

Statutes, Chapter 290, for the taxable year, minus the amount which the individual estimates as his allowable credits against income tax under Minnesota Statutes, ~~Section 290.06, Subdivision 3, not exceeding the amount of such income tax, minus the credit allowed under section 290.92, subdivision 12, reduced by the tax credit, if any, provided for by section 290.081~~ Chapter 290.

Sec. 2. The provisions of this act shall be effective for taxable years beginning after December 31, 1972.

Approved March 9, 1973.

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## CHAPTER 20—H.F.No.555

*An act relating to taxes on and measured by net income; refund claims; amending Minnesota Statutes 1971, Section 290.50, Subdivision 1.*

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

Section 1. Minnesota Statutes 1971, Section 290.50, Subdivision 1, is amended to read:

**290.50 TAXATION; INCOME TAX; OVERPAYMENTS, CLAIMS FOR REFUND.** Subdivision 1. **PROCEDURE, TIME LIMIT.** (a) A taxpayer who has paid, voluntarily or otherwise, or from whom there has been collected (other than by the methods provided for in section 290.48, subdivisions 1 and 5) an amount of tax for any year in excess of the amount legally due for that year, may file with the commissioner a claim for a refund of such excess. Except as provided in subdivision 4 no such claim shall be entertained unless filed within two years after such tax was paid or collected, or within three and one-half years from the filing of the return, whichever period is the longer, or if no return was filed by the taxpayer, within two years from the time the tax was paid. If the claim relates to an overpayment on account of failure to deduct a loss due to a bad debt or to a security becoming worthless, the period shall be seven years from the date the return was filed, and in such case the refund shall be limited to the amount of such overpayment.

(b) If the claim was filed by the taxpayer during the three and one-half year period following the filing of the return, timely filed in accordance with the provisions of section 290.42, the amount of

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

the credit or refund shall not exceed the portion of the tax paid within the period, immediately preceding the filing of the claim, equal to three and one-half years plus the period of any extension of time for filing a return.

(c) If the claim was not filed within three and one-half years after the filing of the return, the amount of the credit or refund shall not exceed the portion of the tax paid during the two years immediately preceding the filing of the claim.

(d) If no claim was filed, the credit or refund shall not exceed the amount which would be allowable under (a) or (b), as the case may be, if the claim was filed on the date the credit or refund is allowed.

(e) Notwithstanding any provisions of this subdivision to the contrary as the credit or overpayment relates to taxes collected by methods other than those provided in section 290.48, subdivisions 1 and 5 for any taxable year ending on or before December 31, 1968, the claim may be entertained if filed on or before April 15, 1970.

(f) For purposes of this subdivision, the prepayment of tax made through the withholding of tax at the source, or payment of estimated tax, prior to the due date of the tax are considered as having been paid on the last day prescribed by law for the payment of the tax by the taxpayer.

(g) Upon the filing of a claim the commissioner shall examine the same and shall make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to the taxpayer at the address stated upon the return. If such claim is allowed in whole or in part, the commissioner shall issue his certificate for the refundment of the excess paid by the taxpayer, with interest at the rate of six percent per annum computed from the date of the payment or collection of the tax until the date the refund is paid to the taxpayer, however, where the only basis for refund is the carry-back of a net operating loss or the carry-back of a pollution control credit or both interest shall be computed from the end of the taxable year in which the net operating loss occurs or pollution control credit arises to the date the refund is paid, and the state auditor shall cause such refund to be paid out of the proceeds of the taxes imposed by this act, as other state moneys are expended. So much of the proceeds of such taxes as may be necessary are hereby appropriated for that purpose.

Approved March 9, 1973.

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