

the greatest multiple of one-tenth of one percent of the total of all such accumulated amounts from salary deductions: *up to and including a maximum of four percent*. Any excess then remaining from such ~~interest investment~~ earnings shall be credited to a reserve fund and be added to and distributed with the ~~interest investment~~ earnings of the next succeeding year. The amount that shall be set aside to liquidate past losses on investments or to create a reserve from which to liquidate future losses shall be such amount as the board may deem necessary for such purpose but not in excess of one mill on the dollar of the gross amount received as ~~interest income~~ on the cash and investments in the fund.

At the end of each calendar year and throughout the first 300 months of actual employment there shall be entered to the credit of each employee from whose salary or compensation deductions are made, a credit of \$60 per employee, the accumulated amount of which shall be charged to the municipality and payable by the municipality. It shall be the duty of the proper authorities to levy from time to time a sufficient sum in addition to all other sums to be levied by taxation to meet the liabilities against the municipality created thereby.

Approved May 17, 1967.

CHAPTER 555—S. F. No. 1881

An act relating to inheritance and transfer taxes; amending Minnesota Statutes 1965, Section 291.07.

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

Section 1. Minnesota Statutes 1965, Section 291.07, is amended to read:

291.07 Inheritance tax; deductions. *Subdivision 1.* In determining the tax imposed by Minnesota Statutes, Section 291.01, *where the estate has been submitted to the jurisdiction of the probate court*, the following deductions shall be allowed:

- (1) funeral expenses
- (2) probate administration expenses
- (3) expenses of last illness unpaid at death

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

(4) claims against the decedent which have been properly filed and allowed as such by the probate court and duly paid

(5) family maintenance to the extent provided by Minnesota Statutes, Section 291.10

(6) value of personal property to the extent of the amount allowed under the provisions of Minnesota Statutes, Section 525.15

(7) federal estate taxes determined as follows:

(a) the value of the net estate taxable in Minnesota reduced by the deduction allowable for transfer for public, charitable and religious use as prescribed by Internal Revenue Code, Section 2055 and by the marital deduction as prescribed by Internal Revenue Code, Section 2056, shall be the numerator of a fraction;

(b) the denominator of the fraction shall be the value of the net estate everywhere reduced by the same class of deductions allowable in subparagraph (a) above;

(c) The ratio of the fraction so derived shall be multiplied by the federal estate tax due and payable to the United States Treasury.

(d) For purposes of this clause, the net estate is defined as the gross value of the estate on the applicable valuation date reduced by any unpaid mortgages on, or any indebtedness in respect of, property where the decedent's interest therein, undiminished by such mortgage or indebtedness, is included in the value of the gross estate.

(8) other taxes which have accrued and are a lien on property in the estate at the time of death

(9) reasonable fees for legal or fiduciary services incident to non-probate assets.

~~Where an estate has not been submitted to the probate court, deductions other than allowed under (4), (5) and (6) heretofore, shall be allowed only to persons actually having disbursed moneys for payments, and shall not exceed the amount of such disbursements.~~

Subd. 2. In determining the tax imposed by Minnesota Statutes, Section 291.01, where an estate has not been submitted to the jurisdiction of the probate court, the following deductions shall be allowed:

(1) *funeral expenses,*

(2) *expenses of last illness unpaid at death,*

Changes or additions indicated by italics, deletions by strikeout.

(3) *federal estate taxes determined as follows:*

(a) *the value of the net estate taxable in Minnesota reduced by the deduction allowable for transfer for public, charitable and religious use as prescribed by Internal Revenue Code, Section 2055 and by the marital deduction as prescribed by Internal Revenue Code, Section 2056, shall be the numerator of a fraction;*

(b) *the denominator of the fraction shall be the value of the net estate everywhere reduced by the same class of deductions allowable in subparagraph (a) above;*

(c) *the ratio of the fraction so derived shall be multiplied by the federal estate tax due and payable to the United States Treasury;*

(d) *for purposes of this clause, the net estate is defined as the gross value of the estate on the applicable valuation date reduced by any unpaid mortgages on, or any indebtedness in respect of, property where the decedent's interest therein, undiminished by such mortgage or indebtedness, is included in the value of the gross estate;*

(e) *apportionment of the federal estate tax to the individual transferees shall be subject to the provisions of Minnesota Statutes, Section 525.521, 525.522, 525.523 and 525.524.*

(4) *value of personal property to the extent of the amount allowed under the provisions of Minnesota Statutes 1965, Section 525.15. A formal order of the probate court is not necessary before these deductions may be taken in the computation of the tax,*

(5) *other taxes which have accrued and are a lien on property in the estate at the time of death,*

(6) *reasonable fees for legal or fiduciary services incident to non-probate assets.*

Where an estate has not been submitted to the probate court, deductions under (1), (2), (3) and (6) heretofore shall be allowed only to the persons actually having disbursed moneys for payments, and shall not exceed the net amount of such disbursements after giving credit for death benefits, medical and hospitalization insurance payments.

No deduction shall be allowed unless the person claiming the deduction when requested by the probate court or the commissioner, furnishes the court or the commissioner with information sufficient to enable the court or commissioner to determine the validity or correctness thereof.

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

Sec. 2. *The provisions of this act shall be effective and apply in all cases where death occurs on or after July 1, 1965.*

Approved May 17, 1967.

CHAPTER 556—S. F. No. 2121

[Not Coded]

An act relating to the use of water from Birch Lake and the South Kawishiwi River in connection with the mining, production and beneficiation or concentration of copper, copper-nickel or nickel ores; limitations; permits, licenses, and leases authorized.

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

Section 1. **Copper and nickel mining; use of state waters; Birch Lake and the South Kawishiwi River; limitations; permits, licenses, and leases authorized.** Pursuant to Minnesota Statutes 1965, Section 110.13, any company or association engaged in or about to engage in the mining, production and beneficiation or concentration of copper, copper-nickel or nickel ores is authorized to use water from Birch Lake situated in township 61, range 13, township 60, range 12, and township 61, range 12, in St. Louis county and in township 61, range 11, and in township 62, range 11, in Lake county, and to use water from the South Kawishiwi river, a tributary of said lake, in connection with any such operations and, so far as may be necessary for such purposes, to flood or otherwise affect lands of the state adjacent to said lake and river, all subject to the conditions and restrictions that:

(1) A permit or permits for the use of such waters be first obtained from commissioner of conservation under Minnesota Statutes 1965, Chapter 105, so far as applicable, and under any other applicable laws;

(2) All water withdrawn from said lake and said river in connection with said operations except such as may be lost by evaporation or as is contained in the concentrates produced shall be returned to the drainage basin from which taken in conformity with the water quality standards for the affected water systems which shall have been established by the water pollution control commission or other properly constituted state pollution control agency having jurisdiction thereof;

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