

LEGISLATURE OF NEBRASKA  
ONE HUNDREDTH LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 502**  
FINAL READING

Introduced by Mines, 18

Read first time January 17, 2007

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend sections  
2 77-2004, 77-2005, 77-2006, 77-2010, and 77-2040, Reissue  
3 Revised Statutes of Nebraska; to change inheritance tax  
4 provisions; to provide for applicability; and to repeal  
5 the original sections.

6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-2004, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           77-2004 In the case of a father, mother, grandfather,  
4 grandmother, brother, sister, son, daughter, child or children  
5 legally adopted as such in conformity with the laws of the state  
6 where adopted, any lineal descendant, any lineal descendant legally  
7 adopted as such in conformity with the laws of the state where  
8 adopted, any person to whom the deceased for not less than ten  
9 years prior to death stood in the acknowledged relation of a  
10 parent, or the spouse or surviving spouse of any such persons, the  
11 rate of tax shall be one percent of the clear market value of the  
12 property in excess of ~~ten~~ forty thousand dollars received by each  
13 person. Any interest in property, including any interest acquired  
14 in the manner set forth in section 77-2002, which may be valued at  
15 a sum less than ~~ten~~ forty thousand dollars shall not be subject  
16 to tax. In addition the homestead allowance, exempt property, and  
17 family maintenance allowance shall not be subject to tax. Interests  
18 passing to the surviving spouse by will, in the manner set forth  
19 in section 77-2002, or in any other manner shall not be subject to  
20 tax.

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

23           77-2005 In the case of an uncle, aunt, niece, or nephew  
24 related to the deceased by blood or legal adoption, or other lineal  
25 descendant of the same, or the spouse or surviving spouse of any

1 of such persons, the rate of tax shall be ~~six~~ thirteen percent of  
2 the clear market value of the property received by each person in  
3 excess of ~~two~~ fifteen thousand dollars. If the clear market value  
4 of the beneficial interest is fifteen thousand dollars or less,  
5 it shall not be subject to tax, and not exceeding sixty thousand  
6 dollars; and on all the excess over sixty thousand dollars, the  
7 rate of tax shall be nine percent.

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

10 77-2006 In all other cases the rate of tax shall be  
11 eighteen percent on the clear market value of the beneficial  
12 interests in excess of ten thousand dollars. shall be as follows:  
13 (1) ~~For any amount not exceeding five thousand dollars, six~~  
14 ~~percent;~~ (2) on all the excess of beneficial interests over five  
15 thousand dollars and not exceeding ten thousand dollars, nine  
16 percent; (3) on all the excess of beneficial interests over ten  
17 thousand dollars and not exceeding twenty thousand dollars, twelve  
18 percent; (4) on all the excess of beneficial interests over twenty  
19 thousand dollars and not exceeding fifty thousand dollars, fifteen  
20 percent; and (5) on all the excess of beneficial interests over  
21 fifty thousand dollars, eighteen percent. Such rates of tax shall  
22 be applied to the clear market value of the beneficial interests  
23 in excess of ~~five hundred~~ ten thousand dollars received by each  
24 person. If the clear market value of the beneficial interest is  
25 ~~five hundred~~ ten thousand dollars or less, it shall not be subject

1 to any tax.

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

4           77-2010 All taxes imposed by sections 77-2001 to 77-2037,  
5 unless otherwise herein provided for, shall be due and payable  
6 twelve months after the date of the death of the decedent, and  
7 interest at the rate specified in section 45-104.01, as such rate  
8 may from time to time be adjusted by the Legislature, shall be  
9 charged and collected on any unpaid taxes due from the date the  
10 same became payable, and in all cases ~~where~~ in which the personal  
11 representatives or trustees do not pay such tax within twelve  
12 months from the death of the decedent, they shall be required to  
13 give bond in the form and to the effect prescribed in section  
14 77-2009 for the payment of the tax together with interest. In  
15 addition, for failure to file an appropriate proceeding for the  
16 determination of the tax within twelve months after the date of  
17 the death of the decedent there shall be added to the amount due  
18 a penalty of five percent per month, up to a maximum penalty of  
19 twenty-five percent of the unpaid taxes due.

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

22           77-2040 Sections 77-2002 to 77-2004 and 77-2102 shall  
23 become operative on December 31, 1982, and shall apply to all  
24 property which passes from a decedent dying after such date.  
25 Sections 77-2001, 77-2032, and 77-2106 shall become operative on

1 July 17, 1982. The changes made in sections 77-2004 to 77-2006 by  
2 this legislative bill apply to all property which passes from a  
3 decedent dying on or after January 1, 2008. The changes made to  
4 section 77-2010 by this legislative bill apply to decedents dying  
5 on or after January 1, 2008.

6           Sec. 6. Original sections 77-2004, 77-2005, 77-2006,  
7 77-2010, and 77-2040, Reissue Revised Statutes of Nebraska, are  
8 repealed.