
 CHAPTER 767-H.F.No.1916

[Coded in Part]

An act relating to taxation; defining the use of sales ratio studies; requiring social security numbers; providing a procedure for handling ad valorem tax abatements; providing a uniform appeal and demand period; clarifying classification of certain homesteads; increasing size of family farm which qualifies for homestead treatment; recodifying the classification of resort property; allowing a special levy for commuter van program; providing adjustments to the levy limit base; defining resident estate and resident trust for income tax purposes; defining income in computing low income credit; providing apportionment in computing minimum tax on preference items; allowing a carryback period for out-of-state losses; authorizing the commissioner of revenue to release information to assessors; imposing the motor vehicle excise tax on future sales of certain motor vehicles; delaying effective date of estate and trust income allocation provision; amending Minnesota Statutes 1976, Sections 270.07, by adding a subdivision; 270.075, Subdivision 2; 270.076, Subdivision 1; 272.08; 273.13, Subdivisions 6a and 19, and by adding a subdivision; 290.01, by adding subdivisions; 290.46; 290.47; 290.48, Subdivisions 1 and 2; 290A.11, Subdivision 1; 290A.12; 292.08, Subdivision 4; 292.09, Subdivision 3; 294.02; 294.021; 297.07, Subdivision 3; 297.09, Subdivision 5; 297.35, Subdivision 3; 297.37, Subdivision 5; 297A.31, Subdivision 1; 297A.33, Subdivision 1; 297B.035, by adding a subdivision; and Chapter 270, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 11; 273.13, Subdivisions 4 and 6; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.012, Subdivision 2; 290.091; 290.17; 298.282, Subdivision 2; 298.48, Subdivision 4; and Laws 1977, Chapter 423, Article I, Section 16; repealing Laws 1977, Chapter 307, Section 27.

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

Section 1. Minnesota Statutes, 1977 Supplement, Section 124.212, Subdivision 11, is amended to read:

Subd. 11. (a) The committee shall not increase the adjusted assessed valuation, exclusive of property valuation added, improved, reclassified, or reassessed since the prior assessment, of taxable property for 1962 or any subsequent year in any school district by more than eight percent over the certified valuation established for the year immediately preceding.

(b) The sales ratio studies published by the department of revenue, or any part thereof, or any copy of the same, or records accumulated in preparation thereof, which are prepared by the commissioner of revenue for the equalization aid review committee for use in determining school aids pursuant to this section ~~published by the department of revenue~~ shall not be admissible in evidence in any proceeding, except that ~~in the case of property described in section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12~~ the sales ratio studies shall be admissible as a public record without the laying of a foundation in (1) actions under chapter 278 and in the case of property described in section 273.13, subdivisions 6, 6a, 7, 7b, 10 or 12; (2) actions brought in the small claims division of the tax court; or (3) in actions for review of the determination of the school aids payable

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under this section.

Sec. 2. Minnesota Statutes 1976, Chapter 270, is amended by adding a section to read:

[270.066] COMMISSIONER TO REQUIRE SOCIAL SECURITY OR IDENTIFYING NUMBERS ON FORMS. Notwithstanding the provisions of any other law, the commissioner of revenue may require that a form required to be filed with the commissioner include the social security number or taxpayer identification number of the taxpayer or applicant.

Sec. 3. Minnesota Statutes 1976, Section 270.07, is amended by adding a subdivision to read:

Subd. 1a. The commissioner shall examine all applications submitted to him by a county board pursuant to section 375.192, subdivision 3. If the applicant has previously submitted a claim for property tax relief pursuant to chapter 290A based on the property taxes payable prior to receiving the abatement, the commissioner may approve the application in an amount reduced by the relief provided pursuant to chapter 290A.

An appeal may be taken to the tax court of appeals from an order of the commissioner made pursuant to this subdivision.

Sec. 4. Minnesota Statutes 1976, Section 270.075, Subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than November 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the assessed valuation and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within ~~30~~ 60 days after notice of an increased tax, a late payment penalty of ten percent of the unpaid tax shall be assessed. The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

Sec. 5. Minnesota Statutes 1976, Section 270.076, Subdivision 1, is amended to read:

270.076 APPEAL. Subdivision 1. Any airline company against which a tax has been imposed under sections 270.071 to 270.079 shall have the right to appeal within ~~30~~ 60 days from the date of notice of the levy of the tax to the tax court ~~of appeals~~ in the manner provided by law.

Sec. 6. Minnesota Statutes 1976, Section 272.08, is amended to read:

272.08 INTEREST ON UNPAID TAXES. When any sum becomes due to the state of Minnesota as a tax of any kind and remains unpaid for a period of ~~30~~ 60 days, it shall

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draw interest at the rate of 12 percent per annum from the expiration of that period of ~~30~~ 60 days, such interest to be paid and collected with, and in like manner as, the principal sum.

This section shall not apply to any sum due or to become due to the state as taxes upon which interest or penalties are imposed after they become due or delinquent by any law now in force in this state.

Sec. 7. Minnesota Statutes, 1977 Supplement, Section 273.13, Subdivision 4, is amended to read:

Subd. 4. **CLASS 3.** (a) Tools, implements and machinery of an electric generating, transmission or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, all agricultural land, except as provided by classes 1, 3b, 3e, all buildings and structures assessed as personal property and situated upon land of the state of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use shall constitute class 3 and shall be valued and assessed at 33 1/3 percent of the market value thereof, except as provided in clause (b). Except as provided in subdivision 6 5a, all real property devoted to temporary and seasonal residential occupancy for recreational purposes, and which is not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, shall be class 3 property and assessed accordingly. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for such use.

(b) For taxes assessed in 1977, payable in 1978, agricultural land and real property devoted to temporary and seasonal residential occupancy for recreation purposes which is classified as class 3 shall be assessed at 31 percent of its market value, and for taxes assessed in 1978, payable in 1979 and thereafter, it shall be assessed at 30 percent of its market value.

Sec. 8. Minnesota Statutes 1976, Section 273.13, is amended by adding a subdivision to read:

Subd. 5a. CLASS 3a. Class 3a shall constitute commercial use real property which abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, which includes a portion used as a homestead by the owner, with the following limitations: the area of the property which shall be included in class 3a shall not exceed 100 feet of lakeshore footage for each cabin located on the property, up to a total of 800 feet, and 500 feet in depth measured away from the lakeshore. Class 3a shall be assessed at 18 percent of the market value thereof in 1977, for taxes payable in 1978, and at 16 percent thereafter. The remainder of the parcel shall be classified and assessed according to the provisions of subdivision 4.

Sec. 9. Minnesota Statutes, 1977 Supplement, Section 273.13, Subdivision 6, is

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amended to read:

Subd. 6. **CLASS 3b.** ~~(a)~~ Agricultural land, except as provided by class 1 hereof, and which is used for the purposes of a homestead; ~~and resort land; as defined in paragraph (b);~~ shall constitute class 3b and shall be valued and assessed at 18 percent of the market value thereof in 1977, for taxes payable in 1978, and at 16 percent thereafter. The property tax to be paid on class 3b property ~~other than resort land as defined in paragraph (b)~~ as otherwise determined by law not exceeding 120 acres less any reduction received pursuant to section 273.135, regardless of whether or not the market value is in excess of the homestead base value, shall be reduced by 45 percent of the tax; provided that the amount of said reduction shall not exceed \$325. Valuation subject to relief in 1977 for taxes payable in 1978 shall be limited to 120 acres of land, most contiguous surrounding, or bordering the house occupied by the owner as his dwelling place, and, such other structures as may be included thereon utilized by the owner in an agricultural pursuit. For taxes levied in 1978 payable 1979 and subsequent years, valuation subject to relief shall be limited to 160 acres of land, most contiguous surrounding, or bordering the house occupied by the owner as his dwelling place, and such other structures as may be included thereon utilized by the owner in an agricultural pursuit. If the market value is in excess of the homestead base value, the amount in excess of that sum shall be valued and assessed at 31 percent of its market value in 1977, for taxes payable in 1978, and at 30 percent thereafter. The first \$12,000 market value of each tract of real estate which is rural in character and devoted or adaptable to rural but not necessarily agricultural use, used for the purpose of a homestead shall be exempt from taxation for state purposes; except as specifically provided otherwise by law.

Agricultural land as used herein, and in section 273.132, shall mean contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land and land included in federal farm programs.

Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

~~(b) Commercial use real property which abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment; which includes a portion used as a homestead by the owner, shall be included in class 3b; within the following limitations: the area of the property which shall be included in class 3b shall not exceed 100 feet of lakeshore footage for each cabin located on the property; up to a total of 800 feet; and 500 feet in depth measured away from the lakeshore. The remainder of the parcel shall be classified and assessed according to the provisions of subdivision 4.~~

Sec. 10. Minnesota Statutes 1976, Section 273.13, Subdivision 19, is amended to read:

Subd. 19. **CLASS 3d.** Residential real estate, other than seasonal residential,
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recreational and homesteads shall be classified as class 3d property and shall have a taxable value equal to 40 percent of market value. Residential real estate as used herein means real property used or held for use by the owner thereof, or by his tenants or lessees as a residence for rental periods of 30 days or more, but shall not include homesteads, or real estate devoted to temporary or seasonal residential occupancy for recreational purposes. Where a portion of a parcel of property qualified for class 3d and a portion does not qualify for class 3d the valuation shall be apportioned according to the respective uses. Residential real estate containing less than three units when entitled to homestead classification for one or more units shall be classed as 3b, 3c or 3cc according to the provisions of subdivisions 6 and 7.

Sec. 11. Minnesota Statutes 1976, Section 273.13, Subdivision 6a, is amended to read:

Subd. 6a. HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP. (a) Each family farm corporation and each partnership operating a family farm shall be entitled to class 3b assessment and shall be eligible for the credit provided in subdivision 6 for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Such a homestead shall not exceed ~~420~~ 160 acres, and shall be assessed as provided in subdivision 6, notwithstanding the fact that legal title to the property may be in the name of the corporation or partnership and not in the name of the person residing thereon. "Family farm corporation" and "family farm" shall mean as defined in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership shall also be assessed as class 3b property, and be entitled to the credit provided in subdivision 6, but the property eligible shall be limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and shall not include any other structures that may be located thereon.

Sec. 12. Minnesota Statutes, 1977 Supplement, Section 275.50, Subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1977 payable in 1978 and thereafter, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over

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levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law, including the administrative costs of social services but not administrative costs of public assistance programs or of county welfare systems, for which matching funds have been appropriated by the state of Minnesota or the United States, but only to the extent that the costs to the governmental subdivision for the program exceed those expended in calendar year 1970, subject to rules promulgated by the commissioner of revenue pursuant to the administrative procedures act. Amounts levied pursuant to this clause which are in excess of the amount necessary to meet the minimum required share of a program shall be deducted from the general levy made in the following year;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law;

(e) pay the costs of principal and interest on bonded indebtedness, or, effective for taxes levied in 1973 and years thereafter, to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in revenues from public service enterprises, municipal liquor stores, licenses, permits, fines and forfeits and no other, to the extent that the aggregate of revenues from these sources in the calendar year

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preceding the year of levy are less than the aggregate of revenues from these sources in calendar year 1971. "Revenues" from a public service enterprise or a municipal liquor store shall mean the net income or loss of such public service enterprise or municipal liquor store, determined by subtracting total expenses from total revenues, and before any contribution to or from the governmental subdivision. "Fines" for a municipal court means the net amount remaining after subtracting total municipal court expenses from total collections of municipal court fines. A governmental subdivision shall qualify for this special levy only if the decrease in aggregate revenues as computed herein and divided by the population of the governmental subdivision in the preceding levy year is equal to or greater than two percent of the per capita levy limitation for the preceding levy year;

(j) pay the amounts required to compensate for a decrease in mobile homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the mobile homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(k) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in levy year 1971 or a subsequent levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(m) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board in levy year 1971 or a subsequent levy year, but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(n) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows. The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established

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pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(o) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(p) pay amounts required by law to be paid to reduce unfunded accrued liability of public pension funds, including interest thereon, in accordance with the actuarial standards and guidelines specified in sections 69.71 to 69.776 and 356.215 reduced for levy year 1977 and subsequent years by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(q) the amounts allowed under Minnesota Statutes, Section 174.27 to establish and administer a commuter van program.

Sec. 13. Minnesota Statutes, 1977 Supplement, Section 275.51, Subdivision 3d, is amended to read:

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

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(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clauses (a), (c), (d), ~~and (e)~~, and (f), except for levies made to pay tort judgments and make settlements of tort claims or to pay the salaries and benefits of municipal and probate court judges, plus

(4) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clause (g) for the administrative costs of public assistance programs or county welfare systems, plus

~~(4)~~ (5) one-half of the amount of the special levy authorized under section 275.50, subdivision 5, clause (n) shall be added to the permanent levy limit base of the governmental subdivision in the year following the year in which it has been discontinued as a special levy pursuant to the provisions of section 275.50, subdivision 5, clause (n).

(b) The sum computed in clause (a) shall be increased annually in the manner provided in section 275.52 to derive the levy limit base for successive years.

(c) For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (c), (d) ~~or~~, (e) or (f) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.

(d) The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and tacónite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivision 1; and 298.282, to be paid in the calendar year in which property taxes are payable. As provided in section 298.28, subdivision 1, for taxes payable in 1978 and 1979, two cents per taxable ton, and for taxes payable in 1980 and thereafter, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4)(c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 14. Minnesota Statutes 1976, Section 290.01, is amended by adding a subdivision to read:

Subd. 7a. RESIDENT ESTATE. Resident estate means the estate of a deceased person where (a) the decedent was domiciled in Minnesota at the date of his death, or (b) the personal representative or fiduciary was appointed by a Minnesota court in a proceeding other than an ancillary proceeding, or (c) the administration of the estate is

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carried on in Minnesota in a proceeding other than an ancillary proceeding.

Sec. 15. Minnesota Statutes 1976, Section 290.01, is amended by adding a subdivision to read:

Subd. 7b. RESIDENT TRUST. Resident trust means a trust except a grantor type trust which is administered in this state. The term "grantor type trust" means a trust where the income or gains of the trust are taxable to the grantor or others treated as substantial owners under sections 671 to 678 of the Internal Revenue Code of 1954, as amended through December 31, 1976.

Sec. 16. Minnesota Statutes, 1977 Supplement, Section 290.012, Subdivision 2. is amended to read:

Subd. 2. "Claimant" means the individual taxpayer whose income, together with that of his spouse, if any, brings him within the provisions of this section and section 290.06, subdivision 3d. No claimant and spouse whose federal adjusted gross income, including the modifications increasing federal adjusted gross income as computed under section 290.01, subdivision 20, clause (a) and section 290.17, exceed \$20,000 may qualify under this section.

Sec. 17. Minnesota Statutes, 1977 Supplement, Section 290.091, is amended to read:

290.091 MINIMUM TAX ON PREFERENCE ITEMS. (a) In addition to all other taxes imposed by chapter 290 there is hereby imposed for each taxable year beginning after December 31, 1976, a tax which, in the case of a resident individual, estate or trust, shall be equal to 40 percent of the amount of the taxpayer's minimum tax liability for tax preference items pursuant to the provisions of sections 56 to 58 and 443(d) of the Internal Revenue Code of 1954 as amended through December 31, 1976 except that for purposes of the tax imposed by this section, excess itemized deductions as defined in section 57(b) shall not include any deduction taken for Minnesota income tax paid and capital gains as defined in section 57(a) of the Internal Revenue Code shall not include that portion of any gain occasioned by sale, transfer or the granting of a perpetual easement pursuant to any eminent domain proceeding or threat thereof as described in section 290.13, subdivision 5. This modification shall apply to the years in which the gain or reduction in loss is actually included in federal adjusted gross income even though amounts received pursuant to the eminent domain proceedings were received in prior years. In the case of a resident individual, estate or trust having preference items which could not be taken to reduce income from sources outside the state pursuant to section 290.17, subdivision 1, or any other taxpayer the tax shall equal 40 percent of that federal liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference item income allocated to this state pursuant to the provisions of sections 290.17, subdivision 2 1, to 290.20, and the denominator of which is the taxpayer's total preference item income for federal purposes.

(b) In the case of a resident individual, estate or trust having preference items in taxable years beginning after December 31, 1976, and before January 1, 1978, which are not allocable to Minnesota under the provisions of sections 290.17 to 290.20 in effect for

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such years, the tax shall equal 40 percent of the taxpayer's federal minimum tax liability, multiplied by a fraction the numerator of which is the amount of the taxpayer's preference items allocable to Minnesota under the provisions of sections 290.17 to 290.20 in effect for such years and the denominator of which is the taxpayer's total preference items for federal purposes.

Sec. 18. Minnesota Statutes, 1977 Supplement, Section 290.17, is amended to read:

290.17 GROSS INCOME, ALLOCATION TO STATE. Subdivision 1. **INCOME OF RESIDENT INDIVIDUALS, ESTATES AND TRUSTS.** (a) The gross income of individuals during the period of time when they are residents of Minnesota and the gross income of resident estates and trusts shall be their gross income as defined in section 290.01, subdivision 20.

(b) Deductions for losses incurred in connection with income derived from sources outside the state which is included in an individual's gross income pursuant to section 290.17, subdivision 1, may be taken only to the extent of the amount of income derived from sources outside the state in the taxable year during which the loss was incurred.

(c) Any deductions for losses which could not be taken in the three immediately preceding taxable years because of the provisions of clause (b), may be taken to reduce any net income derived from sources outside the state which remain after application of clause (b) for income earned and deductions for the current taxable year; provided, however, that any deductions allowable pursuant to this clause (c) may be taken only to the extent of the amount of net income remaining after the application of clause (b).

Subd. 2. **OTHER TAXPAYERS.** In the case of taxpayers not subject to the provisions of subdivision 1, items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of nonresident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, whether in

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trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; income or gains from intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state, or if the grantor of any trust is domiciled within this state and such income or gains would be taxable to such grantor under sections 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1). For the purposes of this clause, a trade or business located in Minnesota is carried on partly within and partly without this state if tangible personal property is sold by such trade or business and delivered or shipped to a purchaser located outside the state of Minnesota.

In determining whether or not intangible property is employed in a unitary business carried on partly within and partly without this state so that income derived therefrom is subject to apportionment under section 290.19 the following rules and guidelines shall apply.

(a) Intangible property is employed in a business if the business entity owning intangible property holds it as a means of furthering the business operation of which a part is located within the territorial confines of this state.

(b) Where a business operation conducted in Minnesota, is owned by a business entity which carries on business activity outside of the state different in kind from that conducted within this state, and such other business is conducted entirely outside the state, it will be presumed that the two business operations are unitary in nature, interrelated, connected and interdependent unless it can be shown to the contrary.

(5) All other items of gross income shall be assigned to the taxpayer's domicile.

(c) ~~Deductions for losses incurred in connection with income derived from sources outside the state which is included in an individual's gross income pursuant to section 290.17, subdivision 1, may be taken only to the extent of the amount of income derived from sources outside the state in the taxable year during which the loss was incurred.~~

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Sec. 19. Minnesota Statutes 1976, Section 290.46, is amended to read:

290.46 EXAMINATION OF RETURNS; ASSESSMENTS, REFUNDS. The commissioner shall, as soon as practicable after the return is filed, examine the same and make any investigation or examination of the taxpayer's records and accounts that he may deem necessary for determining the correctness of the return. The tax computed by him on the basis of such examination and investigation shall be the tax to be paid by such taxpayer. If the tax found due shall be greater than the amount reported as due on the taxpayer's return, the commissioner shall assess a tax in the amount of such excess and the whole amount of such excess shall be paid to the commissioner within ~~30~~ 60 days after notice of the amount and demand for its payment shall have been mailed to the taxpayer by the commissioner. If the understatement of the tax on the return was false and fraudulent with intent to evade the tax, the installments of the tax shown by the taxpayer on his return which have not yet been paid shall be paid to the commissioner within ~~30~~ 60 days after notice of the amount thereof and demand for payment shall have been mailed to the taxpayer by the commissioner. If the amount of the tax found due by the commissioner shall be less than that reported as due on the taxpayer's return, the excess shall be refunded to the taxpayer in the manner provided by section 290.50 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid installment thereof; provided, that no refundment shall be made except as provided in section 290.50, after the expiration of three and one-half years after the filing of the return; ~~except with respect to taxable years beginning after December 31, 1942, and ending before December 31, 1946, in which cases no refundment shall be made except as provided in section 290.50 after the expiration of four years and six months after the filing of the return.~~

If the commissioner examines returns of a taxpayer for more than one year, he may issue one order covering the several years under consideration reflecting the aggregate refund or additional tax due.

The notices and demands provided for by sections 290.46 to 290.48 shall be in such form as the commissioner may determine (including a statement) and shall contain a brief explanation of the computation of the tax and shall be sent by mail to the taxpayer at the address given in his return, or to his last known address.

In cases where there has been an overpayment of a self-assessed liability as shown on the return filed by the taxpayer, the commissioner may refund such overpayment to the taxpayer and no demand therefor shall be necessary; further, written findings by the commissioner, notice by mail to the taxpayer and certificate for refundment by the commissioner shall not be necessary and the provisions of section 270.10, in such case, shall not be applicable.

Sec. 20. Minnesota Statutes 1976, Section 290.47, is amended to read:

290.47 ASSESSMENT; FAILURE TO FILE RETURN, FALSE OR FRAUDULENT RETURN FILED. If any person or corporation required by this chapter to file any return shall fail to do so within the time prescribed by this chapter or by regulations under the authority thereof, or shall make, willfully or otherwise, an incorrect,

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false, or fraudulent return, he shall, on the written demand of the commissioner, file such return, or corrected return, within 30 days after the mailing of such written demand and at the same time pay the whole tax, or additional tax, due on the basis thereof. If such taxpayer shall fail within that time to file such return, or corrected return, the commissioner shall make for him a return, or corrected return, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof, which tax (less any payments theretofore made on account of the tax for the taxable year covered by such return) shall be paid within ~~ten~~ 60 days after the commissioner has mailed to such taxpayer a written notice of the amount thereof and demand for its payment. Any such return or assessment made by the commissioner on account of the failure of the taxpayer to make a return, or a corrected return, shall be prima facie correct and valid, and the taxpayer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

Sec. 21. Minnesota Statutes 1976, Section 290.48, Subdivision 1, is amended to read:

290.48 DELINQUENT TAXES, COLLECTION. Subdivision 1. **LEGAL ACTION.** If a tax imposed by this chapter, including penalties therein, or any portion of such tax, is not paid within ~~30~~ 60 days after it is required to be paid thereunder, the commissioner shall, unless he proceeds under one of the other subdivisions of this section, bring against the person liable for payment thereof an action at law, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof under this chapter. Such action shall be brought in the district court of the judicial district in which lies the county of the residence or principal place of business within this state of the taxpayer, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by the taxpayer shall be conclusive against the taxpayer in this matter. If no such place is named in the return such action may be commenced in Ramsey county. Such action shall be commenced by filing with the clerk of such court a statement showing the name and address of the taxpayer, if known, an itemized summary of the taxable net income on the basis of which the tax has been computed, the tax due and unpaid thereon and the interest and penalties due with respect thereto under the provisions of this chapter, and shall contain a prayer that the court adjudge the taxpayer to be indebted on account of such taxes, interest, and penalties in the amount thereof specified in the statement; a copy of such statement shall be furnished to the clerk therewith. The clerk shall mail a copy of the statement by registered mail to the taxpayer at the address given in the return, if any; and, if no such address is given, then at his last known address, within five days after the same is filed, except that, if the taxpayer's address is not known, notice to him shall be made by posting copy of the statement for ten days in the place in the courthouse where public notices are regularly posted. The taxpayer shall, if he desires to litigate the claim, or any part thereof, file a verified answer with the clerk setting forth his objections to the claim, or any part thereof; the answer shall be filed on or before the lapse of the twentieth day after the date of mailing the statement; or, if notice has been given by posting, on or before the twentieth day after the expiration of the period during which the notice was required to be posted. If no answer is filed within the specified time, the clerk, upon the filing of an affidavit of default, shall enter judgment for the state in the amount prayed for, plus costs of \$10. If an answer be filed, the issues raised shall stand for trial as soon as possible after

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the filing of the answer, and the court shall determine the issues and direct judgment accordingly; and, if the taxes, interest, or penalties are sustained to any extent over the amount rendered by the taxpayer, shall assess \$10 costs against the taxpayer. The court shall disregard all technicalities and matters of form not affecting the substantial merits. The commissioner may call upon the county attorney or the attorney general to conduct such proceedings on behalf of the state. Execution shall be issued upon the judgment at the request of the commissioner, and such execution shall, in all other respects, be governed by the laws applicable to executions issued on judgments. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon such execution.

Sec. 22. Minnesota Statutes 1976, Section 290.48, Subdivision 2, is amended to read:

Subd. 2. **LEVY AND SALE.** If a tax imposed by this chapter, or any portion of such tax, is not paid within ~~30~~ 60 days after it is required to be paid thereunder, the commissioner shall issue his warrant to the sheriff of any county of the state commanding him to levy upon and sell the real and personal property of the taxpayer and to levy upon the rights to property of the taxpayer within the county, and to return such warrant to the commissioner and pay to him the money collected by virtue thereof by a time to be therein specified, not less than 60 days from the date of the warrant. The sheriff shall proceed thereunder to levy upon and seize any property of the taxpayer and to levy upon the rights to property of the taxpayer within his county, except the homestead and household goods of the taxpayer and property of the taxpayer not liable to attachment, garnishment, or sale on any final process issued from any court under the provisions of Minnesota Statutes ~~1964~~, Section 550.37, ~~and acts amendatory thereof~~, and shall sell so much thereof as is required to satisfy such taxes, interest, and penalties, together with his costs; but such sales shall, as to their manner, be governed by the laws applicable to sales of like property on execution issued against property upon a judgment of a court of record. The proceeds of such sales, less the sheriff's costs, shall be turned over to the commissioner, who shall retain such part thereof as is required to satisfy the tax, interest, penalties, and costs, and pay over any balance to the taxpayer. The commissioner shall not proceed under this subdivision until the expiration of ~~30~~ 60 days after mailing to the taxpayer, at his last known address, a written notice of the amount of taxes, interest, and penalties due from the taxpayer and demand for their payment. Any action taken by the commissioner pursuant to this subdivision shall not constitute an election by the state to pursue a remedy to the exclusion of any other remedy provided for in this act.

Sec. 23. Minnesota Statutes 1976, Section 290A.11, Subdivision 1, is amended to read:

290A.11 OBJECTIONS TO CLAIMS, Subdivision 1. AUDIT OF CLAIM. When on the audit of any claim filed under sections 290A.01 to 290A.21 the department determines the amount thereof to have been incorrectly determined, the department shall redetermine the claim and notify the claimant of the redetermination and the reasons therefor. The redetermination shall be final unless appealed to the Minnesota tax court of ~~appeals~~ within ~~30~~ 60 days of notice thereof.

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Sec. 24. Minnesota Statutes 1976, Section 290A.12, is amended to read:

290A.12 **APPEAL.** Any person aggrieved by the denial, in whole or in part, of relief claimed under ~~Laws 1975, Chapter 437, Article 4~~ this chapter, except when the denial is based upon late filing of a claim for relief, may appeal the denial to the Minnesota tax court of appeals by filing a petition with the tax court ~~of appeals~~ within ~~30~~ 60 days after the denial, as provided in chapter 271.

Sec. 25. Minnesota Statutes 1976, Section 292.08, Subdivision 4, is amended to read:

Subd. 4. **ASSESSMENT ON FAILURE TO MAKE RETURN OR ON FILING OF INCORRECT OR FALSE RETURN.** If any person required by this chapter to file a gift tax return shall fail to do so within the time prescribed by this chapter or by regulations under the authority thereof, or shall make, willfully or otherwise, an incorrect, false or fraudulent return, he shall on the written demand of the commissioner, file such return, or corrected return, within 30 days after the mailing of such written demand and at the same time pay the whole tax, or additional tax, due on the basis thereof, plus the penalty and interest as provided. If such person shall fail within that time to file such return, or corrected return, the commissioner shall make for him a return, or corrected return, from the commissioner's own knowledge and from such information as he can obtain through testimony or otherwise and assess a tax, penalty and interest on the basis thereof, which tax, penalty and interest shall be paid within ~~20~~ 60 days after the commissioner has mailed to such person a written notice of the amount thereof and demand for its payment. Any such return or assessment made by the commissioner on account of the failure of such person to make a return, or a corrected return, shall be prima facie correct and valid, and the taxpayer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

Sec. 26. Minnesota Statutes 1976, Section 292.09, Subdivision 3, is amended to read:

Subd. 3. **COLLECTION FROM DONEE.** If the donor shall fail to pay the tax within the time provided in this chapter, the commissioner of revenue may serve a notice upon the donee stating the amount of the tax and the date when it became due. If the tax is not paid within ~~30~~ 60 days after the mailing of the notice to the donee at the address given in the return or the last known address of the donee, the tax may be collected from such donee in the same manner as provided with respect to donors in subdivision 1 or in an ordinary action at law.

Sec. 27. Minnesota Statutes 1976, Section 294.02, is amended to read:

294.02 **EXAMINATION OF RETURNS; ASSESSMENTS, REFUND.** The commissioner of revenue shall, as soon as practicable after the return is filed, examine the same and make any investigation or examination of the taxpayer's records and accounts that he may deem necessary for determining the correctness of the return. The tax computed by him on the basis of such examination and investigation shall be the tax to be paid by such taxpayer. If the tax found due shall be greater than the amount reported

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as due on the taxpayer's return, the commissioner shall assess a tax in the amount of such excess and the whole amount of such excess shall be paid to the commissioner within 30 ~~60~~ days after notice of the amount and demand for its payment shall have been mailed to the taxpayer by the commissioner. If the understatement of the tax on the return was false or fraudulent with intent to evade the tax, the installments of the tax shown by the taxpayer on his return which have not yet been paid shall be paid to the commissioner within 30 ~~60~~ days after notice of the amount thereof and demand for payment shall have been mailed to the taxpayer by the commissioner. If the amount of tax found due by the commissioner shall be less than that reported as due on the taxpayer's return, the excess shall be refunded to the taxpayer in the manner provided in section 294.09 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid installment thereof; provided, that no refundment shall be made except as provided in section 294.09, after the expiration of three and one-half years after the filing of the return.

If the commissioner examines returns of a taxpayer for more than one year, he may issue one order covering the several years under consideration reflecting the aggregate refund or additional tax due.

The notices and demands provided for by sections 294.02 and 294.021 shall be in such form as the commissioner may determine (including a statement) and shall contain a brief explanation of the computation of the tax and shall be sent by mail to the taxpayer at the address given in his return, if any, and if no such address is given, then to his last known address.

In cases where there has been an overpayment of a self-assessed liability as shown on the return filed by the taxpayer, the commissioner may refund such overpayment to the taxpayer and no demand therefor shall be necessary.

Sec. 28. Minnesota Statutes 1976, Section 294.021, is amended to read:

294.021 ASSESSMENT; FAILURE TO FILE RETURN, FALSE OR FRAUDULENT RETURN FILED. If any company, joint stock association, copartnership, corporation, or individual required by this chapter to file any return shall fail to do so within the time prescribed by this chapter or by regulations under the authority thereof, or shall make, wilfully or otherwise, an incorrect, false, or fraudulent return, he shall, on the written demand of the commissioner of revenue, file such return, or corrected return, within 30 days after the mailing of such written demand and at the same time pay the whole tax, or additional tax, due on the basis thereof. If such taxpayer shall fail within that time to file such return, or corrected return, the commissioner shall make for him a return, or corrected return, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a tax on the basis thereof, which tax (less any payments theretofore made on account of the tax for the taxable year covered by such return) shall be paid within ~~ten~~ 60 days after the commissioner has mailed to such taxpayer a written notice of the amount thereof and demand for its payment. Any such return or assessment made by the commissioner on account of the failure of the taxpayer to make a return, or a corrected return, shall be prima facie correct and valid, and the taxpayer shall have the burden of establishing its

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incorrectness or invalidity in any action or proceeding thereto.

Sec. 29. Minnesota Statutes 1976, Section 297.07, Subdivision 3, is amended to read:

Subd. 3. **DEALER MAY PROTEST; HEARING.** If, within 20 days after mailing of notice of the proposed assessment, the distributor or his legal representative shall file a protest to said proposed assessment and request a hearing thereon, the commissioner shall give notice to that distributor or legal representative of the time and place fixed for the hearing, shall hold a hearing in conformity with the provisions of sections 297.01 to 297.13, and pursuant thereto shall issue a final assessment to the distributor or legal representative for the amount found to be due as a result of the hearing. This hearing shall be held within 45 days after filing of the protest. If a protest is not filed within the time herein prescribed, the commissioner shall issue a final assessment to the distributor or legal representative, as such. Any tax due and owing after a final assessment order has been issued to the distributor or legal representative of such distributor shall be paid within ~~30~~ 60 days.

Sec. 30. Minnesota Statutes 1976, Section 297.09, Subdivision 5, is amended to read:

Subd. 5. **APPEAL TO TAX COURT.** Any person aggrieved by an order of the commissioner fixing a tax, penalty, or interest under section 297.07 may, within ~~30~~ 60 days from the date of notice of the order, appeal to the tax court of ~~appeals~~ in the manner provided by law. Any other order of the commissioner under sections 297.01 to 297.13 shall be subject to review by certiorari.

Sec. 31. Minnesota Statutes 1976, Section 297.35, Subdivision 3, is amended to read:

Subd. 3. If, within 20 days after mailing of notice of the proposed assessment, the taxpayer or his legal representative shall file a protest to said proposed assessment and request a hearing thereon, the commissioner shall give notice to that taxpayer or legal representative of the time and place fixed for the hearing, shall hold a hearing on such protest, and shall issue a final assessment to the taxpayer or legal representative for the amount found to be due as a result of the hearing. This hearing shall be held within 45 days after filing of the protest. If a protest is not filed within the time herein prescribed, the commissioner shall issue a final assessment to the taxpayer or legal representative, as such. Any tax due and owing after a final assessment order has been issued to the distributor or legal representative of such distributor shall be paid within ~~30~~ 60 days. Any such assessment made by the commissioner shall be prima facie correct and valid, and the taxpayer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto.

Sec. 32. Minnesota Statutes 1976, Section 297.37, Subdivision 5, is amended to read:

Subd. 5. Any person aggrieved by an order of the commissioner fixing a tax,

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penalty, or interest under section 297.35 may, within ~~30~~ 60 days from the date of notice of the order, appeal to the tax court of ~~appeals~~ in the manner provided by law. Any other order of the commissioner under sections 297.31 to 297.39 shall be subject to review by certiorari.

Sec. 33. Minnesota Statutes 1976, Section 297A.33, Subdivision 1, is amended to read:

297A.33 FAILURE TO PAY TAX, ACTIONS; PROTECTION AGAINST EVASION. Subdivision 1. If any portion of a tax imposed by sections 297A.01 to 297A.44, including penalties thereon, is not paid within ~~30~~ 60 days after it is required to be paid, the commissioner shall bring against the person liable for payment of such tax an action at law, in the name of the state, for the recovery of the tax and interest and penalties due in respect thereof under sections 297A.01 to 297A.44. Such action shall be brought in the district court of the judicial district in which lies the county of the residence or principal place of business within this state of the person required to file the return, or, in the case of an estate or trust, of the place of its principal administration, and for this purpose the place named as such in the return, if any, made by such person shall be conclusive against him. If no such place is named in the return such action may be commenced in Ramsey county. Only the homestead and household goods of the judgment debtor shall be exempt from seizure and sale upon execution issued in such an action.

Sec. 34. Minnesota Statutes 1976, Section 297B.035, is amended by adding a subdivision to read:

Subd. 3. Motor vehicles sold by a new motor vehicle dealer in contravention of section 168.27, subdivision 10, clause (1)(b) shall not be considered to have been acquired or purchased for resale in the ordinary or regular course of business for the purposes of this chapter, and the dealer shall be required to pay the excise tax due on the purchase of those vehicles.

Sec. 35. Minnesota Statutes, 1977 Supplement, Section 298.282, Subdivision 2, is amended to read:

Subd. 2. Each year ~~commencing in 1977, and~~ following the final determination of the amount of taxes payable under section 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of such year and the amount to be distributed to each qualifying municipality during such year. The amount to be distributed to each qualifying municipality shall be determined by dividing the total amount in said account, after a reduction equal to the amount of the distribution in subdivision 5, as of July 1 by the total population according to the latest federal census of all qualifying municipalities to determine the per capita distributive share for such year and by multiplying the per capita distributive share by the population of such municipality. If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's ~~permissible~~ permissible levy limit base for the ~~prior~~ prior that year, computed pursuant to sections 275.50 to 275.59, the amount in excess of the ~~permissible~~ permissible levy limit base for the ~~prior~~ prior that year shall reduce the amount distributed to the municipality under this section and this excess amount shall be

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distributed to the other qualifying municipalities on a per capita basis. The distributions to be received in the year in which the taxes are payable shall be compared to the levy limit base for that same year. Upon completion of such determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to such municipality from the taconite municipal aid account that year.

Sec. 36. Minnesota Statutes, 1977 Supplement, Section 298.48, Subdivision 4, is amended to read:

Subd. 4. **CONFIDENTIAL NATURE OF INFORMATION.** The data filed pursuant to subdivision 1 shall be considered confidential for three years from the date it is filed with the commissioner. Nothing herein contained shall be construed to prohibit the commissioner from disclosing information or publishing statistics so classified as not to disclose the identity of particular data.

Notwithstanding the other provisions of this subdivision, the commissioner, at his discretion, may furnish any information supplied under this section to the commissioner of natural resources or, the director of the state planning agency, or a county assessor. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

Sec. 37. Minnesota Statutes 1976, Section 297A.31, Subdivision 1, is amended to read:

297A.31 EXAMINATION OF RETURN, ADJUSTMENTS, NOTICES AND DEMANDS. Subdivision 1. The commissioner shall, as soon as practicable after a return is filed, examine the same and make any investigation or examination of the records and accounts of the person making the return that he deems necessary for determining its correctness. The tax computed on the basis of such examination shall be the tax to be paid. If the tax found to be due exceeds the amount of the tax reported as due on the taxpayers return, such excess shall be paid to the commissioner within ~~30~~ 60 days after notice of the amount and demand for its payment shall have been mailed to the person making the return. If the amount of the tax found due by the commissioner shall be less than that reported as due on the return, the excess shall be refunded to the person making the return in the manner provided by section 297A.35 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid tax. Except as otherwise provided in this chapter, no refundment shall be made except as provided in section 297A.35 after the expiration of three years after the filing of the return.

Sec. 38. Laws 1977, Chapter 423, Article I, Section 16, is amended to read:

Sec. 16. **EFFECTIVE DATE.** The Internal Revenue Code updated provision in section 1 is effective for taxable years beginning after December 31, 1976. Section 3 is effective for wages paid after December 31, 1977. Section 14 is effective for taxable years beginning after December 31, 1976. Insofar as it applies to estates and trusts, section 11 is effective for taxable years beginning after December 31, 1978. The remainder of this article is effective for taxable years beginning after December 31, 1977.

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Sec. 39. Laws 1977, Chapter 307, Section 27, is repealed.

Sec. 40. **EFFECTIVE DATE.** Sections 1 to 3, 35, 36 and 39 are effective the day following final enactment. Sections 4 to 6, 19 to 33 and 37 are effective July 1, 1978. Sections 7 to 9 and 11 are effective for taxes levied in 1978 and subsequent years, payable in 1979 and subsequent years. Sections 10, 12 and 13 are effective for taxes levied in 1977 and subsequent years, payable in 1978 and subsequent years. Sections 14 to 18 are effective for taxable years beginning after December 31, 1977 except that clause (b) of section 17 is effective for taxable years beginning after December 31, 1976, and before January 1, 1978. Section 34 is effective for sales occurring after June 30, 1978, provided that excise taxes shall not be due or collected with respect to sales occurring prior to July 1, 1978. Section 38 is effective for taxable years beginning after December 31, 1977.

Approved April 5, 1978.

CHAPTER 768-H.F.No.1940

An act relating to the environmental education board; transferring the board to the jurisdiction of the department of natural resources; requiring a study of environmental education activities of state agencies; amending Minnesota Statutes 1976, Section 116E.03, Subdivision 1.

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

Section 1. Minnesota Statutes 1976, Section 116E.03, Subdivision 1, is amended to read:

116E.03 **POWERS AND DUTIES.** Subdivision 1. **GENERALLY.** The environmental education board shall operate under the general supervision of the environmental quality board commissioner of natural resources. The environmental education board shall submit its budget to the environmental quality control board commissioner each year for review and approval. Twice each year the state environmental education board shall report to the environmental quality board commissioner on the status of its programs and operations. In addition to any powers or duties otherwise prescribed by law and without limiting the same, the state environmental education board shall have the powers and duties hereinafter specified.

Sec. 2. The commissioners of finance and administration, as appropriate, shall provide for the transfer of personnel, appropriations and materials from the state planning agency to the department of administration pursuant to this act.

Sec. 3. On or before November 15, 1981, the Minnesota environmental education board shall prepare and submit to the legislature and the governor a report evaluating the following issues: (a) the status of environmental education activities performed by state agencies, (b) the degree of interaction and coordination between these agencies, (c) the need for continued or expanded environmental education activities by all state agencies,

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