*after the last day of the 3rd month and before the 1st day of the 6th month of the taxable year*      *the 15th day of the 6th month of the taxable year*

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*after the last day of the 5th month and before the 1st day of the 9th month of the taxable year*      *the 15th day of the 9th month of the taxable year*

*after the last day of the 8th month and before the 1st day of the 12th month of the taxable year*      *the 15th day of the 12th month of the taxable year*

**Subd. 2. Amendment.** *An amendment of a declaration may be filed in any interval between installment dates prescribed for the taxable year, but only one amendment may be filed in each such interval.*

**Subd. 3. Short taxable year.** *The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the commissioner.*

**Subd. 4. Extension of time for filing returns.** *The commissioner may grant a reasonable extension of time for filing any return, declaration, statement or other document required by this act. No such extension shall be for more than six months.*

**Subd. 5. Time for filing declarations for first taxable year commencing after December 31, 1964.** *The declaration of estimated tax required of corporations by section 1 for the first taxable year commencing after December 31, 1964 shall be filed on or before the 15th day of the 9th month of such taxable year. The amount of this estimated tax shall be paid in four equal installments on the following dates: the first on the 15th day of the 9th month of such taxable year, the second on the 15th day of the 12th month of such taxable year, the third on the 15th day of the 3rd month of the following taxable year, and the fourth installment on the 15th day of the 6th month of the following taxable year.*

**Sec. 3. [290.933] Installment payments of estimated income tax by corporations. Subdivision 1. Amount and time for payment of each installment.** *The amount of estimated tax (as defined in section 1, subdivision 2) with respect to which a declaration is required under section 1 shall be paid as follows:*

(1) **Payment in four installments.** *If the declaration is filed on or before the 15th day of the 3rd month of the taxable year, the estimated tax shall be paid in four equal installments on the 15th day of the 3rd, 6th, 9th and 12th month of the taxable year.*

(2) **Payment in three installments.** *If the declaration is*

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filed after the 15th day of the 3rd month and not after the 15th day of the 6th month of the taxable year, and is not required by section 2, subdivision 1, to be filed on or before the 15th day of such 3rd month, the estimated tax shall be paid in three equal installments on the 15th day of the 6th, 9th and 12th month of the taxable year.

(3) **Payment in two installments.** *If the declaration of estimated tax is filed after the 15th day of the 6th month and not after the 15th day of the 9th month of the taxable year, and is not required by section 2, subdivision 1, to be filed on or before the 15th day of such 6th month, the estimated tax shall be paid in two equal installments on the 15th day of the 9th and 12th month of the taxable year.*

(4) **Payment in one installment.** *If the declaration of estimated tax is filed after the 15th day of the 9th month of the taxable year, and is not required by section 2, subdivision 1, to be filed on or before the 15th day of such 9th month, the estimated tax shall be paid in one installment.*

(5) **Late filing.** *If the declaration is filed after the time prescribed in section 2, subdivision 1 (determined without regard to any extension of time for filing the declaration under section 2, subdivision 4), paragraphs (2), (3) and (4) of this subdivision shall not apply, and there shall be paid at the time of such filing all installments of estimated tax which would have been payable on or before such time if the declaration had been filed within the time prescribed in section 2, subdivision 1, and the remaining installments shall be paid at the times at which, and in the amounts in which, they would have been payable if the declaration had been so filed.*

**Subd. 2. Amendment of declaration.** *If any amendment of a declaration is filed, the amount of each remaining installment (if any) shall be the amount which would have been payable if the new estimate had been made when the first estimate for the taxable year was made, increased or decreased (as the case may be), by the amount computed by dividing—*

(1) *the difference between (A) the amount of estimated tax required to be paid before the date on which the amendment is made, and (B) the amount of estimated tax which would have been required to be paid before such date if the new estimate had been made when the first estimate was made, by*

(2) *the number of installments remaining to be paid on or after the date on which the amendment is made.*

**Subd. 3. Application to short taxable year.** *The applica-*

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tion of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the commissioner.

**Subd. 4. Installments paid in advance.** *At the election of the corporation, any installment of the estimated tax may be paid before the date prescribed for its payment.*

**Sec. 4. [290.934] Failure by corporation to pay estimated income tax. Subdivision 1. Addition to the tax.** *In case of any underpayment of estimated tax by a corporation, except as provided in subdivision 4, there shall be added to the tax for the taxable year an amount determined at the rate of six percent per annum upon the amount of the underpayment (determined under subdivision 2) for the period of the underpayment (determined under subdivision 3).*

**Subd. 2. Amount of underpayment.** *For purposes of subdivision 1, the amount of the underpayment shall be the excess of—*

- (1) *the amount of the installment, over*
- (2) *the amount, if any, of the installment paid on or before the last date prescribed for payment.*

**Subd. 3. Period of underpayment.** *The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier—*

- (1) *The 15th day of the third month following the close of the taxable year.*
- (2) *With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subdivision 2 (1) for such installment date.*

**Subd. 4. Exception.** *Notwithstanding the provisions of the preceding subdivisions, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser—*

- (1) *The tax shown on the return of the corporation for the preceding taxable year reduced by \$1,000, if a return showing a liability for tax was filed by the corporation for the preceding taxable year and such preceding year was a taxable year of 12 months.*

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(2) *An amount equal to the tax computed at the rates applicable to the taxable year but otherwise on the basis of the facts shown on the return of the corporation for, and the law applicable to, the preceding taxable year.*

**Subd. 5. Definition of tax.** *For purposes of subdivisions 2 and 4 (2), the term "tax" means the excess of—*

- (1) *the tax imposed by section 290.06, over*
- (2) *the sum of—*
  - (A) *\$1,000, and,*
  - (B) *the credits against tax provided in section 290.21.*

**Subd. 6. Short taxable year.** *The application of this section to taxable years of less than 12 months shall be in accordance with regulations prescribed by the commissioner.*

**Sec. 5. [290.935] Payment on account.** *Payment of the estimated tax or any installment thereof shall be considered payment on account of the taxes imposed by Minnesota Statutes, Chapter 290, for the taxable year.*

**Sec. 6.** *The provisions of this article are applicable with respect to taxable years beginning after December 31, 1964.*

### ART. III

**Section 1.** *There is hereby appropriated to the Department of Taxation from the income tax school fund the following amounts for the purpose of publishing and distributing withholding tables: \$6,500 for the fiscal year ending June 30, 1965 and \$9,000 for the fiscal year ending June 30, 1966.*

### ART. IV

**Section 1.** *Minnesota Statutes 1961, Section 298.011, as amended by Laws 1963, Chapter 886, Section 7, is amended to read:*

**298.011 Additional occupation tax.** *Every person engaged in the business of mining or producing iron ore or other ores in this state shall pay to the state as an addition to the occupation tax levied by section 298.01, as amended, an additional occupation tax equal to 2.25 percent of the valuation of all ores (except taconite, semi-taconite and iron sulphides) mined and produced to be assessed, paid, and collected as a part of the occupation tax levied by section 298.01, as amended. This section shall apply to all ores (except taconite, semi-taconite and iron sulphides) mined and produced subsequent to December 31, 1958 and prior to January 1,*

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~~1965~~ 1967, except as to the collection of taxes theretofore levied and unpaid. Of the proceeds of the tax imposed by this section on ore mined or produced prior to January 1, 1959, 50 percent thereof shall be deposited in the state treasury to the credit of the veterans compensation fund.

The proceeds of the tax imposed by this section on ore mined or produced on or after January 1, 1959 shall be deposited in the state treasury and apportioned and distributed in accordance with the Constitution of the state of Minnesota, Article IX, Section 1A, in the following manner: 50 percent to the general revenue fund, 40 percent for the support of elementary and secondary schools and 10 percent for the general support of the university.

Sec. 2. Minnesota Statutes 1961, Section 299.011, as amended by Laws 1963, Chapter 886, Section 8, is amended to read:

299.011 **Additional tax.** There shall be levied and collected upon all royalty received during each calendar year after 1958, for permission to explore, mine, take out and remove ore (except upon royalties received because of the actual production of taconite, semi-taconite or iron sulphides) from land in this state, as an addition to the tax levied by section 299.01, as amended, a tax of 2.25 percent to be levied and collected as a part of the tax levied by section 299.01, as amended. This section shall be effective as of January 1, 1959, and shall expire on December 31, ~~1964~~ 1966, except as to the collection of taxes theretofore levied and unpaid. The proceeds of the tax imposed by this section shall be deposited in the state treasury to the credit of the general revenue fund.

Sec. 3. Minnesota Statutes 1961, Section 340.47, Subdivision 5, as amended by Laws 1963, Chapter 886, Section 9, is amended to read:

Subd. 5. **Surtax on intoxicating liquors.** The several rates of taxation levied by subdivision 1 on all intoxicating liquors sold in this state are increased 15 percent except on intoxicating liquors which are within the state on June 30, 1959, and which have been sold within this state by a licensed manufacturer or wholesaler to a retailer or ultimate consumer on or before June 30, 1959. The increase in the several rates of taxation levied by this subdivision on all intoxicating liquors sold in this state shall hereafter be known as the surtax on intoxicating liquors.

The surtax levied hereunder shall be reduced by a credit for any surtax previously paid pursuant to the provisions of Minnesota Statutes, Section 340.47, Subdivision 3.

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Notwithstanding the provisions of subdivision 1 and section 340.60, subdivision 2, the proceeds of the surtax imposed by this subdivision shall be deposited in the state treasury to the credit of the general revenue fund.

This section expires June 30, ~~1965~~ 1967.

#### ART. V

Section 1. Minnesota Statutes 1961, Section 290.62, as amended by Laws 1963, Chapter 886, Section 10 and Laws 1965, Chapter 29, Section 2, is amended to read:

**290.62 Income tax school fund; distribution.** All revenues (except the bank excise tax imposed by section 290.361) derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to a special fund to be known as income tax school fund, and be distributed as follows:

(1) Except for refunds of bank excise tax imposed under section 290.361, there shall, notwithstanding any other provision of the law, be paid from this income tax school fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There shall be transferred each year from this fund to the general revenue fund the amount expended from the latter fund for expenses of administering this chapter.

In addition, there shall be transferred periodically from this fund to the general revenue fund during the period beginning July 1, 1961, and ending June 30, ~~1965~~ 1967, sufficient moneys to meet the appropriations made to the state college board from the general revenue fund for such bienniums.

(3) There shall be transferred monthly, from the income tax school fund to the general revenue fund the following: for the biennium ~~beginning July 1, 1961 and ending June 30, 1963, 7.25 percent of the proceeds of taxes, interest, penalties and charges (exclusive of such revenues received from banks); and for the biennium beginning July 1, 1963 and ending June 30, 1965, 6.3 percent and~~ *for the biennium beginning July 1, 1965 and ending June 30, 1967, 13.1 percent* of the proceeds of such taxes, interest, penalties and charges (exclusive of such revenue received from banks); provided, however, that for the period commencing February 1, 1965 and ending June 30, 1965, there shall be transferred the sum of \$1,774,707.

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(4) Out of the balance in this income tax school fund, after meeting the requirements of clauses (1) and (2), there shall be distributed as income tax school aid to each school district of the state, including municipalities operating their own school, an amount equal to \$10 per child between the ages of six and 16 years, both years inclusive, residing in such district without being subject to any conditions; provided, that a child in his sixteenth year shall be included only if in actual attendance in school;

(5) The balance thereof shall be credited to the special state aid fund to be distributed as in this act provided;

(6) There is hereby appropriated to the persons, school districts, or municipalities entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Approved May 27, 1965.

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CHAPTER 885—H. F. No. 1447

[Not Coded]

*An act to legalize foreclosure sales heretofore made and the records of mortgage foreclosure proceedings and limiting the time within which actions may be brought or defenses interposed questioning the validity of foreclosure proceedings.*

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

**Section 1. Mortgages; validation; mortgage foreclosure by advertisement legalized.** Every mortgage foreclosure sale by advertisement in this state before May 1, 1964, under power of sale in the usual form contained in any mortgage duly executed and recorded in the office of the register of deeds or registered with the registrar of titles of the proper county of this state, together with the record of such foreclosure sale, is hereby legalized and made valid and effective to all intents and purposes, as against any or all of the following objections, viz:

(1) That the power of attorney, recorded or filed in the proper office prior to the passage of this act, to foreclose the mortgage, provided for by Minnesota Statutes, Section 580.05;

(a) Did not definitely describe and identify the mortgage.

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