

LEGISLATIVE BILL 502

Approved by the Governor April 25, 2007

Introduced by Mines, 18

FOR AN ACT relating to revenue and taxation; to amend sections 77-2004, 77-2005, 77-2006, 77-2010, and 77-2040, Reissue Revised Statutes of Nebraska; to change inheritance tax provisions; to provide for applicability; 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 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 one percent of the clear market value of the property in excess of ~~ten~~ forty thousand dollars received by each person. 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 ~~ten~~ 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.

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

77-2005 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 ~~six~~ thirteen percent of the clear market value of the property received by each person in excess of ~~two~~ fifteen thousand dollars. If the clear market value of the beneficial interest is fifteen thousand dollars or less, it shall not be subject to tax. and not exceeding sixty thousand dollars; and on all the excess over sixty thousand dollars, the rate of tax shall be nine percent.

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

77-2006 In all other cases the rate of tax shall be eighteen percent on the clear market value of the beneficial interests in excess of ten thousand dollars. ~~shall be as follows: (1) For any amount not exceeding five thousand dollars, six percent; (2) on all the excess of beneficial interests over five thousand dollars and not exceeding ten thousand dollars, nine percent; (3) on all the excess of beneficial interests over ten thousand dollars and not exceeding twenty thousand dollars, twelve percent; (4) on all the excess of beneficial interests over twenty thousand dollars and not exceeding fifty thousand dollars, fifteen percent; and (5) on all the excess of beneficial interests over fifty thousand dollars, eighteen percent.~~ Such rates of tax shall be applied to the clear market value of the beneficial interests in excess of ~~five hundred~~ ten thousand dollars received by each person. If the clear market value of the beneficial interest is ~~five hundred~~ ten thousand dollars or less, it shall not be subject to any tax.

Sec. 4. Section 77-2010, Reissue Revised Statutes of Nebraska, is amended to read:

77-2010 All taxes imposed by sections 77-2001 to 77-2037, unless otherwise herein provided for, shall be due and payable twelve months after the date of the death of the decedent, and interest at the rate specified in section 45-104.01, as such rate may from time to time be adjusted by the Legislature, shall be charged and collected on any unpaid taxes due from the date the same became payable, and in all cases ~~where in which~~ the personal representatives or trustees do not pay such tax within twelve months from the death of the decedent, they shall be required to give bond in the form and to the effect prescribed in section 77-2009 for the payment of the tax together with interest. In addition, for failure to file an appropriate proceeding for the determination of the tax within twelve months after the date of the death of the decedent there shall be added to the amount due a penalty of five percent per month, up to a maximum penalty of twenty-five percent of the unpaid taxes due.

Sec. 5. Section 77-2040, Reissue Revised Statutes of Nebraska, is amended to read:

77-2040 Sections 77-2002 to 77-2004 and 77-2102 shall become operative on December 31, 1982, and shall apply to all property which passes from a decedent dying after such date. Sections 77-2001, 77-2032, and 77-2106 shall become operative on July 17, 1982. The changes made in sections 77-2004 to 77-2006 by this legislative bill apply to all property which passes from a decedent dying on or after January 1, 2008. The changes made to section 77-2010 by this legislative bill apply to decedents dying on or after January 1, 2008.

Sec. 6. Original sections 77-2004, 77-2005, 77-2006, 77-2010, and 77-2040, Reissue Revised Statutes of Nebraska, are repealed.