

MINNESOTA STATUTES 1947 ANNOTATIONS

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GROSS EARNINGS TAXES, GENERAL PROVISIONS 294.05

CHAPTER 294

GENERAL PROVISIONS RELATING TO GROSS EARNINGS TAXES

294.01 COMPANIES TO REPORT GROSS EARNINGS.

Defendant leased his entire building to an express company which is subject to the gross earnings tax and claims that the tax paid by the express company paid the taxes on the leased property. The gross earnings tax paid only such taxes as might have been assessed against the express company had its taxes been assessed ad valorem instead of being measured by its gross earnings, and defendant's property is liable to an ad valorem tax. *State v Fawkes*, 210 M 587, 299 NW 666.

Under Sp. L. 1865, c. 2, Minnesota contracted with certain railroad companies exempting the companies from all other taxes until certain conditions occurred and in lieu of a percentage on the gross earnings, and the power to alter, amend, or repeal by vote of the people, which is reserved by the amendment to Minnesota Constitution of 1871, cannot be exercised so as to continue in full the obligation as to payment of the percentage of gross earnings and at the same time deny to the company either in whole or in part the exemption conferred by the contract. *Stearns v Minnesota*, 21 SC 73, 179 US 302.

In the absence of statutory or charter authority, municipalities possess no authority to levy gross earnings taxes. OAG Oct. 23, 1944 (216-G).

Tax on gross receipts a burden on interstate commerce. 14 MLR 811.

Taxation of interstate motor carriers. 31 MLR 193.

294.02 DUTIES OF COMMISSIONER OF TAXATION.

Lien given by gross earnings tax law for delinquent and unpaid taxes arises, as to earnings omitted from returns of previous years, only when those earnings have been assessed and taxes thereon certified by Minnesota tax commission to state auditor. Thus, where there has been a transfer, in connection with receivership proceedings, of ownership of railroad from whose returns the earnings were omitted, properties acquired by successor railroad are not subject to such lien because it is not retroactively effective from date when original returns were filed. *State v Chgo. M. St. P. & P. Rd. Co.* 210 M 484, 299 NW 212.

294.05 FAILURE TO MAKE REPORT.

Lien given by gross earnings tax law for delinquent and unpaid taxes arises, as to earnings omitted from returns of previous years, only when those earnings have been assessed and taxes thereon certified by Minnesota tax commission to state auditor. Thus, where there has been a transfer, in connection with receivership proceedings, of ownership of railroad from whose returns the earnings were omitted, properties acquired by successor railroad are not subject to such lien because it is not retroactively effective from date when original returns were filed. *State v Chgo. M. St. P. & P. Rd. Co.* 210 M 484, 299 NW 212.