



Ninety-Seventh Legislature - Second Session - 2002
Committee Statement
LB 1242

Hearing Date: February 21, 2002

Committee On: Revenue

Introducer(s): (Raikes)

Title: Change distribution of inheritance tax revenue

Roll Call Vote – Final Committee Action:

Advanced to General File

X Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

5	Yes	Senators Dierks, Hartnett, Janssen, Raikes and Wickersham
0	No	
0	Present, not voting	
3	Absent	Senators Coordsen, Landis and Redfield

Proponents:

Senator Ron Raikes

Representing:

Introducer

Opponents:

Julie Karavas
David T. Anderson
Beth Mares
David Kroeker

Representing:

Nebraska Cattlemen
Gage County and NE Assn. of County Officials
Saline County
Lancaster Co. Board of Commissioners

Neutral:

None

Representing:

Summary of purpose and/or changes:

LB 1242 would amend seven sections of the inheritance tax statutes to change the payment of the tax from payment to the county treasurer to payment to the Tax Commissioner. Under LB 1242, instead of crediting the proceeds to the county general fund, the tax proceeds would be credited to the Inheritance Tax Distribution Fund, which is created in section 8. Refunds for overpayments would also be paid by the Tax Commissioner rather than the county treasurer.

Section 8 would amend section 77-2032 to create the Inheritance Tax Distribution Fund. Each calendar year, the Tax Commissioner is to distribute the prior year's inheritance tax revenue to the counties based on the previous five years average collections. Mathematically, each county

receives the total amount collected over the previous year times a fraction, the numerator of which is the last five years of collections for the county and the denominator of which is the last five years of collections for the whole state. For purposes of maintaining this ratio, the total inheritance tax paid is to be apportioned among the counties where the property is located.

The act is to become operative January 1, 2003.

Explanation of amendments, if any:

The Committee amendments strike redundant language, clarify that the distribution of the fund to the counties is to include any interest earned on the money, and clarify that the bill is operative for decedents dying on or after January 1, 2003.

Senator William R. Wickersham, Chairperson