

amount of motor vehicle gasoline excise taxes which have been paid on gasoline which was, after the payment of such taxes, received, sold, stored or withdrawn from storage to be used for the purpose of producing or generating power for propelling aircraft, as determined by him from the reports made during that month pursuant to the provisions of section 296.18, subdivision 2 (2). The amount so reported shall then be transferred from the fund in the state treasury in which motor vehicle gasoline excise taxes are deposited to the Aviation Fuel Tax Fund. The state auditor and the state treasurer shall, in the case of each transfer in this subdivision provided for, make appropriate entries in the accounts of the respective funds.

Sec. 15. Severable. If any provisions of this act or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the provisions or application of this act which can be given effect without the invalid provisions or application, and to this end the provisions of this act are declared to be severable.

Sec. 16. Effective date. This act shall take effect and be in force from and after June 1, 1945.

Approved April 19, 1945.

CHAPTER 413—H. F. No. 958

An act relating to taxes on and measured by net income and amending Laws 1943, Chapter 656, Section 3, Subdivision 2.

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

Section 1. Laws 1943, Chapter 656, Section 3, Subdivision 2, is hereby amended to read as follows:

290.071. Certain income from United States bonds as income.

Subdivision 2. (1) If at least 80 per cent of the total compensation for personal services covering a period of 36 months or more is received or accrued in one taxable year by an individual or a partnership, the tax attributable to any part thereof which is included in the gross income of any individual shall not be greater than the aggregate of the taxes attributable to such part had it been included in the gross income of such individual ratably over that part of the

period preceding the date of receipt or accrual. This provision shall be applicable to taxable years beginning after December 31, 1940.

(2) *If the amount of the back pay received or accrued by an individual during the taxable year exceeds 15 per centum of the gross income of the individual for such year, the part of the tax attributable to the inclusion of such back pay in gross income for the taxable year shall not be greater than the aggregate of the increases in the taxes which would have resulted from the inclusion of the respective portions of such back pay in gross income for the taxable years to which such portions are respectively attributable, as determined under the regulations prescribed by the Commissioner.*

(3) *For the purposes of paragraph (2) of this subdivision, 'back pay' means (A) remuneration, including wages, salaries, retirement pay, and other similar compensation, which is received or accrued during the taxable year by an employee for services performed prior to the taxable year for his employer and which would have been paid prior to the taxable year except for the intervention of one of the following events: (i) bankruptcy or receivership of the employer; (ii) dispute as to the liability of the employer to pay such remuneration, which is determined after the commencement of court proceedings; (iii) if the employer is the United States, a State, a Territory, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any of the foregoing, lack of funds appropriated to pay such remuneration; or (iv) any other event determined to be similar in nature under regulations prescribed by the Commissioner; and (B) wages or salaries which are received or accrued during the taxable year by an employee for services performed prior to the taxable year for his employer and which constitute retroactive wage or salary increases ordered, recommended, or approved by any Federal or State agency, and made retroactive to any period prior to the taxable year; and (C) payments which are received or accrued during the taxable year as the result of an alleged violation by an employer of any State or Federal law relating to labor standards or practices, and which are determined under regulations prescribed by the Commissioner to be attributable to a prior taxable year. Amounts not includible in gross income under this subdivision shall not constitute 'back pay'.*

Sec. 2. Applicable. The provisions of this act shall apply to all taxable years beginning after December 31, 1943.

Approved April 19, 1945.