

Special Property Taxes

CHAPTER 285

TAXES ON MONEY AND CREDITS

285.01 DEFINITIONS.

HISTORY. R.S. 1851 c. 12 s. 3; P.S. 1858 c. 9 s. 3; 1860 c. 1 s. 7; 1862 c. 6 s. 7; G.S. 1866 c. 11 s. 7; 1878 c. 1 s. 4; G.S. 1878 c. 11 s. 4; G.S. 1894 s. 1511; R.L. 1905 s. 798; 1907 c. 328; 1911 c. 285 s. 1; G.S. 1913 s. 2316; 1923 c. 102; G.S. 1923 s. 2337; M.S. 1927 s. 2337; 1939 c. 126; 1943 c. 596 s. 1.

Laws 1907, Chapter 328, a mortgage registration tax, compared with Laws 1911, Chapter 285, a tax on moneys and credits. *State ex rel v Fitzgerald*, 117 M 192, 134 NW 728.

Unaccrued rents are incorporeal hereditaments and are incidents to the reversion and follow the land. Credits are personal property and consequently unaccrued rents cannot be taxed as credits. *State v Royal Mineral Assn.*, 132 M 232, 156 NW 148.

The plaintiff effected a sale of land of defendant's intestate under agreement with him whereby he was to have for his commission all in excess of a stated selling price. This was a credit and the omission of the plaintiff to list for taxation as a credit this claim for compensation was proper to be shown evidentiary as an admission against the validity of the claim. *Thaden v Bagan*, 139 M 46, 165 NW 864.

A judgment sustaining an assessment of memberships in the Minneapolis Chamber of Commerce as moneys and credits under Laws 1911, Chapter 285, Section 1, is not a bar to an assessment of such memberships for a later year as general personal property. *State ex rel v Minnesota Tax Commission*, 136 M 260, 161 NW 516.

Under the facts in the instant case money and credits arising from or pertaining to the business of the selling stations of the Standard Oil Co. have a taxable situs at the location of such stations where the business is localized. *Petition of Standard Oil Co.*, 147 M 14, 179 NW 482.

Under the federal statutes shares of national banks cannot be taxed at a greater rate than moneyed capital in the hands of individual citizens employed in competition with such banks. *State v First National*, 164 M 235, 204 NW 874, 205 NW 375.

The money and credit tax, income tax, and mortgage registration tax, impliedly repealed corporate excess taxation under section 273.51. *Bemis v Wallace*, 197 M 216, 266 NW 690.

Shares in the stock of corporations are contract rights and as such, choses in action; and in respect to shares in foreign corporations owned here by an inhabitant of a different state the certificates being in his possession, the owner is taxable in Minnesota as for credits under the money and credits act. *State v First Bank Stock Corporation*, 197 M 544, 267 NW 519, 269 NW 37; affirmed 57 SC 677, 301 US 238.

The decisions regarding taxation of memberships in unincorporated boards of trade or chambers of commerce prior to the enactment of the money and credit tax in 1911 do not control the taxation of corporate shares held by a resident in a domestic corporation, the major part of whose property is assessed and taxed in this state. *Holmes v Borgen*, 200 M 97, 273 NW 623.

Whether a state tax on shares of stock of a national bank violates the provisions of the Federal Code is a question of laws and fact. Each case stands by

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itself and the fact showing the varying rates of taxation from year to year must be given consideration. *Cherokee Bank v Wallace*, 202 M 582, 279 NW 410.

Prior to the incorporation into the state constitution of the present liberal provisions relative to the power of the legislature to impose taxes, the taxing power of the legislature was far more restricted than under the present constitution. The taxing power is not conferred by the constitution, but is only limited by it. In 1906 Minnesota constitution was amended to substitute the section now appearing as Article 9, Section 1, for Article 9, Sections 1 and 3, and since that amendment, income, money and credits, and similar taxes have been held constitutional. 1934 OAG 799, Feb. 25, 1933 (82L).

There can be no duplicate taxation by this state as the stock of the corporation is taxed only to the extent that the value thereof exceeds the value of the property of the corporation which is assessed or taxed in this state. 1934 OAG 846, Nov. 15, 1933 (92a-26).

Ruling regarding the statute of limitations and the payment of interest and costs in re moneys and credits tax. 1940 OAG 319, Oct. 18, 1940 (421a-8).

Accrued rents are taxable as moneys and credits and bonds secured by leases are likewise so taxable. OAG May 9, 1934 (614m).

Funds derived from contributions to the Duluth teachers retirement fund are not subject to the moneys and credits tax. OAG May 12, 1934 (414-15(1)).

A tax on premiums received by foreign insurance companies (60.63) is a privilege tax and the state is not limited and may tax the stock in such insurance companies as moneys and credits. OAG Sept. 28, 1934 (249a-18).

Moneys and credits which were omitted in the assessment in any year may be assessed and taxed for those years after the individual has died and the tax may be collected from his personal representative or heirs. OAG Jan. 27, 1935 (614f).

Unhonored county warrants not paid for want of funds are taxable as credits after presentation for payment. OAG July 11, 1935 (614s).

Group annuity policy is subject to money and credits tax after maturity and computed on the basis of life expectancy of the annuitant. OAG March 28, 1938 (614h).

In a corporation paying gross earnings tax whose tangible property taxable in the state is equal to 25 per cent or less of its total tangible property, the shares of stock are taxable as credits. OAG May 12, 1939 (614n).

Application to shares of domestic corporations owning property both within and without the state. 22 MLR 444.

Comparative tax burden. 23 MLR 512.

285.02 IMPOSITION OF 3-MILL TAX ON MONEY AND CREDITS.

HISTORY. R.S. 1851 c. 12 s. 9; P.S. 1858 c. 9 s. 9; 1860 c. 1 s. 4; 1861 c. 1 s. 4; 1878 c. 1 s. 4; G.S. 1878 c. 11 s. 4; G.S. 1894 s. 1511; R.L. 1905 s. 798; 1911 c. 285 s. 1; G.S. 1913 s. 2316; 1923 c. 102; G.S. 1923 s. 2337; M.S. 1927 s. 2337; 1943 c. 596 s. 1.

See annotations under 285.01.

285.021 MONEY AND CREDITS EXEMPTED FROM TAXATION.

HISTORY. 1945 c. 453 s. 1.

285.023 EXEMPTION.

HISTORY. 1943 c. 596 s. 2.

Under this section a school district shall include moneys and credits at the assessed value finally equalized for the year 1942 in determining the assessed value of property within the district. (See Laws 1945, Chapter 453, Section 2). OAG April 12, 1944 (614r).

(Laws 1943, Chapter 596, suspended the taxation of moneys and credits for two years; Laws 1945, Chapter 453, excepted moneys and credits from taxation).

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285.03 HOW LISTED.

HISTORY. 1878 c. 1 s. 7; G.S. 1878 c. 11 s. 7; G.S. 1894 s. 1515; R.L. 1905 s. 816; 1911 c. 285 s. 2; G.S. 1913 s. 2317; G.S. 1923 s. 2338; M.S. 1927 s. 2338.

Intangible personal property, such as bonds and notes, while in the hands of a resident trustee under a trust agreement whereby the trustee has the management of the trust estate, are taxable as moneys and credits. 1936 OAG 375, April 29, 1935 (421c-15).

The commissioner of taxation has authority to inquire into the moneys and credits owned by a deceased taxpayer during any year of his lifetime for the purpose of determining whether any such moneys and credits were omitted so that any such omitted moneys and credits may be assessed and taxed for the year or years omitted. 1936 OAG 380, Jan. 7, 1935 (614f).

Stock in foreign insurance corporations may be taxed as moneys and credits. 1934 OAG 811, Sept. 28, 1934 (249a-18).

Laws 1933, Chapter 38, regarding the debt when personal property taxes become delinquent and affixing a penalty, extends to the money and credits tax. 1934 OAG 814, March 4, 1933 (519g).

285.04 NOTICE BY ASSESSOR; LIST.

HISTORY. 1878 c. 1 ss. 33, 34; G.S. 1878 c. 11 ss. 33, 34; 1881 c. 10 s. 6; G.S. 1894 ss. 1541, 1542; R.L. 1905 s. 808; 1911 c. 285 s. 3; G.S. 1913 s. 2318; G.S. 1923 s. 2339; M.S. 1927 s. 2339.

285.05 INSTRUCTIONS PREPARED.

HISTORY. 1911 c. 285 s. 4; G.S. 1913 s. 2319; 1917 c. 129 s. 1; G.S. 1923 s. 2340; M.S. 1927 s. 2340.

Laws 1939, Chapter 423, does not affect section 285.05. OAG May 2, 1939 (614).

285.06 LIST TO BE UNDER OATH; INSPECTION.

HISTORY. 1911 c. 285 s. 5; G.S. 1913 s. 2320; G.S. 1923 s. 2341; M.S. 1927 s. 2341.

In a suit where the plaintiff claims a large commission, the fact that he did not list his claim for taxation as moneys and credits was prejudicial. Thaden v Bagan, 139 M 46, 165 NW 864.

285.07 WHEN TO BE RECEIVED AS TRUE.

HISTORY. 1911 c. 285 s. 6; G.S. 1913 s. 2321; G.S. 1923 s. 2342; M.S. 1927 s. 2342.

The assessor has the right to examine persons under oath and to examine the books and records to ascertain the truth of the returns filed. OAG July 17, 1935 (614r).

285.08 FAILURE TO LIST; ASSESSOR TO ESTIMATE.

HISTORY. 1878 c. 1 s. 36; G.S. 1878 c. 11 s. 36; G.S. 1894 s. 1544; R.L. 1905 s. 845; 1911 c. 285 s. 7; G.S. 1913 s. 2322; G.S. 1923 s. 2343; M.S. 1927 s. 2343.

285.09 ESTIMATE, HOW MADE.

HISTORY. 1911 c. 285 s. 8; G.S. 1913 s. 2323; G.S. 1923 s. 2344; M.S. 1927 s. 2344.

285.095 WHERE ASSESSED.

HISTORY. 1943 c. 596 s. 4.

285.096 MONEY AND CREDITS IN HANDS OF REPRESENTATIVE OR TRUSTEE.

HISTORY. 1943 c. 596 s. 5.

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285.10 WHAT AMOUNT ASSESSABLE.

HISTORY. 1911 c. 285 s. 9; G.S. 1913 s. 2324; G.S. 1923 s. 2345; M.S. 1927 s. 2345.

285.11 PROPERTY TO BE LISTED IN SEPARATE BOOK; WHAT SHALL BE SHOWN.

HISTORY. 1878 c. 1 s. 45; G.S. 1878 c. 11 s. 45; G.S. 1894 s. 1554; R.L. 1905 s. 862; 1911 c. 285 s. 10; 1913 c. 576 s. 1; G.S. 1913 s. 2325; G.S. 1923 s. 2346; M.S. 1927 s. 2346.

285.12 REVIEW AND EQUALIZATION.

HISTORY. 1911 c. 285 s. 11; G.S. 1913 s. 2326; G.S. 1923 s. 2347; M.S. 1927 s. 2347.

285.13 AUDITOR TO COMPUTE TAXES; LIST; COLLECTION.

HISTORY. 1911 c. 285 s. 12; G.S. 1913 s. 2327; G.S. s. 2348; M.S. 1927 s. 2348.

285.14 APPORTIONMENT OF RECEIPTS.

HISTORY. 1911 c. 285 s. 13; G.S. 1913 s. 2328; G.S. 1923 s. 2349; M.S. 1927 s. 2349.

To Minneapolis has been apportioned one-third of penalties and interest collected on account of taxes paid on money and credits assessed in that city. OAG Aug. 14, 1936 (505).

285.143 MUNICIPALITIES AUTHORIZED TO LEVY TAX.

HISTORY. 1945 c. 453 s. 2.

285.15 LIMITATIONS IN PROCEEDINGS FOR ASSESSMENT OF TAXES ON MONEY AND CREDITS.

HISTORY. 1939 c. 423 s. 1.