

## CHAPTER 295

RAILROAD, EXPRESS, FREIGHT LINE, SLEEPING  
CAR, TELEPHONE, TELEGRAPH, TRUST  
COMPANIES

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## 295.01 DEFINITIONS.

*[For text of subds 1 to 9, see M.S.1986]*

Subd. 10. **Telephone company.** The term “telephone company” as used in this chapter means any person, firm, association or corporation, excluding municipal telephone companies, owning or operating any telephone line or telephone exchange for hire wholly or partly within this state, including radio and other advancements in the art of telephony and sellers of telephone services, but excluding resellers and cellular radio. “Resellers of telephone services” as used in this chapter means any person, firm, association, or corporation that:

(1) resells telecommunications services purchased from telephone companies as defined in this chapter;

(2) does not own, operate, manage, or control transmission facilities that have the technological capability to provide telecommunication services; and

(3) incurs costs equal to at least 50 percent of its gross revenues for the telephone services purchased from telephone companies that own, operate, manage, or control transmission facilities.

**History:** 1987 c 268 art 11 s 1

## 295.32 GROSS EARNINGS TAX; ANNUAL RETURN.

Every telegraph company as defined in section 295.01, subdivision 9, shall file a return with the commissioner of revenue, in such form as the commissioner shall prescribe, containing a true and just report of its gross earnings derived from business within the state during the preceding calendar year, and make payment of the tax based upon the following percentages of such gross earnings:

for calendar years beginning before December 31, 1989, 6 percent,

for calendar year 1990, 4.5 percent,

for calendar year 1991, 3 percent,

for calendar year 1992, 1.5 percent, and

for calendar years beginning after December 31, 1992, exempt.

Such return and payment of the tax due therewith shall be submitted on or before March first of each year, and shall be in lieu of all ad valorem taxes upon the property of such company within the state for the year during which such gross earnings accrued. The provisions of chapter 294 and acts amendatory thereto, shall be applicable to such telegraph companies and to the returns and to the taxes submitted therewith by them.

**History:** 1987 c 268 art 11 s 2

**NOTE:** This section is repealed by Laws 1987, chapter 268, article 11, section 11, clause (b) effective beginning calendar year 1992. See Laws 1987, chapter 268, article 11, section 12.

**295.33 ENFORCEMENT; RULES.**

**NOTE:** This section is repealed by Laws 1987, chapter 268, article 11, section 11, clause (b) effective beginning calendar year 1992. See Laws 1987, chapter 268, article 11, section 12.

**295.34 GROSS EARNINGS TAX.**

Subdivision 1. Except as provided in subdivision 2 every telephone company shall file a return with the commissioner of revenue on or before April 15 of each year, and submit payment therewith, of the following percentages of its gross earnings, including long distance access charges, of the preceding calendar year derived from business within this state:

(a) for gross earnings from service to rural subscribers and from exchange business of all cities of the fourth class and statutory cities having a population of 10,000 or less

for calendar years beginning before December 31, 1988, 4 percent,

for calendar year 1989, 3 percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of four percent,

for calendar year 1990, 1.5 percent,

for calendar year 1991, 1 percent, and

for calendar years beginning after December 31, 1991, exempt; and

(b) for gross earnings derived from all other business

for calendar years beginning before December 31, 1988, 7 percent,

for calendar year 1989, 5.5 percent, provided that the estimated tax payments made on March 15 and June 15, 1989, pursuant to section 295.365, must be made as if the tax were imposed at a rate of seven percent,

for calendar year 1990, 3 percent,

for calendar year 1991, 2.5 percent, and

for calendar years beginning after December 31, 1991, exempt.

A tax shall not be imposed on the gross earnings of a telephone company from business originating or terminating outside of Minnesota, except that the gross earnings tax is imposed on all long distance access charges allocated to interstate service received in payment from a telephone company before December 31, 1989.

The tax imposed is in lieu of all other taxes, except the taxes imposed by chapter 290, property taxes assessed beginning in 1989, payable in 1990, and sales and use taxes imposed as a result of chapter 297A. All money paid by a company for connecting fees and switching charges to any other company shall be reported as earnings by the company to which they are paid. For the purposes of this section, the population of any statutory city shall be considered as that stated in the latest federal census.

*[For text of subs 2 and 3, see M.S.1986]*

**History:** 1987 c 268 art 11 s 3; 1987 c 384 art 2 s 71; art 3 s 12

**NOTE:** This section is repealed by Laws 1987, chapter 268, article 11, section 11, clause (b) effective beginning calendar year 1992. See Laws 1987, chapter 268, article 11, section 12.

**295.36 TAX A LIEN.**

**NOTE:** This section is repealed by Laws 1987, chapter 268, article 11, section 11, clause (b) effective beginning calendar year 1992. See Laws 1987, chapter 268, article 11, section 12.

**295.365 DECLARATIONS OF ESTIMATED GROSS EARNINGS TAX BY TELEGRAPH AND TELEPHONE COMPANIES.**

Subdivision 1. **Payments.** Every telegraph company subject to taxation pursuant to section 295.32 and every telephone company subject to taxation pursuant to section 295.34, shall make a declaration of estimated gross earnings tax for the calendar year if the gross earnings tax can reasonably be expected to be in excess of \$1,000. The declaration of estimated tax shall be filed on or before March 15. The amount of

estimated tax with respect to which a declaration is required shall be paid in four equal installments on or before the 15th day of March, June, September, and December. For calendar year 1989 only, the March 15 and June 15 installments for telephone companies shall be made as provided in section 295.34, subdivision 1. The remaining two installments for calendar year 1989 shall be calculated by subtracting the sum of the March 15 and June 15 installments from the estimated tax for the year and dividing the difference by two. An amendment of a declaration may be filed in any interval between installment dates prescribed above but only one amendment may be filed in each such interval.

**Subd. 2. Amendment of declarations.** (a) If any amendment of a declaration is filed, the amount of each remaining installment shall be the amount which would have been payable if the new estimate had been made when the first estimate for the calendar year was made, increased or decreased, as the case may be, by the amount computed by dividing

(1) the difference between (A) the amount of estimated tax required to be paid before the date on which the amendment was made, and (B) the amount of estimated tax which would have been required to be paid before such date if the new estimate had been made when the first estimate was made, by

(2) the number of installments remaining to be paid on or after the date on which the amendment is made.

(b) Notwithstanding paragraph (a), if an amendment of a declaration is filed for calendar year 1989 prior to payment of the June 15 installment, the amount of the June 15 installment shall be 31.5 percent of the estimated tax for the calendar year plus the difference between 31.5 percent of the reestimated tax for the calendar year and the March 15 installment.

**Subd. 3. Extensions.** The commissioner of revenue may grant a reasonable extension of time for filing any declaration but such extension shall not be for more than six months.

**History:** 1987 c 268 art 11 s 4

**NOTE:** This section is repealed by Laws 1987, chapter 268, article 11, section 11, clause (b) effective beginning calendar year 1992. See Laws 1987, chapter 268, article 11, section 12.

## **295.366 FAILURE BY TELEGRAPH OR TELEPHONE COMPANY TO PAY ESTIMATED GROSS EARNINGS TAX**

*[For text of subds 1 to 4, see M.S.1986]*

**Subd. 5. 1989 exception.** Notwithstanding subdivision 4, for calendar year 1989 only, the addition to the tax with respect to any underpayment of the March 15 or June 15 payment is imposed if the total amount of the payments of estimated tax made on or before June 15 does not equal or exceed the amount which would have been required to be paid on or before that date if the estimated tax for the first six months of 1989 were the lesser of:

(1) 50 percent of the tax shown on the return of the corporation for the preceding year; or

(2) 60 percent of the actual liability for the calendar year.

The addition to tax under this subdivision shall reduce any addition to tax imposed under subdivision 4 but not to less than zero.

**History:** 1987 c 268 art 11 s 5

**NOTE:** This section is repealed by Laws 1987, chapter 268, article 11, section 11, clause (b) effective beginning calendar year 1992. See Laws 1987, chapter 268, article 11, section 12.

## **295.39 REPORTS FILED BY TRUST COMPANIES WITH COUNTY TREASURER.**

It shall be the duty of every trust company which is required to pay a tax of six percent of its gross earnings in lieu of taxes and assessments upon its capital stock and

personal property pursuant to the provisions of section 295.37, on or before the first day of February, in each year, to make and file with the county treasurer of the county in which the trust has its principal place of business a report covering the preceding calendar year, verified by the oath of an officer of such company, setting forth correctly the full amount of the gross earnings of such company during the preceding calendar year, and such other and further information as the county treasurer may require.

**History:** 1987 c 268 art 11 s 6

#### **295.40 TAX DETERMINED.**

Upon receipt of such report the county treasurer shall determine therefrom and from such other information as the treasurer may possess or obtain the amount of tax due from such company; and, on or before the 15th day of February, the county treasurer shall certify the amount of the taxes found and determined to be due from such company.

**History:** 1987 c 268 art 11 s 7

#### **295.41 FAILURE TO REPORT; PENALTY.**

If any company subject to sections 295.39 to 295.43 shall fail to make the report provided for in section 295.39, at the time and in the manner therein provided, there shall be added to the tax found and determined by the county treasurer to be due from such company a penalty equal to ten percent of the tax imposed, which shall be treated as a part thereof.

**History:** 1987 c 268 art 11 s 8

#### **295.43 LIEN OF TAX.**

Gross earnings taxes imposed under and pursuant to the provisions of section 295.37, which become delinquent, shall be a lien upon all of the property of the company owning the same, and shall be collected at the same time and in the same manner that delinquent property taxes are collected.

**History:** 1987 c 268 art 11 s 9