

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 10

Introduced By: Mines, 18; Fulton, 29;
Read first time: January 4, 2007
Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2101.02, Reissue Revised Statutes of Nebraska, and
3 sections 77-2101.01 and 77-2101.03, Revised Statutes
4 Cumulative Supplement, 2006; to terminate estate and
5 generation-skipping taxes; and to repeal the original
6 sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2101.01, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 77-2101.01. (1) In addition to the inheritance taxes imposed
4 by the laws of the State of Nebraska, there is levied and imposed an
5 estate or excise tax until January 1, 2007, upon the transfer of the
6 estate of every resident decedent and upon the value of any interest
7 in Nebraska real estate and tangible personal property situated in
8 Nebraska of a nonresident decedent.

9 (2) For decedents dying before January 1, 2003, the amount
10 of such tax shall be the maximum state tax credit allowance upon the
11 tax imposed by Chapter 11 of the Internal Revenue Code reduced by the
12 lesser of (a) the aggregate amount of all estate, inheritance, legacy,
13 or succession taxes paid to any state or territory, the District of
14 Columbia, or any possession of the United States in respect of any
15 property subject to such tax or (b) the sum of (i) the amount
16 determined by multiplying the maximum state tax credit allowance with
17 respect to the taxable transfer by the percentage which the gross
18 value of the transferred property not situated in Nebraska bears to
19 the gross value of the transferred property and (ii) the amount of
20 Nebraska inheritance taxes paid.

21 (3) For all decedents dying on or after January 1, 2003,
22 and before January 1, 2007, (a) for the estate of every resident
23 decedent, the amount of such tax shall be the amount calculated in
24 section 77-2101.03 reduced by the percentage which the gross value of
25 the transferred property not situated in Nebraska bears to the gross
26 value of the transferred property minus the amount of Nebraska
27 inheritance taxes paid, and (b) for the estate of every nonresident

1 decedent, the amount of such tax shall be the amount calculated in
2 section 77-2101.03 multiplied by the percentage which the gross value
3 of the transferred property situated in Nebraska bears to the gross
4 value of the transferred property minus the amount of Nebraska
5 inheritance taxes paid.

6 Sec. 2. Section 77-2101.02, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 77-2101.02. ~~There~~ Until January 1, 2007, there is hereby
9 imposed a generation-skipping transfer tax upon the
10 generation-skipping transfer or distribution of property of every
11 resident of this state and upon the generation-skipping transfer of
12 Nebraska real estate and tangible personal property situated in
13 Nebraska by a nonresident. The amount of the generation-skipping
14 transfer tax shall be the amount calculated in section 77-2101.03
15 reduced by the lesser of (1) the aggregate amount of all transfer
16 taxes paid to any state or territory, the District of Columbia, or any
17 possession of the United States in respect of any property subject to
18 the generation-skipping transfer tax or (2) the amount determined by
19 multiplying the amount calculated in section 77-2101.03 with respect
20 to the taxable transfer by the percentage which the gross value of the
21 transferred property not situated in Nebraska bears to the gross value
22 of the transferred property.

23 Sec. 3. Section 77-2101.03, Revised Statutes Cumulative
24 Supplement, 2006, is amended to read:

25 77-2101.03. (1) For decedents dying on or after January 1,
26 2003, and before July 1, 2003, the tax on the Nebraska taxable estate
27 shall be the greater of the maximum state tax credit allowance upon

1 the tax imposed under Chapter 11 of the Internal Revenue Code or the
 2 amount provided in the following table:

3 Nebraska taxable estate

4	At least	But less	Tax =	+	%	Of Excess
5		than				Over
6	\$0	\$40,000	\$0		0	\$0
7	40,000	90,000	0		.8	40,000
8	90,000	140,000	400		1.6	90,000
9	140,000	240,000	1,200		2.4	140,000
10	240,000	440,000	3,600		3.2	240,000
11	440,000	640,000	10,000		4	440,000
12	640,000	840,000	18,000		4.8	640,000
13	840,000	1,040,000	27,600		5.6	840,000
14	1,040,000	1,540,000	38,800		6.4	1,040,000
15	1,540,000	2,040,000	70,800		7.2	1,540,000
16	2,040,000	2,540,000	106,800		8	2,040,000
17	2,540,000	3,040,000	146,800		8.8	2,540,000
18	3,040,000	3,540,000	190,800		9.6	3,040,000
19	3,540,000	4,040,000	238,800		10.4	3,540,000
20	4,040,000	5,040,000	290,800		11.2	4,040,000
21	5,040,000	6,040,000	402,800		12	5,040,000
22	6,040,000	7,040,000	522,800		12.8	6,040,000
23	7,040,000	8,040,000	650,800		13.6	7,040,000
24	8,040,000	9,040,000	786,800		14.4	8,040,000
25	9,040,000	10,040,000	930,800		15.2	9,040,000
26	10,040,000		1,082,800		16	10,040,000

27 (2) For decedents dying on or after July 1, 2003, and

1 before January 1, 2007, the tax on the Nebraska taxable estate shall
 2 be the greater of the maximum state tax credit allowance upon the tax
 3 imposed under Chapter 11 of the Internal Revenue Code or the amount
 4 provided in the following table:

5 Nebraska taxable estate

6	At least	But less	Tax =	+	%	Of Excess
7		than				Over
8	\$0	\$100,000	\$0		5.6	\$0
9	100,000	500,000	5,600		6.4	100,000
10	500,000	1,000,000	31,200		7.2	500,000
11	1,000,000	1,500,000	67,200		8	1,000,000
12	1,500,000	2,000,000	107,200		8.8	1,500,000
13	2,000,000	2,500,000	151,200		9.6	2,000,000
14	2,500,000	3,000,000	199,200		10.4	2,500,000
15	3,000,000	3,500,000	251,200		11.2	3,000,000
16	3,500,000	4,000,000	307,200		12	3,500,000
17	4,000,000	5,000,000	367,200		12.8	4,000,000
18	5,000,000	6,000,000	495,200		13.6	5,000,000
19	6,000,000	7,000,000	631,200		14.4	6,000,000
20	7,000,000	8,000,000	775,200		15.2	7,000,000
21	8,000,000	9,000,000	927,200		16	8,000,000
22	9,000,000		1,087,200		16.8	9,000,000

23 (3) Taxable generation-skipping transfers shall be taxed at
 24 a rate of sixteen percent of the Nebraska taxable transfer.

25 Sec. 4. Original section 77-2101.02, Reissue Revised
 26 Statutes of Nebraska, and sections 77-2101.01 and 77-2101.03, Revised
 27 Statutes Cumulative Supplement, 2006, are repealed.

