

January 27, 1976

SENATOR KEYES: An estate of a million dollars, how much will they owe the state?

SENATOR LUEDTKE: I couldn't possibly tell you because you would have to figure out how old the surviving spouse was, what the homestead. There is a formula which takes about an hour to figure out even when you have got it before you but what I am telling you is that in most instances the inheritance tax rates in Nebraska are low. Now the biggest impact on this is going to be section 2 with regard to the jointly held, the spouse's interest. That is the big impact because there won't be any tax in most of these. In the vast majority of cases, there won't be any tax at all. Now getting back to your question, the real solution to that is that you figure an estimated tax and pay it in the court and then you won't have any interest run at all. You remember, I just mentioned that a little while ago. That is the way to take care of it. And the other thing is, and I am talking now, I hear a lot of complaints about lawyers and I just want you to know that this is the best thing in the world to prod lawyers to get estates closed up and some of my lawyer friends are not going to like that.

PRESIDENT: Senator Rumery.

SENATOR RUMERY: Would Senator Luedtke yield to another question or two?

SENATOR LUEDTKE: Yes, sir.

SENATOR RUMERY: Senator Luedtke, I assume that all of us in here have constituents who have been harmed by the inheritance tax laws as far as spouses are concerned over a long period of time. What will happen now with the federal income tax, how will it take care of these people who have been harmed by the previous bills in Nebraska? Will this take care of that or will the federal income tax still...

SENATOR LUEDTKE: You are talking about the federal estate tax?

SENATOR RUMERY: Yes.

SENATOR LUEDTKE: Of course, this has nothing to do with federal estate tax and I am glad, Senator Rumery, you asked the question because there is great confusion in the minds of people when they talk about inheritance tax. Most of them are thinking about federal estate tax and the tremendous impact that has on estates and estate planning. This will have no affect on the federal \$60,000 deduction, spouse's interest, and that sort of thing, and the federal estate tax is the tax which really takes a great whack at most of our estates, and there is currently before Congress, as most of you know, legislation to increase that to \$200,000, \$300,000 rather than the \$60,000, which, of course, would be the thing that would give us the most relief.

SENATOR RUMERY: We have had, and I am sure we have all had