

## CHAPTER 299

TAX UPON ROYALTIES RECEIVED FOR PERMISSION TO  
REMOVE ORE FROM LAND

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**299.01 TAX ON SEVERANCE OF ORE FROM LAND; RATE.** There shall be levied and collected upon all royalty received during the year ending December 31, 1947, and upon all royalty received during each calendar year thereafter, for permission to explore, mine, take out and remove ore from land in this state, a tax of 11 per cent.

The increased rates provided hereby shall be applicable to all royalties received subsequent to December 31, 1946.

[1923 c 226 s 1; Ex1937 c 84 s 1, 2; 1939 c 355; 1941 c 545 s 1, 2; 1943 c 589 s 1, 2; 1945 c 447 s 1; 1947 c 540 s 1] (2392-1, 2392-1a)

**299.011 VETERANS BONUS TAX ROYALTIES.** There shall be levied and collected upon all royalty received during each calendar year after 1948, for permission to explore, mine, take out and remove ore from land in this state, as an addition to the tax levied by section 299.01, as amended, a tax of one per cent to be levied and collected as a part of the tax levied by section 299.01, as amended. This section shall be effective as of January 1, 1949, and shall expire on December 31, 1958, except as to the collection of taxes theretofore levied and unpaid. The proceeds of the tax imposed by this section are pledged to the payment of the bonds authorized by Laws 1949, Chapter 642, and the tax so imposed shall not be reduced below the amount imposed by this section. The proceeds of the tax imposed by this section shall be deposited in the state treasury to the credit of the veterans compensation fund.

[1949 c 642 s 16]

**299.02 DEFINITIONS.** Subdivision 1. **Royalty.** For all purposes of this chapter, the word "royalty" shall be construed to mean the amount in money or value of property received by any person having any right, title, or interest in or to any tract of land in this state for permission to explore, mine, take out and remove ore therefrom.

Subd. 2. **Person.** The word "person" shall be construed to include individuals, copartnerships, associations, companies, and corporations.

[1923 c. 226 s. 2] (2392-2)

**299.03 REPORTS TO COMMISSIONER.** Every person to whom royalty is paid shall, on or before the first day of February, make and file with the commissioner of taxation annually a report, verified by the person making the same, setting forth the amount of royalty received by such person during the preceding calendar year, and such other information as the commissioner of taxation may require.

[1923 c. 226 s. 3] (2392-3)

**299.04 CONTENTS OF REPORTS.** It shall be the duty of every person paying royalty, on the first day of February, to make and file with the commissioner of taxation annually a report covering the preceding calendar year, verified by the oath of the person making the same, and setting forth:

(1) The number of tons mined from each tract of land for the right to mine and remove ore on which such person pays royalty;

rate of 12 per cent per annum from the time the same should have been paid, to be recovered in an action by the attorney general for and on behalf of the state. The commissioner of taxation, may, upon petition of any royalty payor or recipient, upon such conditions as he may impose, permit the paying of the tax in one annual payment instead of as such royalty accrues, in which case such annual payment shall be made at such times as the commissioner of taxation directs, not later than May thirty-one of the year following the accrual of the royalty. No such extension of time shall be granted unless, as one of the conditions thereof, the royalty payor shall guarantee the payment of the tax.

In the event the royalty is paid in ore instead of in cash the tax provided for herein shall be a specific lien upon the ore apportioned to the royalty recipient; or, if such ore be not apportioned, upon the royalty recipient's interest in the ore mined, and such ore shall not be shipped from this state unless:

- (1) The royalty tax be paid; or
- (2) A bond be given to secure such payment, upon a form and with sureties approved by the commissioner of taxation, in an amount 25 per cent in excess of his estimate of the tax; or
- (3) The estimated amount of the tax, such estimate to be made by the commissioner of taxation, be deposited with the state treasurer as security for such payment; or
- (4) The payment of the tax be guaranteed or secured in some other manner satisfactory to the commissioner of taxation.

[1923 c 226 s 8; 1931 c 234 s 3; 1947 c 310 s 3] (2392-8)

**299.09 STATE AUDITOR TO MAKE DRAFT FOR TAX; STATE TREASURER TO COLLECT.** On or before the tenth day of May, in each year, the state auditor shall make his draft, upon the person against whom a tax has been certified, for the amount of tax and penalty, if any, due and place the same in the hands of the state treasurer for collection. The draft of the state auditor for the tax and penalties imposed by the foregoing provisions of this chapter shall be prima facie evidence, in any court where proceedings may be brought for its enforcement, that the amount therein stated is due the state from the person against whom the same is drawn.

[1923 c. 226 s. 9; 1925 c. 361 s. 2] (2392-9)

**299.10 NON-PAYMENT OF TAX, PENALTY; UNPAID DRAFTS COLLECTED BY ATTORNEY GENERAL.** If the tax herein provided for is not paid before June first of the year when due and payable a penalty of ten per cent thereof shall immediately accrue and thereafter one per cent per month shall be added to such tax while it remains unpaid. On July first, of each year, the state treasurer shall deliver all unpaid drafts to the attorney general, whose duty it shall be to bring an action thereon in the district court of Ramsey county for the amount of such draft, together with penalties, interest, and costs of the proceedings; and the judgment of the court, when so obtained and properly docketed, shall be a lien upon all right, title, and interest of the taxpayer to the land upon which such tax is a lien from the time the same is docketed; and the lien shall continue without limitation, with interest at the rate of one per cent per month, and the property may be sold in satisfaction of the judgment in the same manner as provided by law for the sale of property upon execution.

[1923 c. 226 s. 10; 1925 c. 361 s. 3] (2392-10)

**299.11 FALSE RETURNS OR REPORTS; PENALTY.** Any person who, for the purpose of evading the payment of the tax herein provided, or any part thereof, makes any false return or report shall, in addition to the tax provided by this chapter, pay a penalty of 50 per cent of the amount of the tax; and any person who shall knowingly make, under oath, any false report or return required by this chapter shall be guilty of perjury; and, upon conviction, punished therefor as provided by law.

[1923 c. 226 s. 11] (2392-11)

**299.12 RECORDS; INSPECTION BY COMMISSIONER; REFUSAL OF ACCESS A MISDEMEANOR.** All books, way-bills, inventories, correspondence, and memoranda relating to or used in the transaction of the business of any person paying or receiving royalty on ore mined in this state shall, upon request of the

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commissioner of taxation, be open to his inspection or examination. If any such person shall neglect or refuse, on request of the commissioner of taxation, access to these papers and books, he shall be guilty of a misdemeanor; and, upon conviction, punished therefor as provided by law.

[1923 c. 226 s. 12] (2392-12)

**299.13 TAXES CREDITED TO GENERAL REVENUE FUND.** All taxes assessed, levied, and collected under the provisions of this chapter shall be paid into the state treasury and credited to the general revenue fund.

[1923 c. 226 s. 13] (2392-13)

**299.14 APPLICATION.** Nothing in this act shall be construed as amending, modifying, qualifying, or in any way affecting the nature or character of the tax imposed by this chapter.

[1931 c. 234 s. 4] (2392-8½)

NOTE: This section applies only to the new provisions of law set forth by laws 1931, Chapter 234.