

**291.33 Payments to counties***[For text of subd. 1, see M.S.1971]*

Subd. 2. Ten percent of the amount as determined under the provisions of subdivision 1 shall be paid to each of such counties.

Said payments shall be transmitted to the county auditor of each county, to be placed to the credit of the county revenue fund. It shall be the duty of the state treasurer to pay warrants therefor out of any funds in the state treasury not otherwise appropriated. The moneys necessary to pay such warrants are hereby appropriated out of any moneys in the state treasury not otherwise appropriated.

*[1973 c 650 art. XIX s 1]*

(NOTE: After November 1, 1973, no adjustments shall be made to the distributions resulting from the commissioner's November 1, 1973 determination or to the distributions required to have been made in prior years pursuant to section 291.33. Any amounts appropri-

ated for this purpose shall lapse after November 1, 1973 and shall revert to the general fund.)

(NOTE: The provisions of this subdivision shall be effective for all payments required to be made in 1974 and years thereafter.)

**CHAPTER 292. GIFT TAXES**

Sec.  
292.04 Exemptions.  
292.05 Specific exemptions.

Sec.  
292.07 Rates of tax.  
292.105 Compounding of taxes.

**292.04 Exemptions**

The following transfers by gift shall be exempt from and excluded in computing the tax imposed by this chapter:

(1) Gifts to or for the use of the United States of America or any state or any political subdivision thereof for exclusively public purposes;

(2) Gifts to or for the use of any fund, foundation, trust, association, or organization or corporation operated within this state for religious, charitable, scientific, literary, or educational purposes exclusively, including the promotion of the arts, or the conduct of a public cemetery, if no part thereof inures to the profit of any private shareholder or individual. Gifts to or for the use of any corporation, fund, foundation, trust, or association operated for religious, charitable, scientific, literary, or educational purposes, including the promotion of the arts, or the conduct of a public cemetery, no part of which inures to the profit of any private shareholders or individual, shall be exempt, if at the date of the gift, the laws of the state under the laws of which the donee is organized or existing either (1) do not impose a gift tax in respect of property transferred to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of this state, or (2) contain a reciprocal provision under which gifts to a similar corporation, fund, foundation, trust, or association organized or existing under the laws of another state are exempt from gift taxes if such other state allows a similar exemption to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of such state;

(3) Gifts to a fraternal society, order, or association operating under the lodge system, but only if such gifts are to be used exclusively for the purposes designated in clause (2);

(4) Gifts to or for the use of posts or organizations of war veterans, or auxiliary units or societies of any such posts or organized within the state of Minnesota and if such gifts are to be used exclusively for the purposes designated in clause (2);

(5) All property transferred, money, service, or other thing of value, paid, furnished, or delivered by any person, corporation, organization, or association to his or its employees, or to any organization of his or its employees, directly or indirectly, or to any person, firm, or corporation for them or it, including payments to cover insurance, sickness, and death benefits, pensions,

**292.04 GIFT TAXES**

relief activities, or to any other employees benefit fund of any kind, and medical service to such employees and their families;

(6) The first \$3,000 in value of gifts (other than of future interests in property) made to any person by the donor during any calendar year. No part of a gift to a minor donee shall be considered a gift of future interest in property for purposes of this clause if it complies with the provisions of the Minnesota uniform gifts to minors act, chapter 527, or if it is a transfer for the benefit of a minor, and if the property and income therefrom:

(a) May be expended by or for the benefit of the donee before his attaining the age of 18 years; and

(b) Will to the extent not so expended

(1) pass to the donee on his attaining the age of 18 years and

(2) in the event the donee dies before attaining the age of 18 years, be payable to the estate of the donee, or as he may appoint under a general power of appointment as defined in section 2514(C) of the Internal Revenue Code of 1954.

[1973 c 725 s 54]

**292.05 Specific exemptions**

**Subdivision 1. Particular donees.** The following specific exemptions shall be deducted in computing the amount of the gifts made to any single donee:

(1) \$10,000, if the donee is the wife or minor or dependent child as defined in section 291.005, either by blood or by adoption, of the donor;

(2) \$5,000, if the donee is the husband, an adult child, by blood or by adoption, other lineal descendant, a stepchild as defined in section 291.005, or any mutually acknowledged child of the donor, or lineal descendants of such adopted or mutually acknowledged children;

(3) \$3,000, if the donee is a lineal ancestor of the donor;

(4) \$1,000, if the donee is a class C donee, as specified in section 292.07;

(5) \$250, if the donee is a class D donee, as specified in section 292.07.

[1973 c 185 s 4]

(NOTE: This subdivision shall be effective for all gifts made on or after January 1, 1973.)

[For text of subs. 2 and 3, see M.S.1971]

**292.07 Rates of tax**

[For text of subs. 1 and 2, see M.S.1971]

**Subd. 3. Credits.** A tax credit shall be allowed, in computing gift taxes due under this act, to the following donees in the following amounts:

Wife of the donor....\$300

Minor child, dependent child as defined in section 291.005, or any minor legally adopted child of the donor....\$ 75

Husband, an adult child, by blood or by adoption, other lineal descendant, a stepchild as defined in section 291.005, or any mutually acknowledged child of the donor, or lineal descendants of such adopted, dependent or mutually acknowledged children or of a stepchild....\$ 20

Lineal ancestors of the donor....\$ 60

Brother or sister of the donor, a descendant of such brother or sister, a wife or widow of a son of the donor, and the husband of a daughter of the donor....\$ 30

Brother or sister of the father or mother of the donor, and a descendant of a brother or sister of the father or mother of the donor....\$ 40

All others....\$ 20

## GIFT TAXES 292.105

The credit provided by this subdivision shall be allowed once only with respect to gifts by the donor to the same donee, and shall apply only to offset tax which would otherwise be due on gifts made on or after January 1, 1959.

[1973 c 185 s 5]

(NOTE: This subdivision shall be effective for all gifts made on or after January 1, 1973.)

[For text of subd. 4, see M.S.1971]

**Subd. 5. Classes of donees defined.** Class A donees shall include only the wife and minor or dependent child, as defined in section 291.005, of the donor, and a minor or dependent legally adopted child of the donor. Class B donees shall include only the husband of the donor, adult child, stepchild as defined in section 291.005, or adult legally adopted child and the lineal issue of such stepchild or adopted child, lineal descendants and ancestors of the donor, any child of the donor to whom he or she has stood in the mutually acknowledged relation of parent for not less than ten years prior to the making of the gift if such relationship began at or before such child's fifteenth birthday and was continuous for ten years thereafter, and the lineal issue of such child. Class C donees shall include only a brother or sister of the donor, a descendant of such brother or sister, a wife or widow of a son of the donor, and the husband of a daughter of the donor. Class D donees shall include all donees other than those includible in the foregoing classes.

[1973 c 185 s 6]

(NOTE: This subdivision shall be effective for all gifts made on or after January 1, 1973.)

#### 292.105 Compounding of taxes

The commissioner is hereby authorized and empowered to enter into an agreement with the donor or donee of any property the transfer of which is subject to the tax imposed by this chapter in any case in which such transfer provides for or results in the creation of remainders or expectant estates of such nature or so disposed or circumstanced that the tax payable in respect of such transfer, the identity of any donee of the property transferred, or the nature or value of the interest of any donee in such property is not ascertainable under the provisions of this chapter at the time fixed for the determination and assessment of such tax; and the commissioner is authorized and empowered by and in such agreement to compound the tax upon such transfer upon such terms as are deemed equitable and expedient, and to grant a discharge to any such donor or donee on account of such transfer upon payment of the tax provided in such agreement; but no such agreement shall be conclusive in favor of a donor or donee a party thereto as against a donor or donee not a party thereto unless the latter consent to such agreement, either personally or by duly authorized attorney, when competent, or by guardian. Agreement made, effected, and entered into under the provisions of this section shall be executed in duplicate, and one copy thereof shall be filed in the office of the commissioner and the other copy delivered to the person paying the tax thereunder.

[1973 c 183 s 1]