

CHAPTER 295

RAILROAD, EXPRESS, FREIGHT LINE,
SLEEPING CAR

295.34 Gross earnings tax.
295.365 Declarations of estimated gross earnings tax
by telegraph and telephone companies.

295.366 Failure by telegraph or telephone company
to pay estimated gross earnings tax.

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 of the preceding calendar year derived from business within this state: (a) 4 percent of its gross earnings from service to rural subscribers; (b) 4 percent of its gross earnings from exchange business of all cities of the fourth class and statutory cities having a population of 10,000 or less; and (c) 7 percent of its gross earnings derived from all other business; which shall be in lieu of all other taxes, except the taxes imposed by chapter 290. All moneys 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, but shall not be deemed earnings of the collecting and paying company. 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.1980]

History: *1Sp1981 c 4 art 1 s 153*

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

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. 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. 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.

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.

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: *1Sp1981 c 3 s 9*

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

Subdivision 1. **Addition to the tax.** In case of any underpayment of estimated tax by a telegraph or telephone company, except as provided in subdivision 4, there shall be added to the tax for the taxable year an amount determined at the rate specified in section 270.75 upon the amount of the underpayment (determined under subdivision 2) for the period of the underpayment (determined under subdivision 3).

Subd. 2. **Amount of underpayment.** For purposes of subdivision 1, the amount of the underpayment shall be the excess of

- (1) the amount of the installment, over
- (2) the amount, if any, of the installment paid on or before the last date prescribed for payment.

Subd. 3. **Period of underpayment.** The period of the underpayment shall run from the date the installment was required to be paid to whichever of the following dates is the earlier

- (1) The 15th day of the third month following the close of the taxable year.
- (2) With respect to any portion of the underpayment, the date on which such portion is paid. For purposes of this paragraph, a payment of estimated tax on any installment date shall be considered a payment of any previous underpayment only to the extent such payment exceeds the amount of the installment determined under subdivision 2, clause (1) for such installment date.

Subd. 4. **Exception.** Notwithstanding the provisions of the preceding subdivisions, the addition to the tax with respect to any underpayment of any installment shall not be imposed if the total amount of all payments of estimated tax made on or before the last date prescribed for the payment of such installment equals or exceeds the amount which would have been required to be paid on or before such date if the estimated tax were whichever of the following is the lesser

- (1) The tax shown on the return of the corporation for the preceding taxable year.
- (2) Eighty percent of the actual liability for the calendar year.

History: *1Sp1981 c 3 s 10*