

tax since there would be a marital deduction, but the dollar amount would be very minimal. This would tend to be offset by a tax paid at the death of the surviving spouse. As with respect to gift tax, the creation of a multiparty bank account does not create a gift since the contributing party can withdraw the funds which are deposited, and, of course, that means that it can't be a gift, you have to have the absolute transfer of ownership for a gift to occur. LB 250 is not intended to have a gift tax effect or consequence, or an income tax effect, and the potential inheritance tax consequences will be nominal. (Microphone momentarily turned off.) ...questions, if it doesn't, that's too bad. I couldn't come any closer than that. I don't know zip about the inheritance tax field or the gift tax field. I could only cry mercy and hope that this answers your questions. With that, I withdraw the motion to bracket and we can take up the advancement of 250.

PRESIDENT MOUL: Thank you, Senator Landis. Senator Abboud.

SENATOR ABOUD: Yes, Madam President, colleagues. I plan on voting to advance LB 250 today. The issue really, if you want to kind of condense some of the major issues raised by Senator Bromm and Hohenstein focused in on compliance, and maybe that is something that we're going to have to, I feel, address, but address at a later date, maybe after a public hearing, and offer a separate piece of legislation for next year. But as far as the bill, 250, I'm going to be voting to advance it and focus in on the compliance area next year.

PRESIDENT MOUL: Thank you, Senator Abboud. Senator Bromm.

SENATOR BROMM: Thank you, Madam President. Thank you, Senator Landis, for the explanation. I think it was accurate and very informative. I wanted to explain or reiterate just a bit on that inheritance tax situation. Under the present law, if...if mom and dad and two kids have their names on a joint account, and dad dies, the inheritance is presumed to go to the three remaining title holders, one-third to each child and one-third to mom. Mom's one-third is exempt from tax. Under this...under this act, one of the effects is that the entire joint account goes to mom, so it's free from inheritance tax at that point. There's no inheritance tax imposed to the children at all until mom dies. And that is a change, but I think that's the intent of most people that set up those kinds of accounts anyway. And sometimes when they find out there is inheritance tax, under the