

297.22 TAX

HISTORY. 1949 c 553 s 2; 1951 c 570 s 1.

297.23 CONSUMERS TO FILE RETURN

HISTORY. 1949 c 553 s 3.

297.24 APPLICATION OF CERTAIN LAWS

HISTORY. 1949 c 553 s 4.

297.25 REFUSAL OR NEGLECT TO FILE RETURN

HISTORY. 1949 c 553 s 5.

297.26 REVENUES, DISTRIBUTION

HISTORY. 1949 c 553 s 6; 1951 c 570 s 2.

CHAPTER 298**OCCUPATION TAXES****MINING****298.01 TAX ON PRODUCING ORES**

NOTE: As a basis for property tax, the assessment of iron ore is made by the commissioner of taxation who determines the present value by estimating the future profits from the ore to be taken from the land. The occupation tax is an excise tax imposed upon the occupation by producing ores. One half of the occupation tax goes to schools and to the university trust fund, while the remainder, as does all of the royalty tax, goes to the general fund of the state.

Tax valuation of Minnesota iron ore. 34 MLR 389.

298.011 VETERANS BONUS OCCUPATION TAX

HISTORY. 1949 c 642 s 15.

298.02 LOW GRADE ORE

HISTORY. Amended, 1947 c 541 s 1; 1949 c 639 s 1; 1951 c 664 s 1; 1953 c 646 s 1.

298.03 VALUE OF ORE; HOW ASCERTAINED

Section 298.03 relates to an occupation tax. It is arrived at by taking the percentage of the valuation of the ores mined or produced. The valuation of the ores for the purpose of determining the amount of tax is ascertained by subtracting from the value of the ores certain costs, including if the ore is taken from an open pit mine, an amount for each ton of ore mined or produced during the year equal to the cost of removing the overburden divided by the number of tons of ore uncovered. In the instant case there is no evidence that the parties engaged in the occupation paid or incurred any of the costs of removing the overburden and consequently they are not entitled to deduction of the unamortized portion of the stripping expenditure. OAG April 29; 1949 (311-I).

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298.22 IRON RANGE RESOURCES AND REHABILITATION; COMMISSIONER

HISTORY. Amended, 1949 c 739 s 22; 1951 c 713 s 31.

The iron range resources and rehabilitation commission may enter into a cooperative agreement with the United States department of agriculture laboratory at Madison, Wisconsin, and lake states forest experimental station at St. Paul and contribute a reasonable amount of expense money to those projects. OAG Nov. 21, 1952 (416-A).

The contract between the iron range resources and rehabilitation commission and Chun King Sales, Inc. contemplated a pilot plant for certain purposes. It authorizes the expenditure of money by the state upon such portions of the plant as are owned by the state and in which the proposed operations are performed. OAG March 10, 1953 (416-A).

The iron range resources and rehabilitation commission cannot legally lend money to a corporation out of money raised by taxation. OAG July 16, 1947 (416-B).

If the commissioner of administration finds that aspen is a large natural resource; that high quality hardboard may be produced from the aspen; and that by reason of the removal of other natural resources from a certain section of the state, unemployment will result presently in the future; that the construction and operation of a pilot plant to demonstrate the commercial feasibility of the manufacture of such hardboard; such compensation under the circumstances is such that may call for immediate action and the commissioner is within his powers to authorize the iron range resources and rehabilitation agency to construct and operate the pilot plant. OAG July 20, 1948 (416-B).

Diamond drilling on state land to determine if the production of pyrites and sulphur and sulphuric acid is commercially feasible cannot be classified as an "internal improvement," as prohibited by Minnesota Constitution, Article IX, Section 7. OAG July 26, 1948 (416-B).

If the commissioner of iron range resources and rehabilitation finds that "distress and unemployment exist within a district or may exist therein in the future" and that same may be limited by diamond drilling on state lands for the production of pyrites and sulphuric acid he may upon recommendation of the iron range resources and rehabilitation commission expend for such production such portion of the appropriation made as he deems necessary and proper in the development of the resources in the district and in the vocational training and rehabilitation of its residents. OAG July 26, 1948 (416-B).

If sulphides or other sulphur ores are believed to exist in lands, the commissioner of conservation and the lessee of the property together with the commissioner of iron range resources and rehabilitation may enter into a contract for development and the commissioner of iron range resources and rehabilitation, with the consent and under the direction of the iron range resources and rehabilitation commission, may use \$25,000 of the commission's funds for drilling on the leased land in question. The drilling is not for the benefit of the lessee but is only incidental for the purpose of relief provided for by section 298.22 and the purpose of the use of the fund allocated is a question of fact to be determined by the state officers authorized by section 298.22 to make expenditures. OAG Dec. 14, 1948 (416-B).

If the state employee instructors in the carrying out of a training program available to applicants without any unfair discrimination and on a proper finding by the commissioner of iron range resources and rehabilitation, states that such training is necessary in the development of resources, vocational training and rehabilitation of the residents of the community where he has found the existence of unemployment by reason of the removal of natural resources therefrom, the expenditure of funds for such a purpose can properly be made. OAG April 6, 1949 (416-B).

Where the commissioner proposes a project or an expenditure and submits same to the commission of iron range resources and rehabilitation for its approval or disapproval the commission exercises advisory power only. OAG July 11, 1949 (416-B).

Where the iron range resources and rehabilitation agency leased a powder plant to Continental Machines, Inc. to be operated without cost to the state, the state is not liable for damage to the iron powder plant. OAG July 12, 1949 (416-B).

Article IX, section 9 of the state constitution declares that no money be paid out of the state treasury except in pursuance to the appropriation. The only appropriation to the commissioner of iron range resources and rehabilitation is found in section 298.22. Receipts from various projects carried on by the commissioner have not been appropriated to him and consequently cannot be added to the appropriation. OAG March 24, 1950 (416-B).

Any enterprise furthered by the commissioner of iron range resources and rehabilitation must not be the conducting of a private business by the state, but must have as its chief object the elimination of unemployment through the development of the resources of the county in question, and the vocational training and rehabilitation of its residents. It is the duty of the commissioner to determine the facts and use his discretion within the language of the statutes. OAG Aug. 24, 1950 (416-B).

Any project of the iron range resources and rehabilitation started, must have for its object the elimination of unemployment through the development of the resources of the county in question, and the vocational training and rehabilitation of its residents. The project must not be the conducting of a private business by the state. The responsibility of determining and testing the legality of a project is within the discretion of the commissioner. OAG Aug. 2, 1950 (416-B).

TACONITE

298.23 TACONITE AND IRON SULPHIDES DEFINED

HISTORY. 1941 c 375 s 1; 1947 c 93 s 1.

298.24 TAX ON TACONITE AND IRON SULPHIDES

HISTORY. 1941 c 375 s 2; 1947 c 93 s 2; 1951 c 613 s 1.

Patent ability cannot properly attach to a product unless it differs inventively from products disclosed by the prior art. The mere making of an article by a new process does not render it patentable unless the article itself is a product of invention. Product claims for patent for iron oxide pigments were properly rejected as not patentable over the prior art, in absence of a showing of critical differences between applicant's product and that of the prior art. Application of Smith, 162 F(2d) 466.

298.27 COLLECTION AND PAYMENT OF TAX

Tax valuation of Minnesota iron ore. 34 MLR 389.

298.29 Renumbered 117.46.

298.30 Renumbered 117.47.

298.31 Omitted, private.

COAL DOCK OPERATORS

298.41 OCCUPATION TAX ON COAL DOCK OPERATORS

HISTORY. 1953 c 482 s 1.

298.42 STATEMENT FURNISHED TO ASSESSOR

HISTORY. 1953 c 482 s 2.

298.43 TAX SEPARATELY ASSESSED

HISTORY. 1953 c 482 s 3.

298.44 STATEMENT NOT FURNISHED, PROCEDURE

HISTORY. 1953 c 482 s 4.

298.45 APPLICABLE LAWS

HISTORY. 1953 c 482 s 5.

CHAPTER 299

ORE; TAX ON ROYALTIES

299.01 TAX ON SEVERANCE OF ORE FROM LAND; RATE

Tax valuation of Minnesota iron ore. 34 MLR 389.

In construing the constitutionality of a legislative act the intent of the legislature must be ascertained from the language of the entire act read in the light of the object in view. The same tax can be sustained as property tax against one taxpayer, as privilege tax against another, and as combination property and privilege tax against a third. Every presumption is in favor of the constitutionality of the act. It is inherent in the exercise of the power to tax that a legislature is free to select the subject of taxation and to grant exemptions. The legislature likewise has a wide discretion in classifying property for the purpose of taxation provided its classifications are based upon differences which furnish a reasonable ground for the resulting distinctions between the several classes. *Hassler v Engberg*, 233 M 487, 48 NW(2d) 343.

The Miller-Mohawk Mine after operating for many years as an open pit-underground operation has exhausted the known marketable ore and their lease was surrendered and property reverted to the fee owners. The village of Aurora acquired the property, planted 50,000 trees thereon, and claimed to be using the property as a municipal forest. The village later leased the entire property to the Syracuse Mining Company for a term of 50 years reserving all timber rights. Any royalties received by the village of Aurora for permitting the lessee to explore, mine, take out and remove ore from the property involved are exempt from payment of the royalty tax imposed by section 299.01. OAG April 1, 1949 (414-A-11).

299.011 VETERANS BONUS TAX ROYALTIES

HISTORY. 1949 c 642 s 16.

299.05 TAX ON ROYALTIES; ASSESSMENT BY COMMISSIONER

HISTORY. Amended, 1947 c 310 s 1.