

Sec. 4. *The provisions of this chapter are applicable to all taxable years beginning after December 31, 1952.*

Approved April 23, 1953.

CHAPTER 668—H. F. No. 772

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1949, Section 290.19, Subdivision 1.

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

Section 1. Minnesota Statutes 1949, Section 290.19, Subdivision 1, is amended to read:

290.19 Net income, allocation. Subdivision 1. **Computation, business conducted partly within state; apportionment.** The taxable net income from a trade or business carried on partly within and partly without this state shall be computed by deducting from the gross income of such business, wherever derived, deductions of the kind permitted by section 290.09 so far as connected with or allocable against the production or receipt of such income. The remaining net income shall be apportioned to Minnesota as follows:

(1) If the business consists of the manufacture in Minnesota or within and without Minnesota of personal property and the sale of said property within and without the state, the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(a) The percentage which the sales made within this state and through, from or by offices, agencies, branches or stores within this state is of the total sales wherever made;

(b) The percentage which the total tangible property, real, personal, and mixed, owned or used by the taxpayer in this state in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or used by the taxpayer in connection with such trade or business; and,

(c) The percentage which the taxpayer's total pay-rolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total pay-rolls paid or incurred in connection with such entire trade or business;

(d) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (1) (a), 15 percent of the percentage determined under clause (1) (b), and 15 percent of the percentage determined under clause (1) (c);

(2) (a) In all other cases the remainder shall be apportioned to Minnesota on the basis of the percentage obtained by taking the arithmetical average of the following three percentages:

(1) The percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted;

(2) The percentage which the total tangible property, real, personal, and mixed, owned or used by the taxpayer in this state in connection with such trade or business is of the total tangible property, real, personal, or mixed, wherever located, owned, or used by the taxpayer in connection with such trade or business; and

(3) The percentage which the taxpayer's total pay-rolls paid or incurred in this state or paid in respect to labor performed in this state in connection with such trade or business is of the taxpayer's total pay-rolls paid or incurred in connection with such entire trade or business;

(4) The percentage of such remainder to be assigned to this state shall not be in excess of the sum of the following percentages: 70 percent of the percentage determined under clause (2) (a), 15 percent of the percentage determined under clause (2) (b), and 15 percent of the percentage determined under clause (2) (c);

(b) If the methods prescribed under clause 2(a) will not properly reflect taxable net income assignable to the state, there may be used, if practicable and if such use will properly and fairly reflect such income, the percentage which the sales, gross earnings, or receipts from business operations, in whole or in part, within this state bear to the total sales, gross earnings, or receipts from business operations wherever conducted; or the separate or segregated accounting method;

(3) The sales, pay-rolls, earnings, and receipts referred to in this section shall be those for the taxable year in respect of which the tax is being computed. The property referred to in this section shall be the average of the property

owned or used by the taxpayer during the taxable year in respect of which the tax is being computed ;

(4) For the purposes of this section, in determining the amount of sales made within Minnesota, there shall be excluded therefrom sales negotiated or effected in behalf of the taxpayer by agents or agencies chiefly situated at, connected with, or sent out from premises for the transaction of business owned or rented by the taxpayer or by his agents or agencies outside the state and sales otherwise determined by the commissioner to be attributable to the business conducted on such premises. If the commissioner finds that the taxpayer maintains an office, warehouse or other places of business outside the state for the purpose of reducing its tax under this section it shall in determining the amount of taxable net income include therein the proceeds of sales attributed by the taxpayer to the business conducted at such place outside the state.

Sec. 2. *The provisions of this chapter are applicable to all taxable years beginning after December 31, 1952.*

Approved April 23, 1953.

CHAPTER 669—H. F. No. 775

An act relating to licenses for the sale of intoxicating liquor; amending Minnesota Statutes 1949, Section 340.13, Subdivision 1.

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

Section 1. Minnesota Statutes 1949, Section 340.13, Subdivision 1, is amended to read :

340.13 Revocation of licenses. Subdivision 1. *The authority issuing any license under the provisions of sections 340.07 to 340.96 may revoke the license for violation of any provision of any statute or ordinance relating to the sale of intoxicating liquors, or, may suspend the license if revocation is not mandatory. The licensee shall be granted a hearing upon at least ten days notice before revocation or suspension is ordered by such governing body in all cases where mandatory revocation is not provided by law. "Off sale" licenses may be revoked or suspended by the governing body of the municipality as above provided or by the liquor control commissioner after hearing. No suspension shall exceed 60 days. No manufacturer or wholesaler shall either directly or indirectly own or control or have any financial interest in any retail business selling intoxicating liquor, but this restriction shall not be con-*