penditure in the end is what is known as a tax expenditure. We continue to chip away at the tax base by exempting yet another item from taxation and this is what 905 would do. We spend far more time on our appropriations measures in terms of our expenditures than we ever do on our tax expenditures and again, I want to remind you that is what we are doing each time we chip away at the tax base. We end up spending tax dollars because what it means as we narrow the tax base, it means simply that those remaining taxpayers end up picking up the slack. Now insurance companies in this state do not bear a great tax and when we chip away again at the tax base they bear less of a tax than they had heretofore carried. Insurance companies are required by law to pay the corporate income tax, however, insurance companies in this state have not paid a corporate income tax for years. Why? Because the premium tax is an offset to the corporate income tax and the corporate income tax itself mirrors a federal corporate income tax and a federal corporate income tax on insurance companies has a number of provisions that allow for fast write-offs, large reserves for losses and the like which have resulted in the end in the insurance companies not having to pay a lot of federal corporate income tax, thus the state corporate income tax is low. Insurance companies, according to one contact I have had in Washington, D.C., with the Internal Revenue Service are now being regarded as tax shelters. Conglomerates are buying insurance companies because they have a good way of sheltering some of their income through the insurance company. Now I have introduced a study resolution for the Revenue Committee to take a hard look at all...at how we do tax insurance companies in the state and I am sure that we will do that over the summer and fall and I think it should be done but in the meantime we ought not to chip away at the premium tax which is what we are doing here. This will cost us some $300,000 a year. Now this weekend when I was home I went to the library and I picked up January 1980 Consumer Report. A lengthy article in the Consumer Report on individual retirement accounts, costs, benefits and problems, it dealt at length with the insurance individual retirement account that we are about not to tax through the loss of the premium tax. It said some most interesting things. The first thing it said is that the insurance individual retirement account was so problem ridden that Congress had to change the law in November of 1978 to provide further protections to the consumers because the consumers themselves were being harmed by some insurance individual retirement accounts. The second thing the Consumer Report's article said is that with insurance individual