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(Start of Belt #11)

this had been in the bill to start with, there would have been many, many people testify at the public hearing and, naturally, I would object to voting for an amendment that is so radical when we are down to this stage in time and has not had a public hearing. We have been over this ground before in past years and I think the bill has been introduced several times. I believe that usually, if not always, the Committee has killed it because the facts of the matter are that the insurance companies do pay an income tax. It is called a premium tax but it is on gross premiums. It is on every dollar they take in in premiums and, of course, this involves a lot of money. They are paying that tax now and there is no logical reason for imposing further income tax on them. Furthermore, naturally an additional tax has to be passed on to the policyholder. This is the only way you can do it. Then you might ask, well, if the companies aren't really paying it, why do they object to it. Well every corporation is after sales and after the dollar and, of course, the insurance companies do not feel that they should be separately chosen to pay this additional tax but, finally, without going into the matter further, as I stated there was no public hearing on this and I think it would be very bad, if nothing else as a matter of procedure, to now within a few minutes adopt such amendments. So, I would urge you to defeat this amendment.

PRESIDENT: Senator Whitney, then Senator Burbach.

SENATOR WHITNEY: Mr. President, and members of the Legislature, this is a very difficult amendment to try to understand and I am certain that I don't quite understand it but on Page 11, there, it would say, line 3, "industrial loan and investment companies shall in the computation of tax due under the provisions of this section be allowed a business expense deduction in the amount paid during the taxable year as taxes in lieu of intangible tax". Personally, I can't see much difference between that and what's already in the law. However, if this is the intent which Senator Carpenter has explained, it would seem to me that if we are not going to give co-ops any particular advantages, then why give insurance companies any advantages. When insurance salesmen come out to sell me insurance, they say, well, the insurance companies have got special tax advantages and that's why we are able to do this for you and so I am beginning to wonder. If they admit it and they do have special advantages and they are corporations, they are selling services to the people, maybe we should not give them these special advantages. So I am going to support Senator Carpenter's amendment. I hope that it's written there as he intended for it to be. Let's try it out for awhile and see what happens.

PRESIDENT: Senator Burbach, do you want to be heard on the Carpenter amendment here?

SENATOR BURBACH: Well, yes, Mr. President. As I understand Senator Carpenter's amendment, be paying an income tax and paying a premium tax. I don't believe there is a repealer of the premium tax. It is difficult to say who pays a tax. Taxes are passed along. This would be an increase in those areas of the people who purchase the policy. Of course, you have the other affect if on foreign companies, and I think they are provided for in this amendment. Then every other state would retaliate on Nebraska insurance companies in the states that they do business. So we are saying, as I interpret Senator Carpenter's amendment, and I am sure I interpret it correctly, we would have both taxes. Now then