

March 11, 1980

LB 440, 903, 905

SENATOR NICHOL: Those in favor of advancing the bill please say aye, opposed no. It is advanced.

CLERK: Mr. President, 903, I have the E & R amendments and that is all I have.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Wesely, you may move the adoption of the E & R amendment. The motion is the adoption of the E & R amendments to LB 903. All those in favor say aye, opposed no. Motion carried. Bill is advanced...the E & R amendments are adopted. Motion is the advancement of 903 to E & R for engrossment. All those in favor say aye, opposed no. Motion carried. The next bill is LB 905.

CLERK: Mr. President, I have a series of amendments on LB 905. The first is by Senator Johnson, Newell and Burrows and they move to rerefer LB 905 to the Revenue Committee. Their motion is found on page 986 of the Journal.

SPEAKER MARVEL: Senator Johnson.

SENATOR JOHNSON: Yes, Mr. Speaker, members of the body, LB 905 is a bill that would take the premium tax off the insurance premiums that are generated from the sale of individual retirement accounts, otherwise known as IRAs. An individual retirement account is a federally created term used essentially to provide persons certain tax benefits when they take some of their earnings and put those earnings into an individual retirement account, that is, they put some of the money into an IRA. There are a variety of IRAs. For example, one can take some dollars and put those dollars into a savings account with a savings and loan institution or a bank or any other depository and that will be a savings IRA or one can take some money and put the money into a mutual fund, that would be a mutual fund IRA, or one can take some money and with that money buy life insurance or some other form of insurance, such as an annuity, and that will be known as a life insurance or an annuity IRA. Now it is with the last kind of transaction that we are talking. LB 905 is a bill essentially designed to eliminate the premium tax on the life insurance or the annuity IRA. This is a bill that has been heard in the past by the Revenue Committee. Now the Revenue Committee is sort of a special committee in this Legislature. I mean we are kind of the bad guys in many respects because we do get lots and lots of bills where people are requesting exemptions from taxation or people are requesting special