
CHAPTER 334—H.F.No.980

[Coded in Part]

An act relating to taxation; taxes measured by net income; assessment of ad valorem taxes; providing for taxation of certain types of air commerce; amending Minnesota Statutes 1974, Sections 270.071, Subdivision 6; 270.072, Subdivisions 2 and 3; 270.13; 276.05; 276.06; 290.066, Subdivision 1; and Chapters 256 and 273, by adding sections; Minnesota Statutes, 1975 Supplement, Sections 270.16, Subdivision 2; 274.14; 276.04; 290.012, Subdivision 4; 290.21, Subdivision 4; 290A.03, Subdivision 13; 290A.06; 290A.14; and Chapter 290A, by adding a section; and Laws 1975, Chapter 349, Section 32; repealing Minnesota Statutes, 1975 Supplement, Section 124.03.

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

Section 1. Minnesota Statutes 1974, Chapter 256, is amended by adding a section to read:

[256.879] TAXATION; AIR COMMERCE; SUPPLEMENTAL HOUSING ALLOWANCE. Subdivision 1. The commissioner of public welfare may, with the approval of the federal department of health, education and welfare, provide an annual supplemental housing allowance for recipients of the aid to families with dependent children program who would otherwise qualify for the credit set forth in Minnesota Statutes, Sections 290A.01 to 290A.22.

Subd. 2. The amount of the supplemental housing allowance, if any, shall be calculated in the same manner as the income adjusted homestead credit set forth at Minnesota Statutes, Sections 290A.01 to 290A.22. Recipients may apply for this supplement in the same manner as claims submitted to the department of revenue under Minnesota Statutes, Sections 290A.01 to 290A.22. The supplemental allowance shall be paid by local welfare agencies.

Subd. 3. The supplemental housing allowance shall be financed from funds appropriated to the department of revenue pursuant to chapter 290A. The commissioner of public welfare and the commissioner of revenue shall cooperate with the federal department of health, education and welfare in any reasonable manner as may be necessary to qualify for reimbursement under the aid to families with dependent children program for costs incurred in the provision of the supplemental housing allowance.

Sec. 2. Minnesota Statutes 1974, Section 270.071, Subdivision 6, is amended to read:

Subd. 6. (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international

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transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States Civil Aeronautics Board .

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight.

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airlift purposes if the person furnishing the transportation does not hold himself out to be engaged regularly in transportation for hire.

Sec. 3. Minnesota Statutes 1974, Section 270.072, Subdivision 2, is amended to read:

Subd. 2. **ASSESSMENT OF FLIGHT PROPERTY.** The flight property of all air carriers operating in Minnesota under a certificate of public convenience and necessity or under issued by authorization from the United States Civil Aeronautics Board shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Sec. 4. Minnesota Statutes 1974, Section 270.072, Subdivision 3, is amended to read:

Subd. 3. **REPORT BY AIRLINE COMPANY.** Every airline company engaged in air commerce in this state at any time during the year 1945 or any year thereafter shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable him to make the assessment required in sections 270.071 to 270.079 , unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein .

Sec. 5. Minnesota Statutes 1974, Section 270.13, is amended to read:

270.13 RECORD OF PROCEEDINGS CHANGING ASSESSED VALUATION; DUTIES OF COUNTY AUDITOR. A record of all proceedings of the commissioner of revenue affecting any change in the assessed valuation of any property, as revised by the state board of equalization, shall be kept by the commissioner of revenue and a copy thereof, duly certified, shall be mailed each year to the auditor of each county wherein such property is situated, on or before October No- ember 15 each year or 30 days after submission of the abstract re- quired by section 270.11, subdivision 2, whichever is later . This record

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shall specify the amounts or amount, or both, added to or deducted from the valuation of the real property of each of the several towns and cities, and of the real property not in towns or cities, also the percent or amount of both, added to or deducted from the several classes of personal property in each of the towns and cities, and also the amount added to or deducted from the assessments of individuals, copartnerships, associations, or corporations. The county auditor shall add to or deduct from such tract or lot, or portion thereof, of any real property in his county the required percent or amount, or both, on the valuation thereof as it stood after equalized by the county board, adding in each case a fractional sum of 50 cents or more, and deducting in each case any fractional sum of less than 50 cents, so that no valuation of any separate tract or lot shall contain any fraction of a dollar; and add to, or deduct from, the several classes of personal property in his county the required percent or amount, or both, on the valuation thereof as it stood after equalized by the county board, adding or deducting in manner aforesaid any fractional sum so that no valuation of any separate class of personal property shall contain a fraction of a dollar, and add to or deduct from assessments of individuals, copartnerships, associations, or corporations, as they stood after equalization by the county board, the required amounts to agree with the assessments as returned by the commissioner of revenue.

Sec. 6. Minnesota Statutes, 1975 Supplement, Section 270.16, Subdivision 2, is amended to read:

Subd. 2. When an assessor has failed to properly appraise ~~or has improperly appraised~~ at least one quarter of the parcels of property in a district or county ~~for two consecutive years as provided in section 273.01~~, the commissioner of revenue shall appoint a special assessor and deputy assessor as necessary and cause a reappraisal to be made of the property due for reassessment ~~pursuant to that section in accordance with law~~.

Sec. 7. Minnesota Statutes 1974, Chapter 273, is amended by adding a section to read:

[273.132] STATE PAID AGRICULTURAL CREDIT. The county auditor shall reduce the tax on all property receiving the homestead credit pursuant to Minnesota Statutes, Section 273.13, Subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of 12 mills on the property. The county auditor shall reduce the tax on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, by an amount that would be produced by applying a rate of ten mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such cer-

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tifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

Payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this section. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments.

Sec. 8. Minnesota Statutes, 1975 Supplement, Section 274.14, is amended to read:

274.14 LENGTH OF SESSION; RECORD. The county board of equalization or the special board of equalization appointed by it may continue in session and adjourn from time to time commencing on July 1 and ending on or before July 15, when it shall adjourn and no action taken subsequent to July 15 shall be valid unless a longer session period is approved by the commissioner of revenue. The commissioner may extend the session period to July 31 but no action taken by the county board of review after the extended termination date shall be valid. The county auditor shall keep an accurate record of the proceedings and orders of the board, which record shall be published in the same manner as other proceedings of county commissioners. A copy of such published record shall be transmitted to the commissioner of revenue, with the abstract of assessment required by section 274.16.

Sec. 9. Minnesota Statutes, 1975 Supplement, Section 276.04, is amended to read:

276.04 NOTICE OF RATES; PROPERTY TAX STATEMENTS. On receiving the tax lists from the county auditor, the county treasurer shall, if directed by the county board, give three weeks' published notice in a newspaper specifying the rates of taxation for all general purposes and the amounts raised for each specific purpose. He shall, whether or not directed by the county board, cause to be printed on all ~~tax receipts and~~ tax statements, or on an attachment, a tabulated statement of the dollar amount due to each taxing authority and the amount to be paid to the state of Minnesota from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district shall be separately stated but the amounts due other taxing districts, if any, may be aggregated. The property tax statements for class 2a property shall contain the same information that is required on the tax statements for real property. The county treasurer shall mail to taxpayers statements of their personal property taxes due, such statements to be mailed not later than February 15 (except in the case of Class 2a property), statements of the real property taxes due shall be mailed not later than May 15; provided, that the validity of the tax

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shall not be affected by failure of the treasurer to mail such statement. Such real and personal property tax statements shall contain the market value, as defined in section 272.03, subdivision 8, used in determining the tax. ~~Such statements shall also contain the amount of any reduction in real property taxes applicable to homesteads as provided in section 273.13, subdivisions 6 and 7 and the reductions attributable to the agricultural mill rate differential provided in section 124.02, subdivision 3.~~ ~~The~~ statement shall also include the base tax as defined in section 273.011, subdivision 4, for qualified property as defined in section 273.011 for which the credit provided for in section 273.012 is claimed. The statement shall show the amount attributable to section ~~124.02, subdivision 3-7~~ as "state paid agricultural credit" and the amount attributable to section 273.13, subdivisions 6 and 7 as "state paid homestead credit." The commissioner of revenue shall provide each county auditor with the names of those persons in the assessor's district who have filed and qualified for the property tax credit pursuant to sections 273.011 and 273.012 and shall inform the assessor of the base tax of those persons. If so directed by the county board, the treasurer shall visit places in the county as he deems expedient for the purpose of receiving taxes and the county board is authorized to pay the expenses of such visits and of preparing duplicate tax lists.

Sec. 10. Minnesota Statutes 1974, Section 276.05, is amended to read:

276.05 ADDRESSES OF PAYER GIVEN ON TAX RECEIPTS. At his option the county treasurer may issue receipts showing payment of the tax except that upon the payment of any tax in currency or if the payer requests a receipt, the county treasurer shall give to the person paying a receipt therefor, showing the name and post-office address of the person, the amount and date of payment, the land, lot, or other property on which the tax was levied, according to its description on the tax list or in some other sufficient manner, and the year or years for which the tax was levied. If for current taxes on real estate, the receipt shall have written or stamped across its face, "taxes for" (giving the year in figures), or "first half of taxes for" (giving the year in figures), or "last half of taxes for" (giving the year in figures), as the case may be. If land has been sold for taxes either to a purchaser, or to the state, and the time for redemption from such sale has not expired, the receipt for such taxes shall have written or stamped across the face, "sold for taxes." The treasurer shall make duplicates of all receipts and return all such duplicates at the end of each month to the county auditor, who shall file and preserve them in his office, charging the treasurer with the amount thereof.

Sec. 11. Minnesota Statutes 1974, Section 276.06, is amended to read:

276.06 TAX STATEMENTS TO STATE APPORTIONMENT OF TAXES. The treasurer of each county ~~shall~~ may cause to be printed, stamped, or written on the back of all current tax ~~receipts~~ statements,

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or on a separate sheet or card to be furnished with the receipts-state-ments, a statement showing the number of mills of the current tax apportioned to the state, county, city, town, or school district.

Sec. 12. Minnesota Statutes, 1975 Supplement, Section 290.012, Subdivision 4, is amended to read:

Subd. 4. "Income" means the sum of (a) gross income as defined in section 290.01, subdivision 20; (b) net income from sources outside the state; (c) alimony; (d) support money; and (e) relief, including relief granted under unemployment compensation; (f) the gross amount of any pension or annuity, including railroad retirement benefits, all payments received under the federal social security act, and veterans disability pensions; (g) nontaxable interest received from the state or federal governments or any of their instrumentalities; (h) the gross amount of "loss of time" insurance and (i) cash public assistance and relief, not including relief granted under sections 290.0601 to 290.0618. It does not include gifts from nongovernmental sources, or surplus food or other relief in kind supplied by a governmental agent income of the claimant and spouse as defined in section 290A.03, subdivision 3.

Sec. 13. Minnesota Statutes 1974, Section 290.066, Subdivision 1, is amended to read:

290.066 SPECIAL PROPERTY TAX CREDIT. Subdivision 1. A person entitled to an amount equal to the qualified property tax credit allowed by section 273.012 shall file a claim with the department of revenue on or before June 30 the date provided in chapter 290A for filing a claim for property tax relief. The department of revenue shall make available suitable forms with instructions for the claimant, including a form which may be included with or as a part of the individual income tax blank. The claim shall be in such form as the commissioner may prescribe.

Sec. 14. Minnesota Statutes, 1975 Supplement, Section 290.21, Subdivision 4, is amended to read:

Subd. 4. **DIVIDEND CREDIT.** (a) 85 percent of dividends received by a corporation during the taxable year from another corporation, when the corporate stock with respect to which dividends are paid does not constitute the stock in trade of the taxpayer or would not be included in the inventory of the taxpayer, or does not constitute property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business, or when the trade or business of the taxpayer does not consist principally of the holding of the stocks and the collection of the income and gains therefrom. ~~The credit shall be allowed only in the proportion that the recipient corporation's taxable net income that is assignable or allocable to this state bears to the entire net income of the corporation.~~ The remaining 15 percent shall be allowed if the recipient owns 80 percent or more of all the voting stock

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of such other corporation, and the dividends were paid from income arising out of business done in this state by the corporation paying such dividends; but if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the remainder shall be allowed as a credit as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof; the burden shall be on the taxpayer of showing that the amount of remainder claimed as a credit has been received from income arising out of business done in this state,

(b) if the trade or business of the taxpayer consists principally of the holding of the stocks and the collection of the income and gains therefrom, dividends received by a corporation during the taxable year from another corporation, if the recipient owns 80 percent or more of all the voting stock of such other corporation, from income arising out of business done in this state by the corporation paying such dividends; but, if the income out of which the dividends are declared was derived from business done within and without this state, then so much of the dividends shall be allowed as credit as the amount of the taxable net income of the corporation paying the dividends assignable or allocable to this state bears to the entire net income of the corporation, such rate being determined by the returns under this chapter of the corporation paying such dividends for the taxable year preceding the distribution thereof. The burden shall be on the taxpayer of showing that the amount of dividends claimed as a credit has been received from income arising out of business done in this state.

(c) The dividend credit provided in this subdivision shall be allowed only with respect to dividends that are included in a corporation's Minnesota taxable net income for the taxable year.

Sec. 15. Minnesota Statutes, 1975 Supplement, Section 290A.03, Subdivision 13, is amended to read:

Subd. 13. **PROPERTY TAXES PAYABLE.** "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead before reductions made pursuant to section 273.13, subdivisions 6 and 7, but after deductions made pursuant to section 7 of this act and section 273.135, in 1976 or any calendar year thereafter. For homesteads which are mobile homes as defined in section 168.011, subdivision 8, "property taxes payable" shall also include 20 percent of gross rent paid in the preceding year for the site on which the homestead is located, exclusive of charges for utilities or services. When a homestead is owned by two or more persons as joint tenants or tenants in common ~~and one or more is not a claimant or spouse of a claimant~~, "property taxes payable" is that part of the property taxes payable on the homestead as reflects

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the percentage of ownership of the claimant and spouse. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

~~When a claimant and his spouse own their homestead part of the calendar year and rent it or a different homestead for part of the same year "property taxes payable" means only taxes payable on the homestead which was owned and occupied as such by claimant and spouse on January 2 of the year in which the tax is payable, multiplied by the percentage of 12 months that the property was owned and occupied by the household as its homestead during the preceding year.~~

In the case of a claim relating to "property taxes payable", the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable.

Sec. 16. Minnesota Statutes, 1975 Supplement, Section 290A.06, is amended to read:

290A.06 FILING TIME LIMIT, LATE FILING. Any claim for property taxes payable shall be filed with the department of revenue on or before August 31 of the year in which the property taxes are due and payable ; ~~except that for homesteads which are mobile homes the claim shall be filed on or before October 31 of the year in which the property taxes are due and payable .~~ The commissioner may extend the time for filing these claims for a period not to exceed six months in the case of sickness, absence, or other disability, or when in his judgment other good cause exists.

A claim filed after the original or extended due date shall be allowed, but the amount of credit shall be reduced by five percent of the amount otherwise allowable, plus an additional five percent for each month of delinquency, not exceeding a total reduction of 25 percent. In any event no claim shall be allowed if the claim is filed two years after the original due date for filing the claim.

Sec. 17. Minnesota Statutes, 1975 Supplement, Section 290A.14, is amended to read:

290A.14 PROPERTY TAX STATEMENT. The county treasurer shall prepare and send a sufficient number of copies of the property tax statement to the owner, and to his escrow agent if the taxes are paid via an escrow account, to enable him to comply with the filing requirements of Laws 1975, Chapter 437, Article 1 and to retain one copy for his records. The property tax statement, in a form prescribed by the commissioner, shall indicate the manner in which the claimant may claim relief from the state ; ~~the amount of delinquent property taxes on the property in the preceding year,~~ and the amount of the tax for which the applicant may claim relief. The statement shall also indicate if there are delinquent property taxes on the property in the preceding year.

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Sec. 18. Minnesota Statutes, 1975 Supplement, Chapter 290A, is amended by adding a section to read:

[290A.22] SUPPLEMENTAL HOUSING ALLOWANCE FOR AFDC RECIPIENTS. Recipients of the aid to families with dependent children program who receive a supplemental housing allowance under section 256.879 are not eligible for the tax credit set forth under sections 290A.01 to 290A.21. The commissioner of revenue shall assist the commissioner of public welfare in the administration of the supplemental housing allowance, and shall provide the commissioner of public welfare with such records and information as are necessary to administer the housing allowance.

Sec. 19. Laws 1975, Chapter 349, Section 32, is amended to read:

Sec. 32. Sections 9, 13, 17 and 26 are effective the day following final enactment. Sections 18, 19, and 20 are effective the day following final enactment of this chapter. The remainder of the act is effective for all taxable years beginning after December 31, 1974.

Sec. 20. **REPEALER.** Minnesota Statutes, 1975 Supplement, Section 124.03 is repealed.

Sec. 21. **EFFECTIVE DATE.** Sections 5, 6, 8, 10, 11, 13, 17 and 19 are effective the day following final enactment. Sections 12 and 15 are effective for taxable years beginning after December 31, 1975. Sections 7, 9 and 20 are effective for taxes payable in 1977 and subsequent years. Section 16 shall be effective for claims filed in 1977 and subsequent years. Section 14 is a declaration of law existing prior to enactment of Laws 1975, Chapter 349, Section 17, and is not a change in such preexisting law. Sections 1 and 18 are effective for taxable years beginning after December 31, 1974. Sections 2, 3 and 4 are effective for taxable years beginning after December 31, 1976.

Approved April 20, 1976.

CHAPTER 335—H.F.No.1326

[Coded in Part]

An act relating to garnishment, execution, and wage assignment; amending Minnesota Statutes 1974, Sections 550.041; 550.142; 550.37, Subdivisions 13, 14, 18, 19, and by adding a subdivision; 571.41, Subdivisions 1 and 2, and by adding subdivisions; 571.55, Subdivisions 1 and 2; 571.61, Subdivision 1; 571.67; and Chapters 181, by adding a section; 550, by adding a section; and 571, by adding sections; repealing Minnesota Statutes 1974, Sections 571.47; 571.48; and 571.49.

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

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