



Hundredth Legislature - First Session - 2007
Committee Statement
LB 22

Hearing Date: January 26, 2007
Committee On: Revenue

Introducer(s): (Wightman)
Title: Change inheritance tax calculations

Roll Call Vote – Final Committee Action:

Advanced to General File
Advanced to General File with Amendments
X Indefinitely Postponed

Vote Results:

5	Yes	Senators Burling, Dierks, Janssen, Langemeier and Preister
1	No	Senator Raikes
0	Present, not voting	
2	Absent	Senators Cornett and White

Proponents:

Senator John Wightman
J. Duane Sugden
Robert J. Hallstrom

Representing:

Introducer
Farm Bureau
Nebraska Federation of Independent Business

Opponents:

Jerry McCallum, Commissioner
Joe Hewgley
Timothy Loewenstein
Larry Dix

Representing:

Madison County, NACO
Lincoln County Board, NACO
Buffalo County
Nebraska Association of County Officials

Neutral:

None

Representing:

Summary of purpose and/or changes:

LB 22 would have amended three sections of the county inheritance tax to increase the exemption amounts for all three classes of beneficiaries. First, section 77-2004 was amended to increase the exemption amount for close relatives (sibling and lineal relatives) from \$10,000 per beneficiary to \$50,000. The tax rate on close relatives remained one percent.

For more distant relatives, the exemption amount would have been increased from \$2,000 to \$5,000 (section 77-2005). The first bracket, which taxes inherited property with a value from

\$2,000 - \$50,000 at six percent, was expanded to include inheritances valued from \$5,000 - \$100,000.

For non-relatives (section 77-2006) there is no exemption for inheritances with a value of \$500 or less. LB 22 would have increased the size of the brackets as follows:

<u>Current</u>	<u>LB 22</u>	<u>Rate</u>
\$0 - \$5,000	\$0 - \$10,000.	6%
\$5,000 - \$10,000	\$10,000 - \$20,000	9%
\$10,000 - \$20,000	\$20,000 - \$50,000	12%
\$20,000 - \$50,000	\$50,000 - \$100,000	15%
Over \$50,000	Over \$100,000	18%

These changes were to be operative for decedents dying on or after January 1, 2007.

Explanation of amendments, if any:

Senator Ray Janssen, Chairperson