

amending Minnesota Statutes 1953, Section 471.61, Subdivisions 1, 4.

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

Section 1. Minnesota Statutes 1953, Section 471.61, Subdivision 1, is amended to read :

471.61 Group insurance; officers, employees. Subdivision 1. **Political subdivisions.** Any county, municipal corporation, town, school district, or other political subdivision of this state may, through its governing body, insure or protect its officers and employees, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, accident, medical and surgical benefits, and hospitalization insurance or benefits, or any one or more such forms of insurance or protection. Any such governmental unit may pay all or any part of the premiums or charges on such insurance or protection and any such payment shall be deemed to be additional compensation paid to such officers or employees. The appropriate officer of such governmental unit shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Sec. 2. Minnesota Statutes 1953, Section 471.61, Subdivision 4, is amended to read :

Subd. 4. **No contribution.** The state shall not at any time contribute any part of such premiums or charges required from its officers or employees.

Approved March 18, 1955.

CHAPTER 194—H. F. No. 401

[Coded]

An act relating to procedure in the probate court for the settlement of intestate estates when the deceased left surviving no spouse or kindred.

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

Section 1. [525.161] **Probate; no surviving spouse or kindred, notices to attorney general.** When it appears from the petition for administration of the estate, or otherwise, in

an estate pending in the probate court for settlement that the intestate left surviving no spouse or kindred, notice of such fact and notice of all subsequent hearings in such estate shall be given to the attorney general forthwith.

Approved March 18, 1955.

CHAPTER 195—H. F. No. 403

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1953, Section 290.12, Subdivision 2.

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

Section 1. Minnesota Statutes 1953, Section 290.12, Subdivision 2, is amended to read:

Subd. 2. **Adjustments.** In computing the amount of gain or loss under subdivision 1 proper adjustment shall be made for any expenditure, receipt, loss, or other item properly chargeable to capital account by the taxpayer during his ownership thereof, and for the gain or any part thereof realized from the sale, exchange or involuntary conversion of a residence where, by reason of the provisions of section 290.13, such gain or any part thereof is not recognized. The basis shall be diminished by the amount of the deductions for exhaustion, wear and tear, obsolescence, *amortization*, depletion, and the allowance for amortization of bond premium if an election to amortize was made in accordance with section 290.09(14), which could, during the period of his ownership thereof, have been deducted by the taxpayer under this chapter in respect of such property. In addition, if the property was acquired before January 1, 1933, the basis, if other than the fair market value as of such date, shall be diminished by the amount of exhaustion, wear and tear, obsolescence, *amortization*, or depletion actually sustained before such date. *In respect of any period since December 31, 1932, during which property was held by a person or an organization not subject to income taxation under this act, proper adjustment shall be made for exhaustion, wear and tear, obsolescence, amortization, and depletion of such property to the extent sustained.* In the case of stock the basis shall be diminished by the amount of tax-free distributions of capital received by the taxpayer in respect of such stock at any time during his ownership thereof. For the purpose of determining the amount of these adjustments the taxpayer who sells or otherwise disposes of property acquired by gift shall be treated as the owner thereof from the time it

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