

duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it and the teachers who are its beneficiaries.

Sec. 2. *Minnesota Statutes 1961, Section 135.12, is hereby repealed.*

Sec. 3. *This act shall become effective July 1, 1963.*

Approved May 10, 1963.

CHAPTER 586—H. F. No 750

[Coded]

An act relating to the teachers retirement association; amending Minnesota Statutes 1961, Section 135.33, by adding a new subdivision.

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

Section 1. *Minnesota Statutes 1961, Section 135.33, is amended by adding a subdivision to read:*

Subd. 5. Teachers retirement association; computation of annuity. Notwithstanding the provisions of subdivision 1 when any person retires who (a) on July 1, 1959 had ten or more years of allowable service, and (b) does not have any retroactive social security coverage by reason of his position in the retirement system, and (c) does not qualify for old age and survivor primary benefits at the time of retirement, the annuity shall be computed under section 135.44.

Sec. 2. *This act takes effect July 1, 1963.*

Approved May 10, 1963.

CHAPTER 587—H. F. No. 972

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1961, Section 290.03.

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

Changes or additions indicated by italics, deletions by strikeout.

Section 1. Minnesota Statutes 1961, Section 290.03, is amended to read:

290.03 Income tax; imposition, classes of taxpayers. An annual tax for each taxable year, computed in the manner and at the rates hereinafter provided, is hereby imposed upon the taxable net income for such year of the following classes of taxpayers:

(1) Domestic and foreign corporations not taxable under section 290.02 which own property within this state or whose business within this state during the taxable year consists exclusively of foreign commerce, interstate commerce, or both;

Business within the state shall not be deemed to include transportation in interstate or foreign commerce, or both, by means of ships navigating within or through waters which are made international for navigation purposes by any treaty or agreement to which the United States is a party;

(2) Resident and non-resident individuals;

(3) Estates of decedents, dying domiciled within or without this state; ~~and;~~

(4) Trusts (except those taxable as corporations) however created by residents or non-residents or by domestic or foreign corporations; *and,*

(5) *Any proprietorship or partnership owning an unincorporated business enterprise which has elected under the provisions of section 1361 of the internal revenue code of 1954, as amended, to be taxed as a domestic corporation shall for purposes of chapter 290 be deemed to be a corporation and subject to tax as any other corporation under the provisions of this section or section 290.02 depending upon its manner of operation.*

Sec. 2. *The provisions of this act are applicable to all taxable years beginning after December 31, 1961.*

Approved May 10, 1963.

CHAPTER 588—H. F. No. 1104

An act relating to employment and security; amending Minnesota Statutes 1961, Section 268.04, Subdivision 12.

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

Changes or additions indicated by italics, deletions by strikeout.