

Special Property Taxes

CHAPTER 285

TAXES ON MONEY AND CREDITS

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285.01 DEFINITIONS. Subdivision 1. **Words, terms, and phrases.** Unless the language or context clearly indicates that a different meaning is intended, the following words, terms, and phrases, for the purposes of this chapter, shall be given the meanings subjoined to them.

Subd. 2. **Money.** The word "money" means gold and silver coin, treasury notes, bank notes, and other forms of currency in common use.

Subd. 3. **Credits.** The word "credits" means and includes every claim and demand for money or other valuable thing, and every annuity or sum of money receivable at stated periods, due or to become due, and all claims and demands secured by deed or mortgage, due or to become due, and all shares of stock in corporations 75 per cent or more of the real and tangible personal property of which is not taxable in this state.

[1911 c. 285 s. 1; 1923 c. 102; 1939 c. 126; 1943 c. 596 s. 1] (2337)

285.02 IMPOSITION OF 3-MILL TAX ON MONEY AND CREDITS. As defined in section 285.01, money and credits are hereby exempt from taxation other than that imposed by this chapter, and except as hereinafter provided shall hereafter be subject to an annual tax of three mills on each dollar of the fair cash value thereof.

The following money and credits shall not be subject to the tax imposed by this chapter; (a) money and credits belonging to incorporated banks located within this state; (b) money and credits held in a trust forming a part of a stock bonus, pension, or profit-sharing plan of an employer for the exclusive benefit of some or all of his employees, and which is of the kind and nature described and defined in Mason's Supplement 1940, Section 2394-28 (d); (c) mortgages and other evidences of indebtedness on which taxes have been fully and properly paid, under the provisions of Mason's Minnesota Statutes of 1927, Sections 2322-2336, as amended, until maturity and for one year thereafter; (d) money and credits, however held and whether in trust or otherwise, in the proportion that the income therefrom would not be subject to tax under the provisions of the income tax law of this state; (e) moneys and credits of corporations which or the shares of stock of which are subject to the tax imposed by Section 2026-5, 1940 Supplement, Mason's Minnesota Statutes, 1927.

[1911 c. 285 s. 1; 1923 c. 102; 1943 c. 596 s. 1] (2337)

285.021 MONEY AND CREDITS EXEMPTED FROM TAXATION. Subdivision 1. Money and credits, as defined in Minnesota Statutes 1941, Sections 285.01 and 285.02, as amended by Laws 1943, Chapter 596, Section 1, are hereby exempted from taxation.

Subd. 2. The exemption provided by this section shall not affect or prevent the assessment, levy, or collection of taxes on money and credits for any year or years prior to 1943.

[1945 c. 453 s. 1]

285.023 EXEMPTION OF MONEY AND CREDITS. Money and credits of each individual, estate, trust, and partnership of the fair cash value of \$1,000 shall not be subject to the tax imposed by Mason's Minnesota Statutes of 1927, Sections 2337 to 2349, as amended. For the purpose of determining salaries of all officials based on assessed valuations and of determining tax limitations now established by statute or by charter, the assessed value of money and credits in each municipality or other taxing district shall not be less than the assessed value of money and credits as finally equalized for the year 1942.

[1943 c 596 s 2; 1949 c 724 s 1]

285.03 HOW LISTED. All money and all credits taxable under this chapter shall be listed in the manner provided in section 273.22, but such listing shall be upon a separate blank from that upon which other personal property is listed.

[1911 c. 285 s. 2] (2338)

285.04 NOTICE BY ASSESSOR; LIST. Before making an assessment of money and credits under this chapter the assessor shall give seasonable notice to the inhabitants of his district in the manner prescribed in section 273.08. He shall require each individual, copartnership, company, association, or corporation in his district to bring in, before a date therein specified and not later than the first day of July, a true list of all their moneys and credits taxable under this chapter.

[1911 c. 285 s. 3] (2339)

285.05 INSTRUCTIONS PREPARED. The commissioner of taxation shall annually prepare instructions for bringing in the lists required by section 285.04. He shall prepare a form for the returns which the taxpayers are required to make by this chapter, and this form shall be printed on a separate sheet and shall be entirely distinct from the forms prepared for the returns of other classes of property. This form shall require the taxpayer to make a return of the total amount of his money and credits taxable under this chapter.

The county auditor shall cause to be printed and shall furnish assessors blank lists for the return of property taxable under this chapter, in such form as the commissioner of taxation may prescribe, and the assessor shall furnish one of such blank lists to each person in his district liable to taxation.

[1911 c. 285 s. 4; 1917 c. 129 s. 1] (2340)

285.06 LIST TO BE UNDER OATH; INSPECTION. The assessor shall, in all cases, require a person bringing in a list to make oath that it is as nearly correct as he is able to make it, and this oath shall be attached to and be a part of such list.

The list shall be open to the inspection of the assessor, county auditor, their deputies and clerks, the board of review, the board of equalization, their clerks, the commissioner of taxation and his assistants and clerks, but the details of the lists made by taxpayers shall be disclosed to no other person except by order of court, and any assessor or other person who shall disclose such details shall be liable to a fine of not less than \$100 nor more than \$500. The lists shall be delivered by the assessor to the county auditor and by him preserved.

[1911 c. 285 s. 5] (2341)

285.07 WHEN TO BE RECEIVED AS TRUE. The assessor shall receive as true, except as to valuation, the list brought in by each person, unless, on being thereto required by the assessor, he refuses to answer on oath all reasonable and necessary inquiries as to the nature and amount of his property taxable under the provisions of this chapter.

[1911 c. 285 s. 6] (2342)

285.08 FAILURE TO LIST; ASSESSOR TO ESTIMATE. The assessor shall ascertain, as nearly as possible, the particulars of the personal estate, subject to taxation under this chapter, of any person who has not brought in such list and shall estimate its just value according to his best information and belief. He shall also add thereto 50 per cent of the estimated value of such property as a penalty; and such estimate, with the penalty of 50 per cent, shall be entered in the valuation books, and shall be conclusive upon any person who has not seasonably brought in a list of his estate unless he can show reasonable excuse for the omission.

[1911 c. 285 s. 7] (2343)

285.09 ESTIMATE, HOW MADE. In making such estimate the assessor shall specify the amount of money and credits separately and shall enter the same upon

the books furnished under the provisions of section 285.11. An error or over-estimate, or either, shall not be taken into account in determining whether a person is entitled to abatement, but only the aggregate amount of such estimate.

[1911 c. 285 s. 8] (2344)

285.095 WHERE CERTAIN MONEY AND CREDITS IS ASSESSED. The money and credits of a minor, incompetent, or other person under guardianship, shall be assessed in the taxing district where the guardianship is principally administered.

[1943 c. 596 s. 4]

285.096 MONEY AND CREDITS IN HANDS OF AN ESTATE. Money and credits in the hands of an estate or trust shall be assessed to the representative or trustee, as the case may be. Upon request of any representative or trustee who is about to be discharged from his trust after May 1 and before December 31 in any year, the assessor or county auditor shall determine the tax due for the current year and issue a statement thereof to the representative or trustee. The county treasurer shall accept payment of the said tax and issue his receipt therefor. The tax so paid shall be deposited in a special fund and credited, after the succeeding January 1, in the same manner as other money and credits taxes then currently payable.

[1943 c. 596 s. 5]

285.10 WHAT AMOUNT ASSESSABLE. After property, taxable under the provisions of this chapter, has been legally assessed to any inhabitant of the state of Minnesota, including any executor, administrator, or trustee, an amount not less than that last assessed by the assessor of such district in respect to such property shall be deemed to be the sum assessable, until a true list of such property is brought in to the assessor in accordance with the provisions of section 285.04. When a person liable to be taxed for personal property included within the provisions of this chapter changes his domicile, the assessor of the district to which he removes shall assess him for an amount not less than that for which he was assessed in the district from which he removed, until he files the list required by section 285.04. The duties of assessors under this section shall be the same as prescribed in section 274.12, and whoever neglects to perform any duty imposed upon him by this section shall be guilty of a misdemeanor.

[1911 c. 285 s. 9] (2345)

285.11 PROPERTY TO BE LISTED IN SEPARATE BOOK. Property taxable under this chapter shall not be included in the valuation list which assessors are required to make under the provisions of section 273.49; but shall be listed in a separate book or in a supplement to the regular assessment book which the county auditor shall provide for each assessor on or before the first day of May, each year. The valuation of property included in this chapter shall not be added to the valuation in section 385.14 and in section 385.37, for the purpose of fixing salaries or clerk hire as therein provided, except in counties having an area of more than 500 square miles and an assessed valuation of more than \$9,000,000, under the provisions of section 273.49.

This book supplement shall show the total amount of money and of credits assessed to each taxpayer under the provisions of this chapter, and shall not disclose further details of his assessment. It shall contain also a summary showing the number of individuals, firms, associations, trustees, etc., assessed for such property and the total amount of money and credits taxable under the provisions of this chapter. When making the return to the county auditor provided for by section 274.04 the assessor shall file this valuation book, or supplement, together with the summary of the same and the listing blanks filled out by each taxpayer assessed under the provisions of this chapter.

The county auditor, when compiling the returns required by section 274.16, shall include under a separate heading the aggregate assessment in each district of property assessed under the provisions of this chapter.

[1911 c. 285 s. 10; 1913 c. 576 s. 1] (2346)

285.12 REVIEW AND EQUALIZATION. The assessment under this chapter shall be reviewed and equalized the same as the assessment of other personal property is reviewed and equalized.

[1911 c. 285 s. 11] (2347)

285.13 AUDITOR TO COMPUTE TAXES; LIST; COLLECTION. The auditor of each county shall compute the taxes under this chapter each year against each individual, copartnership, company, association, or corporation; and he may include such tax on the personal property tax list with the other personal property tax levied against such individual, copartnership, company, association, or corporation where the assessment is made.

The tax levied under this chapter shall be collected by the county treasurer or sheriff the same as other personal property taxes are collected.

[1911 c. 285 s. 12] (2348)

285.14 APPORTIONMENT OF RECEIPTS. All taxes paid to the county treasurer under the provisions of this chapter shall be apportioned, one-sixth to the revenue fund of the state, one-sixth to the county revenue fund, one-third to the city, village, or town, and one-third to the school district in which the property is assessed.

[1911 c. 285 s. 13] (2349)

285.143 MUNICIPALITIES AUTHORIZED TO LEVY TAX. Any county, city of any class, village, borough, or town may, notwithstanding any millage limitation imposed by law or home rule charter, levy a tax in excess thereof, but not in excess of the tax on money and credits, assessed in said political subdivision for the year 1942, and apportioned to it in 1943 as provided in section 285.14.

[1945 c. 453 s. 2]

285.15 LIMITATIONS IN PROCEEDINGS FOR ASSESSMENT OF TAXES ON MONEY AND CREDITS. Subdivision 1. **Liability extinguished.** No assessment shall ever be made of the taxes for the year 1939 and thereafter, imposed by sections 285.01 to 285.14, for which a return shall have been filed, more than three years after the calendar year in which such taxes could first have been assessed. The bar of limitation upon the right of assessment imposed by this subdivision shall not only operate to bar the right of assessment, but shall extinguish the liability.

Subd. 2. **Time limited.** The time for the assessment of taxes imposed by sections 285.01 to 285.14 for the year 1937, and prior years, shall be limited to March 1, 1940, and for the year 1938, to March 1, 1941, with respect to any year for which the taxpayer has filed a return under sections 285.01 to 285.14, or has made a supplemental return, or has been assessed pursuant to an order or direction of the commissioner of taxation, or by the county auditor, under the provisions of section 273.02, and has paid the tax levied thereon; provided, that the time for the assessment of taxes imposed by sections 285.01 to 285.14 for all years prior to the year 1939 shall, in the case of any taxpayer who shall, on or before December 30, 1939, file a return and pay the tax, if any, assessed thereon for the years 1936, 1937, and 1938 pursuant to the provisions of subdivision 4 hereof, be limited as provided in subdivision 4.

Subd. 3. **Time for enforcement of collection of taxes.** Actions to enforce the collection of the taxes imposed by sections 285.01 to 285.14 shall be commenced within six years after such taxes become delinquent; provided, that such actions shall not be commenced until and unless a valid assessment of such taxes has been made.

Subd. 4. **When right to assess is barred.** Any person may, on or before December 30, 1939, file a return, as required by sections 285.01 to 285.14, for each of the years 1936, 1937, and 1938, in which case the right to assess such taxes against such person for such years, or any years prior to 1936, shall be barred. If it shall appear from any of such returns that a tax (credit being first given for taxes theretofore paid for the year covered by such return) is due and payable in respect of the property therein disclosed, such tax, together with the penalties provided herein, shall be assessed by the county auditor on the current money and credits assessment rolls and the tax list then in the hands of the county treasurer and such tax and penalties shall be collected by the county treasurer.

Penalties equal to the following percentages of the tax so assessed shall be assessed and collected:

- (1) If the return is filed prior to July 1, 1939, no penalties or interest;
- (2) If the return is filed after June 30, 1939, and prior to August 1, 1939, two per cent;
- (3) If the return is filed after July 31, 1939, and prior to September 1, 1939, four per cent;

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(4) If the return is filed after August 31, 1939, and prior to October 1, 1939, six per cent;

(5) If the return is filed after September 30, 1939, and prior to November 1, 1939, eight per cent;

(6) If the return is filed after October 31, 1939, and prior to December 30, 1939, ten per cent.

The penalties provided herein shall be the sole interest and penalties which shall be assessed and collected on taxes imposed by sections 285.01 to 285.14 for the years 1936, 1937, and 1938 which are assessed on property disclosed by returns for those years filed prior to December 30, 1939; provided that any person filing returns for those years during that period shall pay the amount of tax and penalties disclosed thereby at the time of filing the return and, in the event the taxes and penalties are not paid at that time, interest and penalties thereon shall be assessed and collected as though this section had not been passed. In the event the county auditor determines that the amount of such taxes for such years due and payable by any person is in excess of the amount disclosed by the return and the additional taxes are assessed within the period permitted by this section, interest and penalties shall be assessed and collected on the additional taxes as though this section had not been passed.

Subd. 5. **Shares of stock in certain corporations.** No assessments, pursuant to sections 285.01 to 285.14, shall be made for any year or years prior to the passage of this section, of shares of stock in foreign or domestic corporations the property of which is subject to taxation under the laws of this state.

Subd. 6. **When not subject to prosecution.** Any person who makes a return under the provisions of subdivision 4, or who files or has filed supplemental information with respect to money and credits on demand of any taxing official with respect to the year 1938, or prior years, shall not be subject to criminal prosecution for or on account of any act in connection with any money and credits tax return heretofore made or supplemental information filed for the year 1938, or prior years.

Subd. 7. **Severability.** If any part or provision of this section shall, for any reason, be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not impair or invalidate any other part or provision in the remainder of the section; and, if any part or provision of this section shall, for any reason, be adjudged by any court of competent jurisdiction constitutionally inapplicable to any case within the terms of such part or provision, such judgment shall not impair or invalidate such part or provision as applied to any other type of case within their terms. If the provisions and exceptions to the application of subdivision 2, contained in subdivision 4 herein, be adjudged by any court of competent jurisdiction to be invalid or to invalidate the provisions of any other part or provision in the remainder of this section, the exceptions and conditions of subdivision 4 shall be deemed void and of no effect and the remaining parts and provisions of this section shall be construed as though subdivision 4 had not been enacted.

[1939 c. 423 s. 1, subds. 2, 3, 4, 5, 6, 7] (2206)