

CHAPTER 298

OCCUPATION TAX ON MINING

298.01 OCCUPATION TAX ON PRODUCING ORES.

HISTORY. 1921 c. 223 s. 1; G.S. 1923 s. 2373; M.S. 1927 s. 2373; Ex. 1937 c. 85 s. 1; 1939 c. 356 s. 1; 1941 c. 544 s. 1; 1943 c. 590 ss. 1, 2; 1945 c. 448 s. 1.

Laws 1921, Chapter 223, speaks prospectively only; and one who ceased operations before the act took effect is not subject to the 1921 tax. *State v Crete*, 164 M 273, 204 NW 932.

Royalties are rent and not the purchase price of the ore. *State ex rel v Armson*, 166 M 230, 207 NW 727.

In determining the occupation tax each mine is treated as a separate unit, though several are operated by the same company. *State ex rel v Armson*, 166 M 230, 207 NW 727.

Discussion of allowable and non-allowable deductions in fixing occupation tax. *State ex rel v Armson*, 166 M 230, 207 NW 727; *State ex rel v Armson*, 166 M 243, 207 NW 732; 181 M 221, 232 NW 35.

Laws 1921, Chapter 223, is an occupation tax, while Laws 1933, Chapter 226, is a property tax. They are complementary and supplementary. *State ex rel v Armson*, 172 M 235, 215 NW 74.

Where the lessee has covenanted to pay all taxes he must pay the royalty tax. *Marble v Oliver*, 172 M 263, 215 NW 71; *Fletcher v Lorain*, 172 M 271, 215 NW 180; *International v Mississippi*, 43 F(2d) 17, 282 US 905.

Advance royalty paid by a lessee or by a sublessee or assignee cannot be deducted from the occupation tax on ore mined after the lease has expired. *State ex rel v Wallace*, 196 M 199, 264 NW 773; *State v Casualty*, 213 M 224, 6 NW(2d) 800.

The findings of the Minnesota board of tax appeals (55, 56) relating to fixing the value of mining property for tax purposes by the Hoskold tables is affirmed. *Village of Aurora v Commissioner*, 217 M 64, 14 NW(2d) 292.

298.02 LOW-GRADE ORE.

HISTORY. 1939 c. 356 s. 3; M. Supp. s. 2373-2; 1941 c. 544 s. 3; 1943 c. 590 s. 3; 1945 c. 445 s. 1.

298.03 VALUE OF ORE; HOW ASCERTAINED.

HISTORY. 1921 c. 223 s. 2; G.S. 1923 s. 2374; 1925 c. 307 s. 1; M.S. 1927 s. 2374; Ex. 1937 c. 85 s. 2.

In reviewing the determination of the taxing authorities of the occupation tax, the courts can only inquire whether the evidence furnished a reasonable basis for the determination and whether the commission acted arbitrarily, exceeded its jurisdiction, or proceeded on an erroneous legal theory. *State ex rel v Armson*, 166 M 230, 207 NW 727.

Deduction of royalties. *State ex rel v Armson*, 166 M 230, 207 NW 727; 166 M 243, 207 NW 732; 166 M 249, 207 NW 735; 172 M 235, 215 NW 74; 176 M 125, 222 NW 649; 181 M 221, 232 NW 35; *State ex rel v Bjornson*, 194 M 649, 259 NW 392, 262 NW 574; *State ex rel v Wallace*, 196 M 212, 264 NW 773; *State ex rel v Commissioner*, 209 M 150, 295 NW 652.

In determining the tax each mine should be treated as a separate unit, even though all have the same lessors, lessees, and management. *State ex rel v Armson*, 166 M 230, 207 NW 727.

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Classification of ore lands for assessment purposes. *State v Erskine*, 169 M 381, 211 NW 329.

Laws 1921, Chapter 223, is an occupation tax, and is constitutional, and collectible by suit against the person from whom it is due. *Royal v Lord*, 13 F(2d) 227.

Taxpayer's sale of half of mining corporation's debt to him for \$500.00 does not show worthlessness thereof conclusively, in view of the fact that he could thereby offset a considerable loss against his capital gains credit. *Helvering v Ames*, 71 F(2d) 942.

298.04 ORES SUBJECT TO TAX.

HISTORY. Ex. 1937 c. 85 s. 3; M. Supp. s. 2374-1.

298.05 MINING COMPANIES TO REPORT ANNUALLY.

HISTORY. 1921 c. 223 s. 3; G.S. 1923 s. 2375; 1925 c. 307 s. 2; M.S. 1927 s. 2375.

One whose mining operations ceased before the passage of the law, and who did not resume operations again that year, is not subject to taxation for the year 1921. The law speaks prospectively only. *State v Crete*, 164 M 273, 204 NW 932.

298.06 COMMISSIONER TO DETERMINE TAX.

HISTORY. 1921 c. 223 s. 4; G.S. 1923 s. 2376; M.S. 1927 s. 2376.

298.07 WHEN REPORT INCORRECT COMMISSIONER TO FIX AMOUNT OF TAX.

HISTORY. 1921 c. 223 s. 5; G.S. 1923 s. 2381; M.S. 1927 s. 2381.

298.08 PROCEDURE WHEN NO REPORT IS FILED; PENALTY FOR FAILURE TO REPORT.

HISTORY. 1921 c. 223 s. 6; G.S. 1923 s. 2382; M.S. 1927 s. 2382.

298.09 NOTICES; HEARINGS; DETERMINATION OF AMOUNT OF TAX IS FINAL; CERTIORARI.

HISTORY. 1921 c. 223 s. 7; G.S. 1923 s. 2383; 1925 c. 307 s. 3; M.S. 1927 s. 2383; 1943 c. 657 s. 1.

Certiorari to the tax commission. *State ex rel v Armson*, 172 M 605, 216 NW 240; *State ex rel v Bjornson*, 194 M 649, 259 NW 392, 262 NW 574.

298.10 COMMISSIONER TO CERTIFY AMOUNT OF TAXES TO STATE AUDITOR; DRAFTS ON PERSONS LIABLE.

HISTORY. 1921 c. 223 s. 8; G.S. 1923 s. 2384; 1925 c. 307 s. 4; M.S. 1927 s. 2384.

298.11 TIME FOR PAYMENT OF TAXES; PENALTIES.

HISTORY. 1921 c. 223 s. 9; G.S. 1923 s. 2385; 1925 c. 307 s. 5; M.S. 1927 s. 2385.

298.12 STATE AUDITOR'S DRAFT PRIMA FACIE EVIDENCE OF AMOUNT DUE.

HISTORY. 1921 c. 223 s. 10; G.S. 1923 s. 2377; M.S. 1927 s. 2377.

298.13 ATTORNEY GENERAL TO COLLECT UNPAID DRAFTS.

HISTORY. 1921 c. 223 s. 11; G.S. 1923 s. 2378; M.S. 1927 s. 2378.

Laws 1921, Chapter 223, requires actions for the collection of occupation tax to be brought in Ramsey county or in the county where the ore is mined, and tried in

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the county in which the action is brought. State ex rel v District Court, 159 M 282, 198 NW 667.

The limitations as to venue required by section 542.09 do not apply to the special statutory procedure provided by section 544.14. Midland v Hendrickson, 159 M 355, 200 NW 17.

298.14 PENALTY FOR FALSE RETURN.

HISTORY. 1921 c. 223 s. 12; G.S. 1923 s. 2379; M.S. 1927 s. 2379.

298.15 RECORDS OF COMPANIES TO BE OPEN TO INSPECTION.

HISTORY. 1921 c. 223 s. 13; G.S. 1923 s. 2380; M.S. 1927 s. 2380.

298.16 TAXES TO BE CREDITED TO GENERAL REVENUE FUND.

HISTORY. 1921 c. 223 s. 14; G.S. 1923 s. 2386; M.S. 1927 s. 2386.

298.17 OCCUPATION TAXES TO BE APPORTIONED.

HISTORY. 1923 c. 402 s. 1; G.S. 1923 s. 2391; M.S. 1927 s. 2391.

298.18 TAXES TO GO TO REVENUE FUND IF SECTION 298.17 INVALID.

HISTORY. 1923 c. 402 s. 2; G.S. 1923 s. 2392; M.S. 1927 s. 2392.

298.19 ORE CARRYING ROADS TO REPORT TO COMMISSIONER.

HISTORY. 1923 c. 354 s. 1; G.S. 1923 s. 2389; M.S. 1927 s. 2389.

298.20 VIOLATION A GROSS MISDEMEANOR.

HISTORY. 1923 c. 354 s. 2; G.S. 1923 s. 2390; M.S. 1927 s. 2390.

298.21 PERSON.

HISTORY. 1921 c. 223 s. 16; G.S. 1923 s. 2388; M.S. 1927 s. 2388.

298.22 APPROPRIATION FOR REHABILITATION.

HISTORY. 1941 c. 544 s. 4; 1943 c. 590 s. 4.

298.23 TACONITE.

HISTORY. 1941 c. 375 s. 1.

298.24 TAX ON MINING OF TACONITE.

HISTORY. 1941 c. 375 s. 2.

298.25 AN ADDITIONAL TAX.

HISTORY. 1941 c. 375 s. 3.

298.26 TAX ON UNMINED TACONITE.

HISTORY. 1941 c. 375 s. 4.

298.27 COLLECTION AND PAYMENT OF TAX.

HISTORY. 1941 c. 375 s. 5.

298.28 PROCEEDS TO GENERAL FUND OF THE STATE AND VARIOUS TAXING DISTRICTS.

HISTORY. 1941 c. 375 s. 6.

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298.29 TACONITE MINING COMPANY GRANTED POWER OF EMINENT DOMAIN.

HISTORY. 1945 c. 275 s. 1.

298.30 PERMITS AND LICENSES.

HISTORY. 1945 c. 275 s. 2.

298.31 PERMISSION TO USE WATERS OF BIRCH LAKE AND DUNKA RIVER; LIMITATIONS.

HISTORY. 1945 c. 283 s. 1.