

Sec. 4. The contract shall provide for repayment by the commissioner of highways to the county of Scott the total principal amount of such advance, without interest, in not over 20 annual installments. The commissioner of highways is authorized on behalf of the state to execute such contract for repayment of the principal amount of such advance, without interest, to the county of Scott out of the trunk highway fund. The contract authorized herein may include all other terms and conditions which the parties deem necessary to comply with all other provisions of the law and for the protection of their respective interests.

Sec. 5. Repayments of the advance by the commissioner of highways to the county of Scott in annual installments as herein provided shall be credited to the Scott county road and bridge fund. As such repayments by the commissioner of highways are received, the board of county commissioners of Scott county shall reduce the mill levy for the county road and bridge fund proportionately in the ratio that such repayment so received in any year bears to the total amount of levy authorized for the next succeeding year.

Sec. 6. Before any increase in the levy authorized by section 1 is made, the governing body of the governmental subdivision named in section 1 shall hold a public hearing on the question. Notice of the time and place of said hearing shall be published in all legal newspapers in Scott county and the city of New Prague once each week for two successive weeks prior to said hearing. The published notice shall be in a form determined by the governing body, which form shall be sufficient in size and prominent in format in order to attract the attention of the reader. In any event the notice shall be of a size at least two columns in width by six inches in length. The notice shall set forth the percentage of increase over the existing levy and the number of mills or dollars increase proposed.

Sec. 7. This act is effective upon its approval by the governing body of the governmental subdivision named in section 1, and upon compliance with the provisions of Minnesota Statutes, Section 645-021.

Approved June 4, 1971.

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#### CHAPTER 740—S.F.No.1368

[Coded in Part]

*An act relating to taxation of sales of aircraft; exempting certain sales; amending Minnesota Statutes 1969, Section 297A.25, Subdivision 1.*

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

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

Section 1. [360.654] TAXATION; SALES TAX; AIRCRAFT; EXEMPTIONS: AIRCRAFT DEALER'S COMMERCIAL USE PERMIT. Upon written application by a dealer licensed in accordance with section 360.63 and payment of a fee of \$20 for each aircraft identified in the application, the commissioner of taxation shall issue a commercial use permit which shall entitle the dealer to use the aircraft for commercial purposes without payment of the tax imposed by section 297A.02 or 297A.14 for a period of 12 months or until the aircraft is sold, whichever first occurs. Commercial purposes as used herein does not include rental or lease of the aircraft for which the aircraft dealers normally collect the sales tax from their customers. Applications shall be on forms prescribed and furnished by the commissioner of taxation and shall include the federal aircraft registration number of each aircraft for which a permit is to be issued. A permit shall be affixed to the dealer's license and shall be conspicuously displayed in the aircraft for which it was issued, which aircraft shall remain in the possession of or under the control of the licensed dealer to whom the permit was issued. The permit shall expire and the tax imposed by section 297A.02 or 297A.14 shall become due upon either sale of the aircraft by the dealer or expiration of the 12 month period. If the aircraft has not been sold within the 12 month period the tax is due on the purchase price of the aircraft and its auxiliary equipment to the dealer and the tax imposed by section 297A.02 shall become due on the eventual sale of the aircraft. This act shall in no way apply to registration or taxation pursuant to sections 360.511 to 360.67.

Sec. 2. Minnesota Statutes 1969, Section 297A.25, Subdivision 1, is amended to read:

297A.25 EXEMPTIONS. Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone

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service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property, the ultimate destination of which is outside the state of Minnesota and which is not thereafter returned to a point within Minnesota except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of Minnesota Statutes 1965, Chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, production of any

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tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and road building. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property which is used or consumed in or becomes an ingredient or component part of any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or the state of Minnesota and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of tangible personal property to, and the storage, use or other consumption of such property by persons taxed on the gross earnings basis in lieu of ad valorem taxes under the provisions of Minnesota Statutes 1965, Chapters 294 and 295, and by persons taxed for ad valorem tax purposes under the in lieu provisions of Minnesota Statutes 1965, Chapter 298; provided, however, that the exclusion granted to persons taxed under the provisions

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of chapter 298, shall not apply to machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture, supplies, fixtures and other tangible items purchased for the purposes of administration, including, but not limited to, management, accounting, advertising, industrial and public relations functions;

(m) The gross receipts from sales of tangible personal property to, and the storage, use, or other consumption of such property by persons taxed under the provisions of Minnesota Statutes 1965, Sections 270.071 to 270.079, inclusive;

(n) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes;

(o) The gross receipts from the sale of caskets and burial vaults;

(p) The gross receipts from the sale of cigarettes;

(q) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section I if the aircraft is resold while the permit is in effect.

Approved June 4, 1971.

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## CHAPTER 741—S.F.No.1377

*An act relating to wages; payment by receiver of corporation and payment by assignee includes fringe benefits; amending Minnesota Statutes 1969, Sections 316.05; and 577.08.*

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

Section 1. Minnesota Statutes 1969, Section 316.05, is amended to read:

**316.05 WAGES; EMPLOYER, EMPLOYEE; PAYMENT OF WAGE CLAIMS; SEQUESTRATION; RECEIVER; DISTRIBUTION.** Upon complaint of a person obtaining judgment against a corporation, or his representatives, made after the return unsatisfied of an execution issued thereon, the court may sequester the stock,

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