

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 120

Introduced by Wightman, 36.

Read first time January 09, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to inheritance tax; to amend sections
2 77-2018.04 and 77-2018.07, Reissue Revised Statutes
3 of Nebraska, and section 77-2010, Revised Statutes
4 Cumulative Supplement, 2008; to change provisions
5 relating to estate administration expenses and penalties;
6 and to repeal the original sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2010, Revised Statutes Cumulative
2 Supplement, 2008, is amended to read:

3 77-2010 All taxes imposed by sections 77-2001 to 77-2037,
4 unless otherwise herein provided for, shall be due and payable
5 twelve months after the date of the death of the decedent, and
6 interest at the rate specified in section 45-104.01, as such
7 rate may from time to time be adjusted by the Legislature, shall
8 be charged and collected on any unpaid taxes due from the date
9 the same became payable, and in all cases in which the personal
10 representatives or trustees do not pay such tax within twelve
11 months from the death of the decedent, they shall be required to
12 give bond in the form and to the effect prescribed in section
13 77-2009 for the payment of the tax together with interest. In
14 addition, for failure to file an appropriate proceeding for the
15 determination of the tax within twelve months after the date of
16 the death of the decedent there shall be added to the amount
17 due a penalty of five percent per month, up to a maximum penalty
18 of twenty-five percent of the unpaid taxes due. The filing of a
19 petition or an application for probate proceedings or the filing
20 of an application under section 77-2018.07 and payment of the
21 tentative tax payment within twelve months of the decedent's death
22 shall be considered an appropriate proceeding for the determination
23 to avoid a penalty and to stop the accrual of a penalty. In
24 addition, the county court may abate this penalty if good cause is
25 shown for failure to file.

1 Sec. 2. Section 77-2018.04, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 77-2018.04 In all proceedings for the determination of
4 inheritance tax, the following deductions from the value of the
5 property subject to Nebraska inheritance taxation shall be allowed
6 to the extent paid from, chargeable to, paid, payable, or expected
7 to become payable with respect to property subject to Nebraska
8 inheritance taxation:

9 (1) The cost of the funeral of the decedent, including
10 costs for interment and gravesite marker;

11 (2) All expenses of administration which accrue as a
12 result of the death of the decedent, including, but not limited
13 to, attorney's fees, court costs, and expenses concerning property
14 not subject to probate, and expenses related to taking possession
15 or control of estate assets and the management, protection, and
16 preservation of estate assets, including, but not limited to,
17 expenses related to the sale of estate assets, but not expenses
18 related to the day-to-day operation and continuation of business
19 interests which have not accrued as a result of the death of the
20 decedent;

21 (3) All expenses of the last illness of the decedent
22 which were incurred within six months of the death of the decedent;

23 (4) All other debts upon which the decedent was liable
24 for payment at the date of his or her death and which have been
25 paid; and

1 (5) Any federal estate tax paid, payable, or expected to
2 become payable, after deduction of all applicable credits, which is
3 attributable to property subject to Nebraska inheritance taxation.

4 Sec. 3. Section 77-2018.07, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 77-2018.07 (1) Any person subject to the tax imposed by
7 ~~Chapter 77, article 20, sections 77-2001 to 77-2037,~~ may, prior to
8 the final determination of the inheritance tax, make a tentative
9 payment of the tax in order to avoid the accrual of interest or
10 penalty on such tax. Any person who desires to pay such tentative
11 inheritance tax shall make a written application to the county
12 court for an order allowing the payment of a sum specified in such
13 application, prior to the final determination of the inheritance
14 tax due.

15 (2) If the county attorney shall not consent to the
16 amount requested in the application by entering his or her
17 voluntary appearance and waiver of notice, he or she shall within
18 seven days of the filing of the application show in writing what
19 sum he or she requests for the purpose of the prepayment. The
20 county court shall issue an order allowing a tentative payment of
21 the tax in such amount as the court shall specify.

22 (3) The county treasurer shall receive all taxes paid
23 pursuant to this section but shall not be required to invest any
24 tentative tax payment made for the benefit of the estate nor shall
25 ~~such~~ the county treasurer be required to pay interest on any refund

1 claim for the period he or she holds the tentative tax payment.

2 (4) The tentative tax payment allowed in this section
3 shall apply to both probate and nonprobate estates. The tentative
4 tax payment shall not be a final order and may be amended, altered,
5 or modified by subsequent order of the court.

6 Sec. 4. Original sections 77-2018.04 and 77-2018.07,
7 Reissue Revised Statutes of Nebraska, and section 77-2010, Revised
8 Statutes Cumulative Supplement, 2008, are repealed.