

# **BASIC PROVISIONS AND TAX BASE OF THE NEBRASKA ESTATE TAX AND GENERATION-SKIPPING TRANSFER TAX LAWS**

The tax base for the Nebraska estate tax and the Nebraska generation-skipping transfer tax is the maximum state tax credit allowance computed on the federal estate tax return or the federal generation-skipping transfer tax returns. Every decedent who was a Nebraska resident on the date of death or who owned Nebraska real property or tangible personal property situated in Nebraska as a nonresident, and who is required to file a federal estate tax return is subject to tax. Any generation-skipping transfer or distribution of property of any resident and any generation-skipping transfer of Nebraska real estate or tangible personal property situated in Nebraska by a nonresident is also subject to tax.

The amount of estate tax and generation-skipping transfer tax due to the State of Nebraska will be the amount by which the maximum state tax credit allowance exceeds the lesser of the (1) total amount of all taxes paid to any state or territory, the District of Columbia, or any possession of the United States, or (2) the sum of the amount of Nebraska inheritance taxes paid and the amount determined by multiplying the maximum state tax credit allowance of the taxable transfer by the percentage of the gross value of the transferred property not situated in Nebraska over the gross value of the transferred property.

The Nebraska estate tax and generation-skipping transfer tax change as federal tax law changes. The calculation to determine the maximum state tax credit allowance, which is Nebraska's tax base, is performed on the federal tax returns and is not described in Nebraska law.

**The funds raised by these taxes are deposited in the State General Fund.**

# TRANSFER TAXES

**Statutory Reference  
and Description**

**Estimated Tax  
Expenditure Cost  
NA = Not Available**

## DEDUCTION

### **Section 77-2101.01**

A deduction is allowed against the Nebraska transfer taxes for the lesser of (1) the total amount of all estate, inheritance, legacy, or succession taxes paid to any state, territory, or possession of the United States, the District of Columbia, or their political subdivisions (this includes inheritance tax paid to Nebraska counties for the estate tax), or (2) the sum of the amount of Nebraska inheritance taxes paid and the amount determined by multiplying the maximum state tax credit allowance of the taxable transfer by the percentage of the gross value of the transferred property not situated in Nebraska over the gross value of the transferred property.

\$21,100,000

## CREDIT AND REFUND

### **Section 77-2106.01**

A refund is allowed for any overpayment of transfer tax in excess of that legally due when a proper claim is submitted to the State Tax Commissioner within the applicable statute of limitations.

\$372,400

**ESTATE TAX AND GENERATION-SKIPPING  
TRANSFER TAX  
RECOMMENDATIONS**

The Nebraska Department of Revenue has no recommendations.