

March 17, 1980

LB 905

because the Revenue Committee works hard for us and the people of the State of Nebraska to make sure we still got some tax base around on which people can pay taxes. Senator Burrows points out very ably that to a large extent insurance dollars flow out of the State of Nebraska and don't...are not returned in the way of investments and he says simply that to keep the premium tax on as a way of at least inhibiting some of that flow because that is tax monies that we use at home for our own purposes. We have had good arguments. The only reason this bill is alive is because somebody has said, we need equity. We need parity but the truth of the matter is, if you will look through the arguments you will appreciate that equity and parity truly is not encompassed in the premium tax. Equity and parity may be encompassed in the way the commissions are established on insurance sales. It may be built in the way that the insurance IRA differs from the mutual fund IRA which in turn differs from the savings account IRA but the premium tax is not what makes the insurance IRA noncompetitive with the other IRAs. The premium tax is a very very small component of the overall package. If we advance this bill, if we fail to kill this bill, we will have another erosion, another chipping away of the tax base. It is unwarranted. We know it. We should vote to kill this bill. Thank you.

PRESIDENT: The question is the motion to indefinitely postpone LB 905. All those in favor vote aye, opposed nay. Record the vote.

CLERK: 8 ayes, 25 nays on the motion to indefinitely postpone, Mr. President.

PRESIDENT: Motion fails. Anything further on the...?

CLERK: Yes, sir. Mr. President, Senator Newell moves to amend, and the amendments are on page 1115 of the Journal.

PRESIDENT: The Chair recognizes Senator Newell.

SENATOR NEWELL: Mr. President, I won't take long with this amendment. It is an amendment that would basically exempt Blue Cross and Blue Shield from the premium tax and I would like to see this amendment adopted. If this bill is going to pass I think we ought to exempt a few more people. I think there is a great deal of merit in terms of exempting Blue Cross and Blue Shield and for very simple reasons. We already have exempted fraternal organizations. This would be a hospital-medical corporation or whatever it is. I can't exactly, remember exactly the termination but it would be just for Blue Cross and