

March 17, 1980

LB 905

Schmit, do you want to discuss the merits? All right.
Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I think one of the points that the body has not understood because of the lobbying efforts is, the lobbying efforts in support of the bill have claimed it places the insurance companies in an unfair position taxwise. Well since the insurance premium tax is used to offset the corporate income tax for the insurance companies they are taxed totally different than the other institutions, the lending institutions that sell these IRAs. Because of this difference, taking away that premium tax puts them in an advantaged position to banks and savings and loan companies. The banks and savings and loan companies presently pay on an income tax on their overhead, the total operation and included in this is the service of the IRAs. Now the insurance companies are not in this position. They are taxed differently and to keep a tax on them commensurate to the others, a premium tax is essential to be kept. It is essential that we keep the premium tax if we want to treat them the same because that was their method of taxation. There are a lot of flaws in the taxation of insurance companies, I feel in the methods we have set up, but what we are doing with the bill is making a bad situation of taxation here simply worse and we are above all, look at the idea, to lose the state \$309,000. We are accelerating the flow of funds out of the state that won't be available within the state to be loaned at a time we have a crisis in our lending institutions. I think it is intolerable that this Legislature even look at this bill and I can assure you, had it come to the Revenue Committee it would not have flown to the floor like it did when it came the other route. We had the discussions on it in the Revenue Committee. We asked the questions that weren't evidently asked elsewhere and the Revenue Committee in the past years has chosen not to send this bill to the floor after they did or did not give us the answers relating to taxation and relating to the flow of funds. Thank you.

PRESIDENT: The Chair recognizes Senator Barrett.

SENATOR BARRETT: Mr. Chairman, enough is enough. I move the previous question.

PRESIDENT: All right, there is one more speaker, so all those in favor... Do I see five hands? I do. All those in favor of ceasing debate vote aye, opposed nay. This is just to cease debate. We are voting on ceasing debate on the motion to advance LB 905. Well, if they don't want to cease debate why... Record the vote.