

CHAPTER 151—S.F.No.1034

An act relating to sales and use taxes; amending Minnesota Statutes 1969, Section 297A.12.

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

Section 1. Minnesota Statutes 1969, Section 297A.12, is amended to read:

297A.12 TAXATION; SALES TAX; RENTALS; IMPROPER USE OF SUBJECT OF PURCHASE OBTAINED WITH EXEMPTION CERTIFICATE. If a purchaser who gives an exemption certificate makes any use of the subject of the purchase other than for a purpose exempted by sections 297A.01 to 297A.44, such use shall be deemed a retail sale by the purchaser as of the time of first use by him, and the sales price to him shall be deemed the gross receipts from such retail sale. If the sole non-exempt use is rental while holding for sale, the purchaser ~~may elect to~~ shall include in his gross receipts the amount of the rental charged ~~rather than the sales price to him~~ . Upon subsequent sale of such property, the seller shall include the entire amount of gross receipts received therefrom without deduction of amounts previously received as rentals.

Approved April 22, 1971.

CHAPTER 152—S.F.No.1035

An act relating to taxes on and measured by net income; amending Minnesota Statutes 1969, Section 290.17.

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

Section 1. Minnesota Statutes 1969, Section 290.17, is amended to read:

290.17 TAXATION; GROSS INCOME; ALLOCATION. Items of gross income shall be assigned to this state or other states or countries in accordance with the following principles:

(1) The entire income of all resident or domestic taxpayers from compensation for labor or personal services, or from a business

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consisting principally of the performance of personal or professional services, shall be assigned to this state, and the income of non-resident taxpayers from such sources shall be assigned to this state if, and to the extent that, the labor or services are performed within it; all other income from such sources shall be treated as income from sources without this state;

(2) Income from the operation of a farm shall be assigned to this state if the farm is located within this state and to other states only if the farm is not located in this state. Income and gains received from tangible property not employed in the business of the recipient of such income or gains, and from tangible property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, shall be assigned to this state if such property has a situs within it, and to other states only if it has no situs in this state. Income or gains from intangible personal property not employed in the business of the recipient of such income or gains, and from intangible personal property employed in the business of such recipient if such business consists principally of the holding of such property and the collection of the income and gains therefrom, wherever held, and whether in trust, or otherwise, shall be assigned to this state if the recipient thereof is domiciled within this state; provided that income or gains from such intangible personal property wherever held, whether in trust or otherwise shall be assigned to this state if the recipient of such income or gains is domiciled within this state and such income or gains would be taxable to such recipient under section 290.22, or if the grantor of such any trust is domiciled within this state and such income or gains would be taxable to such grantor under section sections 290.28 or 290.29;

(3) Income derived from carrying on a trade or business, including in the case of a business owned by natural persons the income imputable to the owner for his services and the use of his property therein, shall be assigned to this state if the trade or business is conducted wholly within this state, and to other states if conducted wholly without this state. This provision shall not apply to business income subject to the provisions of clause (1);

(4) When a trade or business is carried on partly within and partly without this state, the entire income derived from such trade or business, including income from intangible property employed in such business and including, in the case of a business owned by natural persons, the income imputable to the owner for his services and the use of his property therein, shall be governed, except as otherwise provided in sections 290.35 and 290.36, by the provisions of section 290.19, notwithstanding any provisions of this section to the contrary. This shall not apply to business income subject to the provisions of clause (1).

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(5) All other items of gross income shall be assigned to the taxpayer's domicile.

Approved April 22, 1971.

CHAPTER 153—S.F.No.60

An act relating to regional planning, revising the procedure for establishment of regional development commissions; amending Minnesota Statutes 1969, Sections 462.387, Subdivisions 1, 3 and 4; 462.388, Subdivisions 1 and 5; 462.389, Subdivisions 1, 4, and 5; 462.391, Subdivision 7; 462.393; 462.396, Subdivisions 2 and 5; and repealing Minnesota Statutes 1969, Sections 462.386, Subdivision 2; 462.387, Subdivision 2; and 462.388, Subdivision 3.

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

Section 1. Minnesota Statutes 1969, Section 462.387, Subdivision 1, is amended to read:

462.387 REGIONAL PLANNING; REGIONAL DEVELOPMENT COMMISSIONS; ESTABLISHMENT. Subdivision 1. **PETITION.** Any combination of counties or municipalities representing a majority of the population of the region for which a commission is proposed may petition the state planning officer by formal resolution setting forth its desire to establish, and the need for, the establishment of a regional development commission. ~~If the state planning officer is of the opinion that sufficient need exists for the creation of the proposed commission, he may initiate its establishment pursuant to subdivision 3.~~ For purposes of this section the population of a county does not include the population of a municipality within the county.

Sec. 2. Minnesota Statutes 1969, Section 462.387, Subdivision 3, is amended to read:

Subd. 3. **ESTABLISHMENT.** ~~A~~ Upon receipt of a petition as provided in section 1 of this act a regional development commission shall be established upon the appointment of a chairman by the state planning officer and the notification of all local government units within the region for which the commission is proposed. Such ~~appointment and notification shall be made within 60 days of his receipt of a petition under subdivision 1 or within 60 days of his order under subdivision 2.~~

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