

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB599

Hearing Date: Thursday March 04, 2021
Committee On: Revenue
Introducer: Lindstrom
One Liner: Change an exemption from the documentary stamp tax

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Albrecht, Bostar, Briese, Flood, Friesen, Lindstrom, Linehan, Pahls
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents: Senator Brett Lindstrom Justin Sheldon	Representing: Introducer Self
Opponents:	Representing:
Neutral:	Representing:

Submitted Written Testimony:

Proponents: Nicole Fox Tim Hruza	Representing: Platte Institute Nebraska State Bar Association
Opponents:	Representing:
Neutral:	Representing:

Summary of purpose and/or changes:

LB599 codifies what has been the established practice in Nebraska for some time.

The bill would clarify that a transfer of real property from one family-owned entity to another family-owned entity is exempt from the Documentary Stamp Tax. The Nebraska Department of Revenue recently issued guidance which would subject these transactions to the tax, even if there is no cash consideration.

The tax can be avoided if a series of transactions are undertaken to distribute the property out of one family-owned entity to

a family member, as a dissolution of that family member's interest, and then transferred back into the second family-owned entity. However, this creates inefficiencies as well as avoidance of the tax.

LB599 would clarify that these transactions were intended to and continue to be exempt from the Documentary Stamp Tax.

Lou Ann Linehan, Chairperson