

(8) Contributions by employees under the federal railroad retirement act, the federal social security act, or to Minnesota or federal public employee retirement funds.

(9) Expenses, interest and taxes connected with or allocable against the production or receipt of all income not included in the measure of the tax imposed by this Act. *When the federal income tax liability is joint and several under a joint federal return of husband and wife, the allowable federal income tax paid on the income included in the joint federal return may be taken as a deduction from gross income by the spouse who paid the federal income tax.*

Sec. 3. **Effective date.** The provisions of this act shall apply to all taxable years beginning after December 31, 1947.

Approved April 21, 1949.

CHAPTER 542—H. F. No. 441

An act relating to gross earnings taxation of telephone companies, amending Minnesota Statutes 1945, Section 295.34.

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

Section 1. Minnesota Statutes 1945, Section 295.34, is amended to read:

295.34. Telephone companies to pay tax on gross earnings. Subdivision 1. Except as provided in subdivision 2 of this act every telephone company shall pay into the state treasury, on or before March first, in each year, beginning with March 1, 1938, the following percentages of its gross earnings of the preceding calendar year derived from business within this state: (a) four per cent of its gross earnings from service to rural subscribers; (b) four per cent of its gross earnings from exchange business of all cities of the fourth class and boroughs and villages having a population of 10,000 or less; and (c) seven per cent of its gross earnings derived from all other business; which shall be in lieu of all other taxes, except the taxes imposed by Chapter 290 and by Sections 285.01 and 285.02. All moneys paid by a company for connecting fees and switching charges to any other company

shall be reported as earnings by the company to which they are paid, but shall not be deemed earnings of the collecting and paying company. For the purposes of this section, the population of any village shall be considered as that stated in the latest federal census.

Subd. 2. All telephone companies whose gross earnings from operations during any calendar year whether derived from fixed assessments or any other source, and exclusive of connecting fees and switching charges paid to others, are \$100.00 or less, shall pay into the state treasury a tax of fifteen cents per telephone for each telephone connected to the system during such calendar year whether the same is in actual use or not. Every taxpayer subject to this subdivision shall on or before February first of each year file a verified report in duplicate copy with the commissioner of taxation in such form as may be prescribed, showing the number of telephones connected to the system whether in use or not, and such other information as the commissioner may deem necessary to a proper determination of the tax herein imposed. In all other respects the taxpayers subject to these provisions shall be governed by all other provisions of law in force and applicable to the gross earnings tax of telephone companies.

Approved April 21, 1949.

CHAPTER 543—H. F. No. 692

An act relating to the equalization of assessments by local boards of review, county boards of equalization and state board of equalization; amending Minnesota Statutes 1945, Sections 274.01, 274.13, 274.14, 270.13; and repealing Sections 274.02 and 274.06.

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

Section 1. Minnesota Statutes 1945, Section 274.01, is amended to read:

274.01. **Board of review.** The town board of each town, the council or other governing body of each village, *borough*, and city, except in cities whose charters provide for a board of equalization, shall be a board of review. *The county assessor*