

## CHAPTER 226—H. F. No. 29.

*An act providing for the levy and collection of a tax on royalty received by the owner of any right, title or interest in land situate in this state for permission to explore, mine, take out and remove ore from the same.*

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

**Section 1. Tax on iron ore royalties—Rate.**—There shall be levied and collected upon all royalty received during the year ending December 31, 1923, and upon all royalty received during each calendar year thereafter, for permission to explore, mine, take out and remove ore from land in this state, a tax of six (6) per cent.

**Sec. 2. Definitions.**—For all purposes of this act the word "royalty" shall be construed to mean the amount in money or value of property received by any person having any right, title or interest in or to any tract of land in this state for permission to explore, mine, take out and remove ore therefrom; and the word "person" shall be construed to include individuals, copartnerships, associations, companies and corporations.

**Sec. 3. Annual reports to tax commission.**—Every person to whom royalty is paid shall on or before the first day of February, 1924, and annually thereafter on or before the first day of February of each year, make and file with the Minnesota Tax Commission a report verified by the person making the same and setting forth the amount of royalty received by such person during the preceding calendar year, and such other information as said commission may require.

**Sec. 4. Contents of reports.**—It shall be the duty of every person paying royalty, on or before the first day of February, 1924, and annually thereafter on the first day of February in each year, to make and file with the Minnesota Tax Commission, a report covering the preceding calendar year, verified by the oath of the person making the same and setting forth:

1. The number of tons mined from each tract of land for the right to mine and remove ore on which such person pays royalty.
2. The amount of royalty paid on each tract of land separately.
3. The name and postoffice address of each person to whom royalty is paid, and
4. Such other information as said commission may require.

**Sec. 5. Tax commission to assess tax.**—Upon the receipt by the Minnesota Tax Commission of the report provided for in Section 3 of this act it shall determine from such information as it may possess or obtain, whether the same is correct or otherwise, and if found correct, said tax commission shall determine therefrom the amount of tax due from such person, and shall enter the amount thereof in its records and shall make its certificate of taxes due thereon from such person, and on or before the first day of May

of each year file the same with the state auditor and a duplicate thereof with the state treasurer; and the tax commission shall have power, in case it shall deem said report incorrect, to make its findings as to the amount of such taxes due after hearing upon notice to the person interested, and its findings shall have the same effect as the determination of the amount of such taxes upon a report made as hereinbefore provided.

A person subletting land for the use of which he received royalty shall be required to pay taxes only on the difference between the amount of royalty paid by him and the amount received.

**Sec. 6. Penalties for non-payment.**—If any person subject to the tax provided by this act shall fail to make the report provided for in Section 3 of this act, at the time and in the manner therein provided, there shall accrue upon the tax herein imposed a penalty in an amount equal to ten per cent (10%) of the tax so imposed to be added to and collected with such tax. The tax commission shall in such case determine the amount of the ores mined or produced, together with the royalty paid thereon and shall fix the tax due thereon from such person, together with such penalty, upon such information as it may possess or obtain and shall proceed as provided by law when such taxes are determined upon the sworn report of the person receiving such royalty. Such findings shall stand in the place of the report required by this act to be made by such person and shall be in all courts of the state, for all purposes, prima facie evidence of the facts therein stated.

**Sec. 7. Date of payment.**—Such tax shall be due and payable on the first day of June, 1924, and annually thereafter on the first day of June, and if not paid on or before that date a penalty of ten (10) per cent shall immediately accrue thereon.

**Sec. 8. Tax a lien on lands and ore.**—The situs of royalty for all purposes of this act shall be in this state; and the tax herein provided for shall be a specific lien from the time the same is due and payable upon all and singular the right, title and interest of the person to whom such royalty is payable, in and to the land for permission to explore, mine, take out and remove ore on which the royalty is paid.

**Sec. 9. Auditor to make draft.**—On or before the tenth day of June in each year the state auditor shall make his draft upon each person delinquent in the payment of such tax for the amount of taxes and penalty, or penalties, due thereon, and place the same in the hands of the state treasurer for collection.

The draft of the state auditor for the tax and penalties imposed by the foregoing provisions of this act shall be prima facie evidence in any court where proceedings may be brought for its enforcement that the amount therein stated is due the state from the person against whom the same is drawn.

**Sec. 10. Treasurer to collect tax.**—The state treasurer with-

in ten days after the receipt of the draft mentioned in Section 9 of this act shall notify by mail the taxpayer designated therein of the amount thereof and if not paid within thirty days after presentation shall deliver the same to the attorney general whose duty it shall be to bring an action thereon in the district court of Ramsey County for the amount of such draft, together with interest and costs of the proceedings. Such tax shall draw interest at the rate of one per cent per month, commencing thirty (30) days after the same falls due; and the judgment of the court when so obtained and properly docketed shall be a lien upon all right, title and interest of the taxpayer to the land upon which such tax is a lien from the time the same is docketed; and said lien shall continue without limitation with interest at the rate of one per cent per month and the said property may be sold in satisfaction of such judgment in the same manner as provided by law for the sale of property upon execution.

**Sec. 11. Penalties for false returns.**—Any person who for the purpose of evading the payment of the tax herein provided or any part thereof makes any false return or report shall in addition to the tax provided by this act pay a penalty of fifty (50) per cent of the amount of said tax; and any person who shall knowingly make under oath any false report or return required by this act shall be guilty of perjury and upon conviction thereof shall be punished therefor as provided by law.

**Sec. 12. Records to be open to inspection of tax commission—Violations and penalties.**—All books, waybills, inventories, correspondence and memoranda relating to or used in the transaction of the business of any person paying or receiving royalty on ore mined in this state, shall upon request of the Minnesota Tax Commission be open to its inspection or examination. If any such person shall neglect or refuse on request of the Minnesota Tax Commission access to the papers and books aforesaid, he shall be guilty of a misdemeanor and upon conviction thereof shall be punished therefor as provided by law.

**Sec. 13. Taxes to be paid into general revenue fund.**—All taxes assessed, levied and collected under the provisions of this act shall be paid into the state treasury and credited to the general revenue fund.

**Sec. 14.** This act shall take effect and be in force from and after its passage.

Approved April 11, 1923.

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#### CHAPTER 227—S. F. No. 1.

*An act to amend Section 4640, General Statutes, 1913, as amended by Chapter 345, Laws 1917, relating to powers, duties and rules of the State Board of Health.*