

shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act. If a husband and wife have filed a joint federal income tax return and separate Minnesota income tax returns for the same taxable period, amounts received as refunds on account of federal income taxes paid shall be included in gross income in the same ratio as the deductions for federal income taxes were claimed in the separate Minnesota tax returns.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. The provisions of this act shall be applicable to taxable years beginning after December 31, 1972 except as otherwise stated.

Approved March 21, 1974.

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**CHAPTER 202—H.F.No.3384**  
[Not Coded]

*An act relating to public transit in the city of Red Wing; providing for continued municipal financial assistance and expanding the definition of public transit; amending Laws 1969, Chapter 538, Sections 1, Subdivision 2; and 6.*

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

Section 1. Laws 1969, Chapter 538, Section 1, Subdivision 2, is amended to read:

Subd. 2. **RED WING, CITY OF; PUBLIC TRANSIT.** "Public transit" means transportation of passengers for hire by means of a street railway, elevated railway, subway, underground railroad, motor vehicles, buses, or other means of conveyance operating as a common carrier on a regular route or routes, or any combination thereof, but

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does not include a common carrier railroad, the transportation of children to or from school, the operation of taxicabs, or transportation furnished solely to the employees or customers of any person or group of persons.

Sec. 2. Laws 1969, Chapter 538, Section 6, is amended to read:

**Sec. 6. APPROPRIATIONS.** The governing body may appropriate annually from the revenues of the city a sum of money not exceeding \$7,500—one fifth mill times the value of property subject to ad valorem tax for the purposes of section 2.

Sec. 3. This act is effective upon its approval by the governing body of the city of Red Wing and upon compliance with Minnesota Statutes, Section 645.021.

Approved March 21, 1974.

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#### CHAPTER 203—H.F.No.3394

*An act relating to insurance; variable contracts; amending Minnesota Statutes, 1973 Supplement, Section 61A.17.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes, 1973 Supplement, Section 61A.17, is amended to read:

**61A.17 INSURANCE; VARIABLE CONTRACTS.** No contract on a variable basis shall be issued in this state until a copy of the form thereof (and, in the case of a group contract, the form of any certificate evidencing variable benefits issued pursuant thereto) and any form of application for such contract shall have been filed with the commissioner. No life insurance contract on a variable basis shall be filed for issuance in Minnesota or issued in Minnesota ~~before March 1, 1974, or before the commissioner has promulgated rules and regulations under section 61A.20 regarding life insurance contracts on a variable basis; whichever event comes first.~~

Sec. 2. This act takes effect on the day following final enactment.

Approved March 21, 1974.

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