

LEGISLATIVE BILL 310

Approved by the Governor February 17, 2022

Introduced by Clements, 2; Erdman, 47; Geist, 25; Lowe, 37; Brewer, 43;
McCollister, 20; Albrecht, 17; Hansen, B., 16.

A BILL FOR AN ACT relating to revenue and taxation; to amend sections 77-2004, 77-2005, 77-2005.01, and 77-2006, Reissue Revised Statutes of Nebraska; to change inheritance tax rates and exemption amounts as prescribed; to change the individuals who are considered to be relatives of a decedent; to require reports; to harmonize provisions; to provide a duty for the Revisor of Statutes; and to repeal the original sections.

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

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

77-2004 (1) In the case of a father, mother, grandfather, grandmother, brother, sister, son, daughter, child or children legally adopted as such in conformity with the laws of the state where adopted, any lineal descendant, any lineal descendant legally adopted as such in conformity with the laws of the state where adopted, any person to whom the deceased for not less than ten years prior to death stood in the acknowledged relation of a parent, or the spouse or surviving spouse of any such persons, the rate of tax shall be:

(a) For decedents dying prior to January 1, 2023, one percent of the clear market value of the property in excess of forty thousand dollars received by each person in excess of forty thousand dollars; and -

(b) For decedents dying on or after January 1, 2023, one percent of the clear market value of the property received by each person in excess of one hundred thousand dollars.

(2) Any interest in property, including any interest acquired in the manner set forth in section 77-2002, which may be valued at a sum less than or equal to the applicable exempt amount under subsection (1) of this section ~~forty thousand dollars~~ shall not be subject to tax. In addition the homestead allowance, exempt property, and family maintenance allowance shall not be subject to tax. Interests passing to the surviving spouse by will, in the manner set forth in section 77-2002, or in any other manner shall not be subject to tax. Any interest passing to a person described in subsection (1) of this section who is under twenty-two years of age shall not be subject to tax.

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

77-2005 (1) In the case of an uncle, aunt, niece, or nephew related to the deceased by blood or legal adoption, or other lineal descendant of the same, or the spouse or surviving spouse of any of such persons, the rate of tax shall be:

(a) For decedents dying prior to January 1, 2023, thirteen percent of the clear market value of the property received by each person in excess of fifteen thousand dollars; and -

(b) For decedents dying on or after January 1, 2023, eleven percent of the clear market value of the property received by each person in excess of forty thousand dollars.

(2) If the clear market value of the beneficial interest is less than or equal to the applicable exempt amount under subsection (1) of this section ~~fifteen thousand dollars or less~~, it shall not be subject to tax. In addition, any interest passing to a person described in subsection (1) of this section who is under twenty-two years of age shall not be subject to tax.

Sec. 3. Section 77-2005.01, Reissue Revised Statutes of Nebraska, is amended to read:

77-2005.01 (1) For the purposes of sections 77-2004 and 77-2005, relatives of the decedent shall include:

(a) ~~Relatives~~ relatives of a former spouse to whom the decedent was married at the time of the death of the former spouse and relatives of a spouse to whom the decedent was married at the time of his or her death; and -

(b) Relatives of a spouse or former spouse of the decedent's parent, grandparent, child, sibling, uncle, aunt, niece, or nephew, if the decedent's parent, grandparent, child, sibling, uncle, aunt, niece, or nephew was married to the spouse at the date of death of the decedent or at the date of death of such spouse.

(2) The computation of any tax due pursuant to sections 77-2004, 77-2005, and 77-2006 shall be made without regard to Nebraska inheritance tax apportionment.

Sec. 4. Section 77-2006, Reissue Revised Statutes of Nebraska, is amended to read:

77-2006 (1) In all other cases the rate of tax shall be:

(a) For decedents dying prior to January 1, 2023, eighteen percent of ~~on~~ the clear market value of the beneficial interests received by each person in excess of ten thousand dollars; and -

(b) For decedents dying on or after January 1, 2023, fifteen percent of the clear market value of the beneficial interests received by each person in

excess of twenty-five thousand dollars.

Such rates of tax shall be applied to the clear market value of the beneficial interests in excess of ten thousand dollars received by each person.

(2) If the clear market value of the beneficial interest is less than or equal to the applicable exempt amount under subsection (1) of this section ten thousand dollars or less, it shall not be subject to any tax. In addition, any interest passing to a person who is under twenty-two years of age shall not be subject to tax.

Sec. 5. Each personal representative of an estate shall, upon the distribution of any proceeds from an estate, submit a report regarding inheritance taxes to the county treasurer of the county in which the estate was administered. On or before July 1, 2023, and on or before July 1 of each year thereafter, the county treasurer of each county shall compile and submit a report regarding inheritance taxes to the Department of Revenue. The reports shall be submitted on a form prescribed by the Department of Revenue and shall include the following information:

(1) The amount of inheritance tax revenue generated under section 77-2004 and the number of persons receiving property that was subject to tax under section 77-2004;

(2) The amount of inheritance tax revenue generated under section 77-2005 and the number of persons receiving property that was subject to tax under section 77-2005;

(3) The amount of inheritance tax revenue generated under section 77-2006 and the number of persons receiving property that was subject to tax under section 77-2006; and

(4) The number of persons who do not reside in this state and who received any property that was subject to tax under section 77-2004, 77-2005, or 77-2006.

Sec. 6. The Revisor of Statutes shall assign section 5 of this act to Chapter 77, article 20.

Sec. 7. Original sections 77-2004, 77-2005, 77-2005.01, and 77-2006, Reissue Revised Statutes of Nebraska, are repealed.