

appropriated as of June 30, 1959, June 30, 1960, and June 30, 1961. The provisions of this section shall not apply to aid contributions, or reimbursements received from the federal government by the state; and all such federal aid contributions, or reimbursements are hereby reappropriated for the purpose of supplementing the appropriations herein provided.

Sec. 13. None of the moneys appropriated by this act or any other law shall be expended in making any refund where the amount thereof is \$1.00 or less.

Approved June 26, 1959.

EXTRA SESSION

CHAPTER 58—H. F. No. 112

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1957, Sections 290.46 and 290.50, Subdivision 1.

Be it enacted by the Legislature of the State of Minnesota :

Section 1. Minnesota Statutes 1957, Section 290.46, is amended to read :

290.46 Examination of returns; assessments, refunds. The commissioner shall, as soon as practicable after the return is filed, examine the same and make any investigation or examination of the taxpayer's records and accounts that he may deem necessary for determining the correctness of the return. The tax computed by him on the basis of such examination and investigation shall be the tax to be paid by such taxpayer. If the tax found due shall be greater than the amount reported as due on the taxpayer's return, the commissioner shall assess a tax in the amount of such excess and the whole amount of such excess shall be paid to the commissioner within 30 days after notice of the amount and demand for its payment shall have been mailed to the taxpayer by the commissioner. If the understatement of the tax on the return was false and fraudulent with intent to evade the tax, the installments of the tax shown by the taxpayer on his return which have not yet been paid shall be paid to the commissioner within 30 days after notice of the amount thereof and demand for payment shall have been mailed to the taxpayer by the commissioner. If the amount of the tax found due by the commissioner shall be less than that reported as due on the taxpayer's return, the excess shall be refunded to the taxpayer in the manner

provided by section 290.50 (except that no demand therefor shall be necessary), if he has already paid the whole of such tax, or credited against any unpaid installment thereof; provided, that no refundment shall be made except as provided in section 290.50, after the expiration of three and one-half years after the filing of the return; except with respect to taxable years beginning after December 31, 1942, and ending before December 31, 1946, in which cases no refundment shall be made except as provided in section 290.50 after the expiration of four years and six months after the filing of the return.

If the commissioner examines returns of a taxpayer for more than one year, he may issue one order covering the several years under consideration reflecting the aggregate refund or additional tax due.

The notices and demands provided for by sections 290.46 to 290.48 shall be in such form as the commissioner may determine (including a statement) and shall contain a brief explanation of the computation of the tax and shall be sent by mail to the taxpayer at the address given in his return, if any, and if no such address is given, then to his last known address.

Sec. 2. Minnesota Statutes 1957, Section 290.50, Subdivision 1, is amended to read:

290.50 Subdivision 1. **Procedure, time limit.** A taxpayer who has paid, voluntarily or otherwise, or from whom there has been collected (other than by the methods provided for in section 290.48, subdivisions 1 and 5) an amount of tax for any year in excess of the amount legally due for that year, may file with the commissioner a claim for a refund of such excess. Except as provided in subdivision 4 no such claim shall be entertained unless filed within two years after such tax was paid or collected, or within three and one-half years from the filing of the return, whichever period is the longer; except that if the claim relates to taxable years beginning after December 31, 1942, and ending before December 31, 1946, such claim will not be entertained unless filed within two years after such tax was paid or collected or within four and one-half years from the filing of the return whichever period is the longer. If the claim relates to an overpayment on account of failure to deduct a loss due to a bad debt or to a security becoming worthless, the period shall be five years from the date the return was filed, and in such case the refund shall be limited to the amount of such overpayment; but no claim for any year ending prior to January 1, 1939, shall be allowed, unless (1) the deduction was claimed

by the taxpayer with respect to a subsequent year, and disallowed by the commissioner of taxation prior to January 1, 1943, and (2) the claim is filed before December 1, 1943. If the claim is not filed within three and one-half years after the return is filed, (four and one-half years if the return covers a taxable period beginning after December 31, 1942, and ending before December 31, 1946), or, to the extent that it refers to bad debts or worthless stock losses, within five years after the return is filed, the refund shall not exceed the amount paid within two years prior to the filing of the claim. Upon the filing of a claim the commissioner shall examine the same and shall make and file written findings thereon denying or allowing the claim in whole or in part and shall mail a notice thereof to the taxpayer at the address stated upon the return. If such claim is allowed in whole or in part, the commissioner shall issue his certificate for the refundment of the excess paid by the taxpayer, with interest at the rate of two percent per annum computed from the date of the payment or collection of the tax until the date the refund is paid to the taxpayer, and the state auditor shall cause such refund to be paid out of the proceeds of the taxes imposed by this act, as other state moneys are expended. So much of the proceeds of such taxes as may be necessary are hereby appropriated for that purpose.

Approved June 29, 1959.

EXTRA SESSION

CHAPTER 59—H. F. No. 113

An act relating to the taxation of real and personal property, providing for a correction of administrative and clerical errors in the assessment, levy and extension of such taxes; amending Minnesota Statutes 1957, Sections 270.07 and 274.09.

Be it enacted by the Legislature of the State of Minnesota:

Section 1. Minnesota Statutes 1957, Section 270.07, is amended to read:

270.07 Additional powers. *Subdivision 1.* The commissioner of taxation shall prescribe the form of all blanks and books required under this chapter. He shall hear and determine all matters of grievance relating to taxation. Except as otherwise provided by law, he shall have power to grant such reduction or abatement of assessed valuations or taxes