

taxpayer making such return, in violation of the provisions of section 1 of this act, is guilty of a gross misdemeanor.

Approved June 4, 1971.

CHAPTER 789—H.F.No.995

An act relating to inheritance taxation; providing for the taxability of certain pension and annuity benefits; amending Minnesota Statutes 1969, Sections 3A.08, 136.84, 291.065, 352.15, 353.15, 354.10, 354.231, and 422.20.

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

Section 1. Minnesota Statutes 1969, Section 3A.08, is amended to read:

3A.08 TAXATION; INHERITANCE TAX EXEMPTIONS. All benefits and allowances provided by sections 3A.01 to 3A.10 shall be exempt from all taxes imposed by the state of Minnesota, except that none shall be exempt from taxation under Minnesota Statutes, Chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 2. Minnesota Statutes 1969, Section 136.84, is amended to read:

136.84 TITLE TO ASSETS, PERSONAL RIGHTS. The right of a person who has shares to the credit of his employee's share account record to redeem his shares or any portion thereof is a personal right only and shall not be assignable. Legal title to the assets of the supplemental retirement fund shall be in the state of Minnesota or the state board of investment or the nominee of either, subject to the rights of the teachers retirement fund. Any assignment or attempted assignment of shares to the credit of an employee's share account record by any person is null and void. Such shares are exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, except that none shall be exempt from taxation under Minnesota Statutes, Chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 3. Minnesota Statutes 1969, Section 291.065, is amended to read:

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

291.065 EMPLOYEE RETIREMENT PLANS, EXEMPTION.

The value of an annuity or other payment receivable by ~~any beneficiary (other than the executor)~~ a surviving spouse or minor or dependent child of the decedent or a trust for their benefit after December 31, 1956, shall be exempt from inheritance tax if received under (1) an employees' trust (or under a contract purchased by an employees' trust) forming part of a pension, stock bonus, or profit-sharing plan, which at the time of the decedent's separation from employment (whether by death or otherwise), or at the time of termination of the plan if earlier, met the requirement of section 401(a) of the internal revenue code of 1954, as adapted to the provisions of this chapter under regulations issued by the commissioner of taxation; (2) a retirement annuity contract purchased by an employer (and not by an employees' trust) pursuant to a plan, which at the time of the decedent's separation from employment (by death or otherwise), or at the time of termination of the plan if earlier, met the requirements of paragraph (3) of section 401(a) of such code, as adapted to the provisions of this chapter under regulations issued by the commissioner of taxation; or (3) a retirement annuity contract purchased by an employer which is an organization referred to in section 503(b) (1) (2) or (3) of such code and which is exempt from tax under section 501(a) of such code, as adapted to the provisions of this chapter under regulations issued by the commissioner of taxation. If such amounts payable after the death of the decedent under a plan described in clause (1) (2) or (3) are attributable to any extent to payments or contributions made by the decedent, no exemption shall be allowed for that part of the value of such amounts in the proportion that the total payments or contributions made by the decedent bears to the total payments or contributions made. For purposes of the preceding sentence, contributions or payments made by the decedent's employer or former employer under a trust or plan described in clause (1) (2) or (3) shall not be considered to be contributed by the decedent.

Sec. 4. Minnesota Statutes 1969, Section 352.15, is amended to read:

352.15 EXEMPTION FROM PROCESS AND TAXATION.

None of the moneys, annuities, or other benefits mentioned herein shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, or to any state income tax or state inheritance tax, except that none shall be exempt from taxation under Minnesota Statutes, Chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 5. Minnesota Statutes 1969, Section 353.15, is amended to read:

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

353.15 ANNUITIES EXEMPT FROM PROCESS. No money, annuity, or benefit provided for in this chapter is assignable or subject to execution, levy, attachment, garnishment, or legal process, or to any state income tax or state inheritance tax, except that none shall be exempt from taxation under Minnesota Statutes, Chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 6. Minnesota Statutes 1969, Section 354.10, is amended to read:

354.10 FUND NOT SUBJECT TO ASSIGNMENT OR PROCESS; BENEFICIARIES. The right of a teacher to avail himself of the benefits of sections 354.05 to 354.10 and 354.31 to 354.55, and acts amendatory thereof, is a personal right only and shall not be assignable. All moneys to the credit of a teacher's account in the fund or any moneys payable to him from the fund shall belong to the state of Minnesota until actually paid to the teacher or his beneficiary pursuant to the provisions of sections 354.05 to 354.10 and 354.31 to 354.55, and acts amendatory thereof. Any assignment or attempted assignment of a teacher's interest in the fund, or of the beneficiary's interest therein, by a teacher or his beneficiary shall be null and void and the same shall be exempt from garnishment or levy under attachment or execution and from all taxation by the state of Minnesota, except that none shall be exempt from taxation under Minnesota Statutes, Chapter 291, unless transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit. Any beneficiary designated by a teacher under the terms of sections 354.05 to 354.10 and 354.31 to 354.55, and acts amendatory thereof, may be changed or revoked by the teacher at his pleasure, in such manner as the board may prescribe. In case a designated beneficiary dies before the teacher designating him dies, and a new beneficiary is not designated, the teacher's estate shall be the beneficiary.

Sec. 7. Minnesota Statutes 1969, Section 354.231, is amended to read:

354.231 CERTAIN MONEYS AND CREDITS OF TEACHERS EXEMPT. All moneys deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of such teacher or member in a corporation organized as a "Teachers Retirement Fund Association" under sections 354.17 to 354.23, and all moneys, rights, and interests or annuities due or to become due to such teacher, member, or annuitant, or their beneficiaries, from any such association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from any court and shall not be subject to the inheritance tax provisions of this state if transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

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

Sec. 8. Minnesota Statutes 1969, Section 422.20, is amended to read:

422.20 ALLOWANCES NOT ASSIGNABLE OR SUBJECT TO EXECUTION. None of the moneys mentioned in this chapter shall be assignable either in law or equity or be subject to execution, levy, attachment, garnishment, or other legal process, nor shall any of the proceeds of payments due under this chapter be subject to the inheritance tax provisions of this state if transferred to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 9. This act applies only to transfers made on and after July 1, 1971.

Approved June 4, 1971.

CHAPTER 790—H.F.No.994

An act relating to taxation; amending Minnesota Statutes 1969, Section 272.02.

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

Section 1. Minnesota Statutes 1969, Section 272.02, is amended to read:

272.02 TAXATION; HOSPITAL PROPERTY; EXEMPTION. Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) All public burying grounds;
- (2) All public schoolhouses;
- (3) All public hospitals;
- (4) All academies, colleges, and universities, and all seminaries of learning;
- (5) All churches, church property, and houses of worship;
- (6) Institutions of purely public charity;
- (7) All public property exclusively used for any public purpose;

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