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PREPARED BY: Doug Gibbs  
DATE PREPARED: February 06, 2012  
PHONE: 402-471-0051

# LB 1102

Revision: 00

## FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1102 amends Nebraska Revised Statutes dealing with inheritance tax rates and exemption amounts.

The bill phases in changes to the inheritance tax rate and exemption amounts for immediate relatives, remote relatives, and nonrelatives.

The following table details the changes proposed by LB 1102:

Relationship:	Date Effective:	Property Value in Excess of:	Rate of Tax:
Immediate Relative:	Before Jan. 1, 2013:	\$ 40,000 (current)	1%
	After Jan. 1, 2013 & before Jan. 1, 2014:	\$ 60,000	1%
	After Jan. 1, 2014 & before Jan. 1, 2015:	\$ 80,000	1%
	After Jan. 1, 2015:	\$100,000	1%
Remote Relative:	Before Jan. 1, 2013:	\$ 15,000 (current)	13%
	After Jan. 1, 2013 & before Jan. 1, 2015:	\$ 25,000	10%
	After Jan. 1, 2015:	\$ 30,000	9%
Nonrelatives:	Before Jan. 1, 2013:	\$ 10,000 (current)	18%
	After Jan. 1, 2013 & before Jan. 1, 2015:	\$ 15,000	15%
	After Jan. 1, 2015:	\$ 20,000	13%

Immediate relatives are a father, mother, grandfather, grandmother, brother, sister, son, daughter, child legally adopted, any lineal descendant, spouse or surviving spouse of any such persons.

Remote relatives are an uncle, aunt, niece, or nephew related to the deceased by blood or legal adoption, or other lineal descendant of same, spouse or surviving spouse of any such person.

There is no fiscal impact to the state as a result of LB 1102.

### IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials estimates that LB 1102 will decrease the amount of inheritance taxes collected by counties; however, that amount is undetermined.

We agree with the analysis from the Association. Because the amount of inheritance tax collected by a county fluctuates from year to year determining specific impact is very difficult. Based on recent inheritance tax collections, the tax collected averages \$42 million per year; with the changes proposed by LB 1102 this number will certainly decrease.

LB 1102 FISCAL NOTE  
DAS ANALYST COMMENTS

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	2/7/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE – Concur. No fiscal impact.			
NACO – Concur. Inheritance tax revenues are an uncertain source of revenue for counties.			



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LB<sup>(1)</sup> 1102 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: (2) Nebraska Association of County Officials (NACO)

Prepared by: (3) Elaine Menzel Date Prepared: (4) 1/23/2012 Phone: (5) 402.434.5660, ext. 225

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with 4 columns: EXPENDITURES, REVENUE for FY 2012-2013 and EXPENDITURES, REVENUE for FY 2013-2014. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier. Explanation of Estimate:

LB 1102 is expected to decrease the amount of inheritance taxes collected by counties; however, that figure is undetermined at this time. To better analyze how much the inheritance taxes would be decreased in the counties by this bill, individual inheritance tax worksheets would need to be examined in the various counties.

MAJOR OBJECTS OF EXPENDITURE

Table with 4 columns: POSITION TITLE, NUMBER OF POSITIONS (12-13, 13-14), 2012-2013 EXPENDITURES, and 2013-2014 EXPENDITURES. Rows include Personal Services, Benefits, Operating, Travel, Capital outlay, Aid, Capital improvements, and TOTAL.