

# MINNESOTA STATUTES 1979 SUPPLEMENT

## 290A.04 PROPERTY TAX REFUND ACT

26,000 to 35,999, up to \$950;

36,000 and over, up to \$750;

provided that maximum refunds for incomes above \$20,000 decline according to the following schedule:

between \$20,000 and \$26,000 decline \$8.33 per \$1,000; between \$26,000 and \$36,000 decline \$20 per \$1,000.

In the case of a claimant who was disabled on or before June 1 or who attained the age of 65 on the date specified in subdivision 1, the refund shall not be less than the refund which the claimant's household income as defined in section 290A.03 and property tax or rent constituting property tax would have entitled him to receive under Minnesota Statutes 1974, Section 290.0618.

Subd. 3. The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the property taxes to be paid and credit allowed at various levels of income and assessment. The table shall follow the schedule of income percentages, maximums and other provisions specified in subdivisions 2, 2a, and 2b, except that the commissioner may graduate the transition between income brackets.

For homestead property owners who are disabled or are 65 or older, as provided in subdivision 1, the commissioner shall base his determination of the credit on the gross qualifying tax reduced by the average statewide effective homestead credit percentage for taxes payable in 1975 calculated under section 273.13, subdivisions 6 and 7.

[ 1979 c.303 art 2 s 31-34 ]

## CHAPTER 291. ESTATE TAX

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### 291.005 Definitions.

Subdivision 1. Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as determined for federal estate tax purposes pursuant to the provisions of the Internal Revenue Code.

(2) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of such property and the Minnesota estate tax due with respect to such property.

(3) "Resident decedent" means an individual whose residence at the time of his death was in Minnesota.

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(4) "Nonresident decedent" means an individual who at the time of his death was not a resident.

(5) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was a resident at death.

(6) "Commissioner" means the commissioner of revenue or any person to whom he may have delegated his functions under this chapter.

(7) "Internal Revenue Code" means the United States Internal Revenue Code of 1954 as amended through December 31, 1978.

[For text of subd 2, see M.S.1978]

[ 1979 c 303 art 3 s 1 ]

### 291.01 Tax imposed.

A tax is hereby imposed upon the transfer of the Minnesota taxable estate of every decedent as prescribed by this chapter.

[ 1979 c 303 art 3 s 2 ]

### 291.015 Determination of Minnesota taxable estate.

The Minnesota taxable estate of a decedent shall be his federal gross estate as defined in Section 2031 of the Internal Revenue Code less the sum of:

(1) The value of any gifts of real property located outside this state which are otherwise includable in the federal gross estate under Section 2035(a) of the Internal Revenue Code;

(2) The value of property owned by the decedent at the time of his death which has its situs outside Minnesota;

(3) The exemptions and deductions allowed pursuant to sections 291.05, 291.051, 291.065, 291.07, and 291.08; and

(4) The sum of \$200,000, provided that, in the case of a nonresident decedent, this amount shall be reduced by that proportion of the value of the decedent's federal gross estate which has its situs outside of this state.

[ 1979 c 303 art 3 s 3 ]

**291.02** [ Repealed, 1979 c 303 art 3 s 41 ]

### 291.03 Rates.

The tax hereby imposed shall be computed by applying to the Minnesota taxable estate the following prescribed rates:

7 percent on the first \$100,000.

8 percent on the next \$100,000 or part thereof.

9 percent on the next \$100,000 or part thereof.

10 percent on the next \$200,000 or part thereof.

11 percent on the next \$500,000 or part thereof.

12 percent on the excess over \$1,000,000.

Provided that the amount of tax imposed by this chapter on the transfer of any estate shall not be less than the maximum tax credit allowable for state death taxes against the federal estate tax imposed with respect to that part of the decedent's estate which has a taxable situs in this state.

[ 1979 c 303 art 3 s 4 ]

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### 291.05 Exemptions.

The following exemptions from the tax are hereby allowed:

(1) Any devise, bequest, gift, or transfer: (a) to or for the use of the United States of America or any state or any political subdivision thereof for public purposes exclusively; (b) to or for the use of any corporation, fund, foundation, trust, or association operated within this state for religious, charitable, scientific, literary, education or public cemetery purposes exclusively, including the encouragement of art and the prevention of cruelty to children or animals, no part of which devise, bequest, gift, or transfer inures to the profit of any private stockholder or individual or to a trustee or trustees exclusively for such purposes; (c) to an employee stock ownership trust as defined in section 290.01, subdivision 25, provided that, if the beneficiaries of a stock ownership trust include the transferor, his spouse, children, grandchildren, parents, siblings or their children, the amount of the exemption shall be reduced by the product of multiplying said amount by their percentage interest in the trust; (d) to a clergyman, in an amount not exceeding \$1,000, the proceeds of which are to be used for religious purposes or rites designated by the testator; and (e) to or for the use of any corporation, fund, foundation, trust, or association operated for religious, charitable, scientific, literary, education, or public cemetery purposes exclusively, including the encouragement of art, and the prevention of cruelty to children or animals, no part of which devise, bequest, gift, or transfer inures to the profit of any private stockholder or any individual, or to a trustee or trustees exclusively for such purposes, if, at the date of the decedent's death, the laws of the state under the laws of which the transferee was organized or existing, either (1) did not impose a death tax of any character, 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) contained a reciprocal provision under which transfers to a similar corporation, fund, foundation, trust, or association, organized or existing under the laws of another state were exempted from death taxes of every character if such other state allowed a similar exemption to a similar corporation, fund, foundation, trust, or association, organized under the laws of such state.

(2) Proceeds of any insurance policy issued by the United States and generally known as war risk insurance, United States government life insurance or national service life insurance payable upon the death of any person dying on or after June 24, 1950, shall be exempt.

Proceeds of life insurance issued pursuant to Public Law 89-214 and generally known as servicemen's group life insurance payable upon the death of any person on or after September 1, 1965, shall be exempt.

Proceeds of payments made by the United States government as compensation for the decedent's service as a member of the armed forces of the United States during a period while he was classified as missing in action prior to being declared dead, shall be exempt. The commissioner shall make refunds for inheritance taxes paid which are attributable to payments exempt pursuant to this paragraph upon the filing of a claim by each beneficiary of the estate for his portion of the inheritance tax paid. Claims for refund must be filed with the commissioner no later than July 1, 1982.

(3) Proceeds of payments from the United States railroad retirement fund; or from the United States as social security benefit or veterans burial benefit, shall be exempt.

[ 1979 c 303 art 3 s 5 ]

### 291.051 Marital deduction.

Subdivision 1. For the purpose of section 291.015, clause (3), the value of the Minnesota taxable estate shall, except as limited by subsection (b) of Section 2056 of the Internal Revenue Code and by subdivision 2, be determined by deducting from the value of the federal gross estate an amount equal to the value of any interest in property which passes or has passed from the decedent to his surviving spouse, but only to the extent that the interest has a taxable situs in this state and is included in determining the value of the federal gross estate. An interest in property shall be considered as passing from the decedent to his surviving spouse if it is considered as passing from the decedent to the surviving spouse under Section 2056(d) of the Internal Revenue Code.

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Subd. 2. The amount of the deduction allowed under this section for a resident decedent shall not exceed the greater of:

(a) \$250,000, or

(b) 50 percent of the value of the federal adjusted gross estate as defined in Section 2056(c)(2)(A) of the Internal Revenue Code,

reduced by an amount equal to the adjustment made, if any, for federal estate tax purposes with respect to any gift or gifts made by the decedent to his spouse after December 31, 1976 under Section 2056(c)(1)(B) of the Internal Revenue Code, and further reduced by the value of any property passing from the decedent to his surviving spouse which is exempt from estate tax under section 291.065 and is included in determining the value of the federal gross estate. In the case of a nonresident decedent, the amount of the deduction allowed under this section shall be determined without reference to subpart (a) of this subdivision.

[ 1979 c 303 art 3 s 6 ]

### 291.06 Credit for previously paid taxes.

(a) Where property can be identified as having been transferred to the decedent at death from a person who died within five years prior to the death of the decedent, or can be identified as having been acquired in exchange for property so received, a credit for any transfer taxes paid pursuant to the provisions of Laws 1979, Chapter 303 or any inheritance tax paid pursuant to the provisions of this chapter in effect prior to the effective date of Laws 1979, Chapter 303 upon that property during the preceding five years shall be allowed upon the transfer tax at his death. This credit shall not exceed the allocable portion of the tax due with respect to that property for estate tax purposes.

(b) A credit shall also be allowed in the amount of any gift tax paid pursuant to chapter 292, if that transfer of property is subject to taxation under this chapter because it was made within three years of the decedent's death. The credit shall not exceed the amount of the tax imposed on the transfer pursuant to this chapter.

[ 1979 c 303 art 3 s 7 ]

### 291.065 Employee retirement plans, exemption.

To the extent included in the federal gross estate, the value of an annuity or other payment shall be exempt from estate tax if received under (1) any plan, which at the time of the decedent's separation from employment, whether by death or otherwise, or at the time of termination of the plan if earlier, qualified under section 401, 403, 404, 405, 408 or 409 of the Internal Revenue Code; (2) a benefit plan for employees of the United States, its agencies or instrumentalities, the Federal Reserve Bank, the state of Minnesota or any of its political or governmental subdivisions or any other state or its political or governmental subdivisions; or (3) for members of a Minnesota volunteer firefighters' relief association.

[ 1979 c 303 art 3 s 8 ]

### 291.07 Deductions.

Subdivision 1. In determining the tax imposed by section 291.01, the following deductions shall be allowed:

(1) funeral expenses;

(2) reasonable legal, accounting, fiduciary and administration expenses and fees with respect to both probate and nonprobate assets, including but not limited to expenses incurred during administration in converting real and personal property held by the estate into cash;

(3) expenses of last illness unpaid at death;

(4) valid claims against and debts of the decedent, unpaid at death, which have been properly paid;

(5) Minnesota and federal income taxes on "income in respect of a decedent," as computed under subdivision 3;

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(6) federal estate taxes allocable to the Minnesota taxable estate. The portion of federal estate taxes allocable to the Minnesota taxable estate shall be equal to the amount obtained by multiplying the total federal estate tax by a fraction, the numerator of which is the Minnesota taxable estate plus the amount of the federal estate tax on the estate of the decedent and the denominator of which is the federal taxable estate for federal estate tax purposes;

(7) real estate taxes due and payable prior to or in the year of the decedent's death with respect to real estate subject to taxation under this chapter and other taxes which have accrued and are a lien on property in the estate at the time of death;

(8) liens and mortgages on property subject to taxation under this chapter which are not deductible as claims or debts of the decedent.

Subd. 2. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 2a. [ Repealed, 1979 c 303 art 3 s 41 ]

[For text of subd 3, see M.S.1978]

[ 1979 c 303 art 3 s 9 ]

## 291.075 Alternate valuation of qualified property.

When property subject to the tax imposed by this chapter qualifies for valuation based on its use pursuant to section 2032A of the Internal Revenue Code, it shall have the same value for Minnesota estate tax purposes as it has for federal estate tax purposes.

[ 1979 c 303 art 3 s 10 ]

## 291.08 Nonresident estates; allowance of deductions and exemptions.

Where a tax is due on the transfer of any property or interest therein owned by a nonresident, the following deductions and exemptions shall be allowed:

(1) Funeral expenses to the extent incurred in Minnesota;

(2) Reasonable legal, accounting, fiduciary and administration fees and expenses allocable to both probate and nonprobate property included in the Minnesota gross estate;

(3) Federal estate taxes as computed in section 291.07;

(4) Real estate taxes on Minnesota property which are due and payable prior to or in the year of the decedent's death;

(5) Liens and mortgages on property included in the Minnesota gross estate.

[ 1979 c 303 art 3 s 11 ]

## 291.09 Determination of tax.

Subdivision 1. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 1a. In all instances in which a resident decedent dies after December 31, 1979 and before January 1, 1981 leaving a federal gross estate in excess of \$161,000 and in all instances in which a resident decedent dies after December 31, 1980 leaving a federal gross estate in excess of \$175,000, and the decedent has an interest in property with a situs in Minnesota, and in all instances in which a nonresident decedent has a liability under this chapter, the personal representative shall submit to the commissioner, on a form prescribed by the commissioner, a Minnesota estate tax return. The return shall be accompanied by a federal estate tax return and shall contain a computation of the Minnesota estate tax due. The return shall be signed by the personal representative.

Subd. 2. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 2a. The commissioner may designate on the return the documents that are required to be filed together with the return in order to determine the proper valuation of assets and computation of tax. The commissioner shall not be bound by any item on the return unless he has received all required documents and unless all items of information on the return have been completed.

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Subd. 3. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 3a. (a) The commissioner may challenge matters of valuation or taxability of any assets reported on the return, or any deductions claimed, or the computation of tax, only if within 90 days of receipt of the return and all documents required to be filed with the return, the commissioner mails or delivers a written notice to the personal representative objecting to the return as filed and specifying the reasons for the objection.

(b) If the personal representative disagrees with the objection or does not wish to fully comply with the objection, he may request that the commissioner hold a hearing on the objection. Within 30 days of receipt of a request, the commissioner shall set a time and place for hearing. Unless otherwise agreed upon, the hearing date shall not be earlier than 30 days nor later than 60 days from the date of the notice setting the hearing. The notice of hearing shall set forth the rights available to the personal representative under chapter 15. Not later than 30 days after the commissioner receives the report and recommendation of the hearing examiner, or a written waiver of his hearing rights by the personal representative, the commissioner shall issue an order determining the tax. Any such determination made by the commissioner may be appealed to the tax court as provided in section 271.09.

(c) At any time together with or after the objection, the commissioner, on his own initiative, may set a time and place for a hearing in accordance with (b) above.

(d) In his objection, or at any time thereafter, the commissioner may assess any additional tax as the facts may warrant, subject to the right of the personal representative to demand a hearing under chapter 15. If the personal representative does not demand a hearing within 90 days of the date of the assessment, the tax so assessed shall be legally due and the commissioner may proceed to collect any unpaid tax after one year from the date of death. If the commissioner later finds the tax assessment to be erroneous, he may adjust the assessment prior to collection.

(e) The commissioner shall not be required to object to any subsequent original, amended or supplemental return in order to preserve his rights. The commissioner shall not be precluded from objecting to a subsequent original, amended or supplemental return even though an original return was accepted as filed. If the commissioner had accepted an original return showing no tax due and a subsequent original, amended or supplemental return discloses additional assets not disclosed on the original return, the commissioner may object to any matter of valuation, taxability, deduction or computation of tax on the original return within 90 days of receipt of the subsequent original, amended or supplemental return.

(f) Subject to the provisions of section 291.11, the Minnesota estate tax liability shall be considered as finally determined on the date notification of acceptance is issued to the personal representative or, if no objection is filed, on the 91st day after the return, together with all other documents required to be filed with the return, is received.

(g) Subject to the time limits imposed elsewhere in this chapter, the commissioner may refund an overpayment of tax penalty or interest even though the personal representative has not made an application for refund.

Subd. 4. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 4a. If any estate tax return required to be filed pursuant to the provisions of this section has not been filed, the commissioner may make and file a return including a computation of the tax resulting from the transfers therein reported. At the time of the filing the commissioner shall mail copies of the return to the personal representative, if any, and to each person from whom any portion of the tax is due. The return may be objected to and a hearing held on the objections in the manner provided in subdivision 3a.

Subd. 5. Notwithstanding other provisions of this chapter, when agreed in writing between the commissioner and the representative, values for purposes of the estate tax on both probate and non probate assets shall be the same as those finally determined for purposes of the federal estate tax on a decedent's estate.

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[For text of subd 6, see M.S.1978]

Subd. 7. The estate tax return, except as otherwise provided in this chapter, shall be filed with the commissioner within nine months after the decedent's death.

[ 1979 c 303 art 3 s 12-17 ]

**291.10** [ Repealed, 1979 c 303 art 3 s 41 ]

### **291.11 Time effective.**

Subdivision 1. **Upon death; time of assessment.** (a) All taxes imposed by this chapter shall take effect at and upon the death of the person whose estate is subject to taxation and shall be due and payable at the expiration of nine months from such death, except as otherwise provided in this chapter. Provided, that any taxpayer who owes at least \$5,000 in taxes may choose to pay these taxes in five equal installments over a period of time not to exceed five years from the death of the person whose estate is subject to taxation or five years from the expiration of the extension granted by the commissioner pursuant to section 291.132, whichever is later. When a taxpayer elects to pay the tax in installments, he shall notify the commissioner in writing no later than nine months after the death of the person whose estate is subject to taxation. If the taxpayer fails to pay an installment on time, the election shall be revoked and the entire amount of unpaid tax shall be due and payable 90 days after the date on which the installment was payable.

(b) (A) False return - in the case of a false or fraudulent return with the intent to evade tax, any additional tax resulting therefrom may be assessed at any time.

(B) No return - in the case of failure to file a return, the tax may be assessed at any time.

(C) Omissions - in the case where there is omitted from the estate items subject to tax under this chapter the tax on such omitted items may be assessed at any time.

In determining the items omitted, there shall not be taken into account any item which has been disclosed in the return or in a statement attached to the return in a manner adequate to apprise the commissioner of the nature and amount of such item.

(c) Where, before the expiration of the time prescribed in this chapter for the determination or adjustment of the tax, the commissioner and the taxpayer shall consent in writing to the extension of time for such determination or adjustment the tax may be determined at any time prior to the expiration agreed upon and in the manner agreed upon. The period so agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon.

Subd. 2. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 3. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 4. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 5. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 6. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 7. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 8. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 9. [ Repealed, 1979 c 303 art 3 s 41 ]

[ 1979 c 303 art 3 s 18 ]

### **291.111 Taxation of disclaimed interests.**

Subdivision 1. Transfers of any interest in real or personal property and all rights and powers relating to the same which have been duly disclaimed pursuant to the provisions of sections 501.211 and 525.532, or in any manner provided in subdivision 2 shall be subject to the estate tax imposed by this chapter, and acts amendatory thereof only if, and to the same extent and in the same manner as, the same would have been subject to said tax if said interests, rights or powers had been originally created in favor of and transferred to the same persons and in the same shares in which they are effectively distributed or otherwise disposed of, after giving full effect to such disclaimers, pursuant to

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the governing instrument, if any, and sections 501.211 and 525.532 and all other applicable law.

[For text of subd 2, see M.S.1978]

[ 1979 c 303 art 3 s 19 ]

### 291.12 Collection of tax.

[For text of subds 1 to 3, see M.S.1978]

Subd. 4. [ Repealed, 1979 c 303 art 3 s 41 ]

### 291.132 Extension to file or pay.

Subdivision 1. The commissioner may extend the time for filing returns or making payment of the tax, without penalty, for a period not to exceed six months. In lieu of the six month extension, the commissioner may extend the time for payment of the tax, without penalty, for a period not to exceed two years if the payment of the tax would result in an undue hardship on the estate. The written request for the undue hardship extension shall be made to the commissioner no later than 12 months after the death of the person from whom the transfer is made. The taxpayer may elect to pay the taxes in installments as specified in section 291.11, subdivision 1, provided that the period of time for the payment of the taxes shall not exceed five years from the expiration of the extension granted by the commissioner. Where an extension of time has been granted, interest shall be payable at the rate specified in section 270.75 from the date when such payment should have been made, if no extension had been granted, until such tax is paid.

Subd. 2. In lieu of an extension provided pursuant to subdivision 1 or payment of the estate tax in installments pursuant to section 291.11 on the property which qualifies under this subdivision, the commissioner may extend the time for payment of the tax on property which qualifies for valuation under section 291.075. The personal representative of an estate containing such property may elect to pay all or part of the tax imposed by this chapter in two or more, but not to exceed ten, equal installments, provided that the maximum amount of tax which may be paid in installments pursuant to this subdivision shall be an amount which bears the same ratio to the estate's tax liability under this chapter as the value of property determined pursuant to section 291.09, subdivision 1a bears to the amount of the taxable estate. The first installment shall be paid on or before the date selected by the personal representative. The date may be no more than five years after the date prescribed by section 291.11, subdivision 1, for payment of the estate tax. Each succeeding installment shall be paid on or before that same date each year. An election under this subdivision shall be made not later than the time prescribed by section 291.11 for filing of the estate tax return and shall be made in the manner as the commissioner shall prescribe by rule.

Subd. 3. If the time for payment of estate tax has been extended under subdivision 2, interest shall be payable as provided in this subdivision.

(a) Interest payable under section 291.15 on any unpaid portion of the amount attributable to the first five years after the date prescribed by section 291.11 for payment of the tax shall be paid annually.

(b) Interest payable under section 291.15 on any unpaid portion of the amount attributable to any period after the five year period referred to in clause (a) shall be paid annually at the same time as, and as part of, each installment payment of the tax.

(c) If the executor has selected a period shorter than five years under subdivision 2 the shorter period shall be substituted for five years in clauses (a) and (b).

[ 1979 c 303 art 3 s 20 ]

### 291.14 Personal liability of personal representative and transferee.

The personal representative and person to whom property which is subject to taxation under this chapter is transferred shall be personally liable for such tax, until its payment, to the extent of the value of the property.

[ 1979 c 303 art 3 s 21 ]



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### 291.19 Personal property of nonresident decedent, transfer.

[For text of subds 1 and 2, see M.S.1978]

Subd. 3. Any personal representative, trustee, heir or legatee of a nonresident decedent desiring to transfer property having its situs in this state may make application to the commissioner of revenue for the determination of whether there is any tax due to the state on account of the transfer of the decedent's property and such applicant shall furnish to the commissioner of revenue therewith an affidavit setting forth a description of all property owned by the decedent at the time of his death and having its situs in the state of Minnesota, the value of such property at the time of said decedent's death; also when required by the commissioner of revenue, a description of and statements of the true value of all the property owned by the decedent at the time of his death and having its situs outside the state of Minnesota, and also a schedule or statement of the valid claims against the estate of the decedent, including the expenses of his last sickness and funeral and the expenses of administering his estate, to the extent that such claims were incurred within this state. Such person shall also, on request of the commissioner of revenue, furnish to the latter a certified copy of the last will of the decedent in case he died testate, or an affidavit setting forth the names, ages and residences of the heirs at law of the decedent in case he died intestate and the proportion of the entire estate of such decedent inherited by each of said persons. Such affidavits shall be subscribed and sworn to by the personal representative of the decedent or some other person having knowledge of the facts therein set forth.

[For text of subd 4, see M.S.1978]

Subd. 5. [ Repealed, 1979 c 303 art 3 s 41 ]

[ 1979 c 303 art 3 s 22 ]

### 291.20 Safety deposit companies not to transfer funds.

Subdivision 1. No person holding securities or assets belonging at the time of death of a decedent to him or to him and another or others as joint tenants, or having on deposit funds in excess of \$1,000 to the credit of a decedent, or to the decedent and another or others as joint tenants, or to the credit of the decedent as trustee for another or others, or renting a safe deposit box or other place of safekeeping to a decedent, individually or as joint tenant or tenant in common, shall deliver or transfer the same to any person, or permit any person to have access thereto, unless notice of the time and place of such intended transfer or access be served upon the county treasurer, personally or by representative, in which event the county treasurer, personally or by representative, may examine said securities, assets, funds or contents of such safe deposit box, at the time of such delivery, transfer or access. If, upon such examination the county treasurer or his representative shall for any cause deem it advisable that such securities, assets or funds should not be immediately delivered or transferred, or access to said safe deposit box or other place of safekeeping should not immediately be granted, he may forthwith notify in writing such person to defer delivery or transfer or access, as the case may be, for a period not to exceed ten days from the date of such notice, and thereupon it shall be the duty of the person notified to defer such delivery, transfer or access until the time stated in such notice or until prior revocation thereof. Failure to serve the notice first above mentioned, or to allow such examination, or to defer delivery or transfer of such securities, assets, or funds, or to refuse access to such safe deposit box or other place of safekeeping for the time stated in the second of such notices, shall render such person liable to the payment of the tax due, not exceeding \$1,000, upon the transfer of said securities, assets, or funds, or upon securities, assets, or moneys in such safe deposit box or other place of safekeeping, pursuant to the provisions of this act; provided, however, that nothing herein contained shall subject such person to liability for the payment of any such tax unless such person had knowledge of the death of the decedent prior to such delivery or transfer of such securities, assets, or funds, or entry to said safe deposit box or other place of safekeeping. The word "person" as used herein shall include individual persons, safe deposit companies, banks, trust companies, savings and loan associations, partnerships and all other organizations.

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Any person seeking access to any safe deposit box upon the death of any person who at the time of his death was a tenant thereof either individually or as joint tenant or tenant in common, or seeking to withdraw securities, assets or funds belonging to the decedent or which decedent had the right to withdraw, shall notify the person renting such safe deposit box or holding such securities, assets or funds of the decedent's death. Any person who wilfully fails to give the notice of the death of the decedent required by this paragraph with intent to evade taxes due hereunder shall be guilty of a misdemeanor. It shall be a complete defense to any prosecution under the provisions of this subdivision that no estate tax was due from the decedent's estate.

[For text of subd 2, see M.S.1978]

Subd. 3. [ Repealed, 1979 c 303 art 3 s 41 ]

[For text of subd 4, see M.S.1978]

[ 1979 c 303 art 3 s 23 ]

### 291.21 Commissioner of revenue to receive list of property.

[For text of subd 1, see M.S.1978]

Subd. 2. [ Repealed, 1979 c 303 art 3 s 41 ]

### 291.215 Valuation of estate; reporting.

Subdivision 1. The valuation of all property includable in the Minnesota taxable estate of a decedent shall be subject to review and approval of the commissioner of revenue.

Subd. 2. Before the final settlement of an estate the personal representative shall furnish an amended estate tax return listing all property and taxable transfers or other events of which he has become aware since the first estate tax return was made which would result in a change in either the amount of the estate tax initially determined or the statements made by the affiant therein. He also shall furnish copies of any documents or records and any other information relating to the estate or its value upon request of the commissioner of revenue.

Subd. 3. The personal representative shall file an amended estate tax return within 90 days after any amended estate tax return is filed pursuant to the provisions of the United States Internal Revenue Code. If no amended federal estate tax return is filed but the federal estate tax return is changed or corrected, the change or correction shall be reported to the commissioner of revenue within 90 days after the final determination of the change or correction is made. Upon receipt of an amended federal estate tax return or upon notification of any change or correction made on the federal estate tax return, the commissioner of revenue may reassess the estate tax.

[ 1979 c 303 art 3 s 24 ]

291.22 [ Repealed, 1979 c 303 art 3 s 41 ]

291.23 [ Repealed, 1979 c 303 art 3 s 41 ]

291.24 [ Repealed, 1979 c 303 art 3 s 41 ]

291.25 [ Repealed, 1979 c 303 art 3 s 41 ]

291.26 [ Repealed, 1979 c 303 art 3 s 41 ]

291.27 Unpaid tax; omitted property.

Any tax due and unpaid under the provisions of this chapter may be enforced and collected from any transferee of property included in the Minnesota estate by action in the court of administration of the estate of the decedent or in a court of general jurisdiction by the personal representative of any estate, the attorney general, or the commissioner in the name of the state.

Any property which for any cause is omitted from the Minnesota estate tax return so that its value is not taken into consideration in the determination of the estate tax,

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may be subsequently taxed against the persons receiving the same, or any part thereof, to the same effect as if included in the estate tax return, except that any personal representative of an estate discharged from his trust in the meantime shall not be liable for the payment of such tax. When any property has been omitted in the determination of an estate tax, the tax thereon may be determined and recovered in a civil action brought by the attorney general or the commissioner, in the name of the state, in any court of general jurisdiction.

[ 1979 c 303 art 3 s 25 ]

## 291.29 Records; reports.

Subdivision 1. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 2. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 3. [ Repealed, 1979 c 303 art 3 s 41 ]

Subd. 4. [ Repealed, 1979 c 303 art 3 s 41 ]

[For text of subd 5, see M.S.1978]

291.30 [ Repealed, 1979 c 303 art 3 s 41 ]

## 291.33 Payments to counties.

Subdivision 1. On or before the first of November in each year the commissioner shall determine the net amount of estate tax and interest collected thereon which has been paid to the commissioner during the fiscal year ending June 30 next preceding from estates in each of the several counties of this state wherein probate proceedings have been had or where, if no probate proceedings have been required, wherein are located the probate courts that would have had venue under the provisions of section 524.3-201, had there been assets of decedents subject to probate.

For purposes of this subdivision net amount shall be the total amount paid from each of the several counties under the provisions of this chapter, during the appropriate fiscal year, reduced by the refunds made by the commissioner applicable to each of the several counties under the provisions of this chapter, during the same fiscal year.

[For text of subd 2, see M.S.1978]

[ 1979 c 303 art 3 s 27 ]

291.34 [ Repealed, 1979 c 303 art 3 s 41 ]

291.35 [ Repealed, 1979 c 303 art 3 s 41 ]

291.36 [ Repealed, 1979 c 303 art 3 s 41 ]

291.37 [ Repealed, 1979 c 303 art 3 s 41 ]

291.38 [ Repealed, 1979 c 303 art 3 s 41 ]

291.39 [ Repealed, 1979 c 303 art 3 s 41 ]

291.40 [ Repealed, 1979 c 303 art 3 s 41 ]

## 291.48 Publicity of returns; information.

It shall be unlawful for the commissioner or any other public official, employee or former employee to divulge or otherwise make known in any manner any particulars set forth or disclosed in any report or return required by this chapter or chapter 292 or information acquired while examining or auditing any taxpayer's liability for taxes thereunder, except in connection with a proceeding involving taxes due under this chapter or chapter 292 from the taxpayer making the return. The commissioner may furnish a copy of any return or report to any official of the United States or any state having duties to perform in respect to the assessment or collection of any inheritance, estate, or gift tax, if the taxpayer is required by the laws of the United States or of the other state to make a return therein. Prior to the release of any information to any official of the United States or any other state under the provisions of this section, the person to whom the information is to be released shall sign an agreement which provides that he will protect the confidentiality of the returns and information revealed to the extent that it is protected under the laws of the state of Minnesota. The commissioner and all other public officials and employees shall keep and maintain the same secrecy with respect to any in-

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formation furnished by any department, commission, or official of the United States or of any other state. Nothing herein contained shall be construed to prohibit the commissioner from publishing statistics so classified as not to disclose the identity of particular property, decedents, heirs, or personal representatives, returns or reports and the contents thereof. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

The return of a decedent or donor shall, upon written request, be open to inspection by or disclosure to (a) the administrator, executor, or trustee of his estate, and (b) any heir at law, next of kin, or beneficiary under the will of the decedent, and any other person whose basis in property is determined in whole or part by values set forth in the return, or (c) a donee of the property, but only if the commissioner finds that the heir, next of kin, beneficiary or other person or donee has a material interest which will be affected by information contained therein.

[ 1979 c 303 art 3 s 26 ]

### CHAPTER 292. GIFT TAXES

Sec.		Sec.	
292.01	Repealed.	292.09	Repealed.
292.02	Repealed.	292.105	Repealed.
292.03	Repealed.	292.111	Repealed.
292.031	Repealed.	292.112	Repealed.
292.04	Repealed.	292.12	Repealed.
292.05	Repealed.	292.125	Repealed.
292.06	Repealed.	292.14	Repealed.
292.07	Repealed.	292.15	Repealed.
292.08	Repealed.		

**292.01** [ Repealed, 1979 c 303 art 3 s 41 ]

**292.02** [ Repealed, 1979 c 303 art 3 s 41 ]

**292.03** [ Repealed, 1979 c 303 art 3 s 41 ]

**292.031** [ Repealed, 1979 c 303 art 3 s 41 ]

**292.04** [ Repealed, 1979 c 303 art 3 s 41 ]

NOTE: This section was also amended by Laws 1979, Chapter 303, Article 10, Section 7 to read as follows:

"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, 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 organizations, if such posts, organizations, units or societies are 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, 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 21 years; and