

April 7, 1982

LB 480

state estate tax under these amendments. So basically what these amendments do is refine the bill that was adopted on General File which simply abolishes the county inheritance tax in interspousal transfers. When Senator Beyer and I introduced this bill, we were concerned not only about the inheritance tax which was originally enacted in 1901 which is basically an antiquated tax with an antiquated collection system, and which has been superseded in many respects by all the subsequent forms of taxation that has since been developed at the state and federal level. In 1901 when the county inheritance tax was adopted, there was no state sales or income tax, there was no federal income tax. There really in the last 80 years, needless to say, have been enormous changes in the taxation system. Senator Beyer and I thought it was a time to take a hard look at whether we should continue with the county inheritance tax particularly in view of the fact that every time a person dies who has an interest in real estate a lien is placed on that real estate which lasts for 10 years, and an attorney has to be hired if that lien is to be removed within 10 years to prepare what is called inheritance tax determination. In approximately nine out of ten cases there are no taxes due but nonetheless an inheritance tax determination has to be prepared and given to the county judge who then signs an order indicating no inheritance taxes are due. The fees for such an inheritance tax determination can range anywhere from \$80 to \$100 to up to \$500 or \$1000 depending on the complexity of the estate. This bill was heard by the Revenue Committee and it was a subject of an interim hearing over the summer and the fall, and I think everyone has pretty much agreed that rather than abolish the entire inheritance tax because the revenue loss to the counties would be \$7.5 million approximately, we would do better to abolish it in approximately one-half of the circumstances, that is the interspousal transfers and at the same time abolish the liens that encourage these unnecessary attorney fees in so many instances. So let me just say in closing that never let it be said that all the lawyers do is bring bills into this body that increase legal fees. This is a significant bill which will significantly decrease legal fees, the cost of administering the county inheritance tax which far exceeds the revenue gained by the counties on an annual basis. Any of the three of us, Senator Sieck, Beyer and I would be pleased to attempt to answer any questions anyone might have. We would ask for the adoption of these amendments.

SENATOR NICHOL: Senator Sieck.

SENATOR SIECK: Mr. President and members of the body, I wish

10442