

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 881

Introduced by Schumacher, 22.

Read first time January 08, 2018

Committee: Revenue

- 1 A BILL FOR AN ACT relating to inheritance taxes; to amend section
- 2 77-2002, Reissue Revised Statutes of Nebraska; to provide an
- 3 exemption relating to life insurance proceeds; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2002, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 77-2002 (1) Any interest in property whether created or acquired
4 prior or subsequent to August 27, 1951, shall be subject to tax at the
5 rates prescribed by sections 77-2004 to 77-2006, except property exempted
6 by the provisions of Chapter 77, article 20, if it shall be transferred
7 by deed, grant, sale, or gift, in trust or otherwise, and: (a) Made in
8 contemplation of the death of the grantor; (b) intended to take effect in
9 possession or enjoyment, after his or her death; (c) by reason of death,
10 any person shall become beneficially entitled in possession or
11 expectation to any property or income thereof; or (d) held as joint
12 owners or joint tenants by the decedent and any other person in their
13 joint names, except such part thereof as may be shown to have originally
14 belonged to such other person and never to have been received or acquired
15 by the latter from the decedent for less than an adequate and full
16 consideration in money or property, except that when such property or any
17 part thereof, or part of the consideration with which such property was
18 acquired, is shown to have been at any time acquired by such other person
19 from the decedent for less than an adequate and full consideration in
20 money or property, there shall be excepted only such part of the value of
21 such property as is proportionate to the consideration furnished by such
22 other person or, when any property has been acquired by gift, bequest,
23 devise, or inheritance by the decedent and any other person as joint
24 owners or joint tenants and their interests are not otherwise specified
25 or fixed by law, then to the extent of the value of a fractional part to
26 be determined by dividing the value of the property by the number of
27 joint owners or joint tenants.

28 (2) For the purpose of subsection (1) of this section, if the
29 decedent, within a period of three years ending with the date of his or
30 her death, except in the case of a bona fide sale for an adequate and
31 full consideration for money or money's worth, transferred an interest in

1 property for which a federal gift tax return is required to be filed
2 under the provisions of the Internal Revenue Code, such transfer shall be
3 deemed to have been made in contemplation of death within the meaning of
4 subsection (1) of this section; no such transfer made before such three-
5 year period shall be treated as having been made in contemplation of
6 death in any event.

7 (3) Proceeds of life insurance receivable by a trustee, of either an
8 inter vivos trust or a testamentary trust, as insurance under policies
9 upon the life of the decedent shall not be subject to inheritance tax.
10 This subsection shall not apply if the decedent's estate is the
11 beneficiary of the trust.

12 Sec. 2. Original section 77-2002, Reissue Revised Statutes of
13 Nebraska, is repealed.