

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 502

Introduced by Mines, 18

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections
2 77-2004, 77-2005, 77-2006, and 77-2040, Reissue Revised
3 Statutes of Nebraska; to change inheritance tax rates; to
4 provide for applicabililty; and to repeal the original
5 sections.

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

1 Section 1. Section 77-2004, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-2004 In the case of a father, mother, grandfather,
4 grandmother, brother, sister, son, daughter, child or children
5 legally adopted as such in conformity with the laws of the state
6 where adopted, any lineal descendant, any lineal descendant legally
7 adopted as such in conformity with the laws of the state where
8 adopted, any person to whom the deceased for not less than ten
9 years prior to death stood in the acknowledged relation of a
10 parent, or the spouse or surviving spouse of any such persons, the
11 rate of tax shall be one percent of the clear market value of the
12 property in excess of ~~ten~~ one hundred thousand dollars received
13 by each person. Any interest in property, including any interest
14 acquired in the manner set forth in section 77-2002, which may be
15 valued at a sum less than ~~ten~~ one hundred thousand dollars shall
16 not be subject to tax. In addition the homestead allowance, exempt
17 property, and family maintenance allowance shall not be subject to
18 tax. Interests passing to the surviving spouse by will, in the
19 manner set forth in section 77-2002, or in any other manner shall
20 not be subject to tax.

21 Sec. 2. Section 77-2005, Reissue Revised Statutes of
22 Nebraska, is amended to read:

23 77-2005 In the case of an uncle, aunt, niece, or nephew
24 related to the deceased by blood or legal adoption, or other lineal
25 descendant of the same, or the spouse or surviving spouse of any of

1 such persons, the rate of tax shall be ~~six~~ ten percent of the clear
2 market value of the property received by each person in excess
3 of ~~two~~ twenty-five thousand dollars. If the clear market value of
4 the beneficial interest is twenty-five thousand dollars or less,
5 it shall not be subject to tax, and not exceeding sixty thousand
6 dollars; and on all the excess over sixty thousand dollars, the
7 rate of tax shall be nine percent.

8 Sec. 3. Section 77-2006, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 77-2006 In all other cases the rate of tax shall be
11 eighteen percent on the clear market value of the beneficial
12 interests in excess of twenty-five thousand dollars. shall be as
13 follows: (1) For any amount not exceeding five thousand dollars,
14 six percent; (2) on all the excess of beneficial interests over
15 five thousand dollars and not exceeding ten thousand dollars, nine
16 percent; (3) on all the excess of beneficial interests over ten
17 thousand dollars and not exceeding twenty thousand dollars, twelve
18 percent; (4) on all the excess of beneficial interests over twenty
19 thousand dollars and not exceeding fifty thousand dollars, fifteen
20 percent; and (5) on all the excess of beneficial interests over
21 fifty thousand dollars, eighteen percent. Such rates of tax shall
22 be applied to the clear market value of the beneficial interests
23 in excess of five hundred twenty-five thousand dollars received by
24 each person. If the clear market value of the beneficial interest
25 is five hundred twenty-five thousand dollars or less, it shall not

1 be subject to any tax.

2 Sec. 4. Section 77-2040, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 77-2040 Sections 77-2002 to 77-2004 and 77-2102 shall
5 become operative on December 31, 1982, and shall apply to all
6 property which passes from a decedent dying after such date.
7 Sections 77-2001, 77-2032, and 77-2106 shall become operative on
8 July 17, 1982. The changes made in sections 77-2004 to 77-2006 by
9 this legislative bill apply to all property which passes from a
10 decedent dying on or after January 1, 2007.

11 Sec. 5. Original sections 77-2004, 77-2005, 77-2006, and
12 77-2040, Reissue Revised Statutes of Nebraska, are repealed.