

Section J — Inheritance Tax

Basic Provisions and Tax Base

The inheritance tax in Nebraska is administered by the county court of the county where the decedent resided or where the real or personal property is located. The tax is levied as a percentage of the clear market value of the property, including proceeds of insurance upon the life of the decedent, that to the extent the benefit is recovered by the personal representation transferred by will or by the intestate laws from any person who, at the time of death, was a Nebraska resident or if a nonresident, possessed nonexempt property located within the State of Nebraska. The rate is determined by the identity of the beneficiary. Interests passing to the surviving spouse are not subject to inheritance tax.

The inheritance tax is required to be apportioned among the counties in the same ratio that the gross property (including both taxable and nontaxable property) in each county bears to the gross value of all property reportable for inheritance tax purposes.

All inheritance tax is credited to the county general fund or to any other fund of the county selected by the county board.

Statutory Reference and Description	Estimated Tax Expenditure Cost (NA = Not Available)
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Exemptions

Sections [77-2004](#) and [30-2322](#)

The homestead allowance is exempt. A surviving spouse of a decedent who was domiciled in Nebraska is entitled to a homestead allowance of \$20,000. If there is no surviving spouse, each minor or dependent child of the decedent is entitled to a homestead allowance of \$20,000 divided by the number of minor and dependent children of the decedent. NA

Sections [77-2004](#) and [30-2323](#)

Exempt property is not subject to the inheritance tax. The surviving spouse or children of a decedent who was domiciled in Nebraska is entitled to an amount not exceeding \$2,500 in excess of any security interest, of household furniture, automobiles, furnishings, appliances, and personal effects. NA

Sections [77-2004](#), [30-2324](#), and [30-2325](#)

The family maintenance allowance is exempt. If the decedent was domiciled in Nebraska, the surviving spouse and minor children whom the decedent was obligated to support, and children who were in fact being supported by the decedent, are entitled to a reasonable monetary allowance during the administration of the estate up to \$20,000 total without a court order. NA

Section [77-2004](#)

The first \$40,000 of the clear market value of property received by each lineal relative or sibling of the decedent is exempt. NA

Section [77-2004](#)

Interests passing to the surviving spouse are exempt. NA

Section [77-2005](#)

The first \$15,000 of the clear market value of property received by each cousin and other remote relative of the decedent is exempt. NA

Section [77-2006](#)

The first \$10,000 of the clear market value of the beneficial interest in the estate received by someone other than a relative is exempt.

NA

Section [77-2007](#)

Payments received by an estate under an employee benefit plan are exempt to the extent that the benefit is life insurance otherwise excluded from the tax, or the benefit is not subject to the federal estate tax.

NA

Section [77-2007.03](#)

Property transferred to either: (1) the U.S. or any of its departments, instrumentalities, or agencies; or (2) Nebraska or any of its governmental subdivisions, departments, agencies, or instrumentalities, any municipal corporation or body politic created by or under the laws of Nebraska, or any agency, institution, foundation, or fund administered or operated by any of these entities is exempt.

NA
(State taxation prohibited)

Section [77-2007.04](#)

All inheritances to or for the use of any corporation, organization, association, society, institution, or foundation organized and operating exclusively for religious, charitable, public, scientific, or educational purposes, is exempt if certain conditions are met.

NA

Credits

Section [77-2018.06](#)

When a decedent has received property from another person who died within five years prior to the death of the decedent, upon which Nebraska inheritance tax was paid, the tax paid is allowed as a credit against the amount of inheritance tax assessed against the recipients of property from the estate of the decedent.

NA

Preferential Tax Rates

Sections [77-2004](#), [77-2005](#), and [77-2006](#)

Property transferred to lineal relatives and siblings, remote relatives, and others are taxed at the rates noted below:

Classification	Amount of Property	Tax Rate	
Lineal relatives and siblings	\$40,000.01 & over	1%	NA
Remote relatives	\$0-15,000	0%	NA
	\$15,000.01 & over	13%	
Non-relatives	\$0-10,000	0%	NA
	\$10,000.01 & over	18%	