

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 995

Introduced by Stuthman, 22; Flood, 19

Read first time January 9, 2006

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 section 77-2101.01, Revised Statutes Supplement, 2005; to
4 terminate estate and generation-skipping taxes; and to
5 repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2101.01, Revised Statutes
2 Supplement, 2005, is amended to read:

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

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

22 (3) For all decedents dying on or after January 1, 2003,
23 and before January 1, 2007, (a) for the estate of every resident
24 decedent, the amount of such tax shall be the amount calculated
25 in section 77-2101.03 reduced by the percentage which the gross

1 value of the transferred property not situated in Nebraska bears
2 to the gross value of the transferred property minus the amount of
3 Nebraska inheritance taxes paid, and (b) for the estate of every
4 nonresident decedent, the amount of such tax shall be the amount
5 calculated in section 77-2101.03 multiplied by the percentage which
6 the gross value of the transferred property situated in Nebraska
7 bears to the gross value of the transferred property minus the
8 amount of Nebraska inheritance taxes paid.

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

11 77-2101.02 ~~There~~ Until January 1, 2007, there is
12 hereby imposed a generation-skipping transfer tax upon the
13 generation-skipping transfer or distribution of property of every
14 resident of this state and upon the generation-skipping transfer
15 of Nebraska real estate and tangible personal property situated in
16 Nebraska by a nonresident. The amount of the generation-skipping
17 transfer tax shall be the amount calculated in section 77-2101.03
18 reduced by the lesser of (1) the aggregate amount of all transfer
19 taxes paid to any state or territory, the District of Columbia,
20 or any possession of the United States in respect of any property
21 subject to the generation-skipping transfer tax or (2) the
22 amount determined by multiplying the amount calculated in section
23 77-2101.03 with respect to the taxable transfer by the percentage
24 which the gross value of the transferred property not situated in
25 Nebraska bears to the gross value of the transferred property.

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1 Sec. 3. Original section 77-2101.02, Reissue Revised
2 Statutes of Nebraska, and section 77-2101.01, Revised Statutes
3 Supplement, 2005, are repealed.