

companies that are profit-making on practically every basis with perhaps some of the investment of the disposition of their dividends, if you will. The dividends of some fraternal are spent for charitable purposes. What we have is a cost differential between the...a cost differential between the profit-making insurance companies and the nonprofits, the fraternal, if you will. That differential is the amount of the premium tax. The concept of the tax exemption was, why tax a charitable organization? If you believe that those large fraternal are strictly charitable organizations, you will want to side with the language of 508 as it is. If you believe, as I do, that fraternal insurance companies are more like their competitive brethren, their profit-making competitors, the other people in the marketplace that are scrambling for business, then I would suggest that you vote for this amendment because this amendment applies to premium tax to fraternal. Now there is in insurance law a distinguishing characteristic called "reciprocity". It says, if we do something to an insurance company here, a foreign company doing business in Nebraska, those states that have Nebraska companies doing business in their jurisdictions are capable of changing the insurance rates for Nebraska-based corporations where they do business in their states. One of the impacts of adopting my amendment will be to kick in a premium tax in other states for Nebraska-based fraternal insurance corporations. The vast majority of fraternal, however, are not based in Nebraska and while we will create difficulties for Nebraska-based fraternal, there are many, many more that are not Nebraska based that we will be able to tax through my amendment. I would support the amendment. I hope that you will adopt it. It represents a very clear philosophical choice of creating a level playing field with respect to taxation for insurance companies that sell life insurance in the State of Nebraska.

SENATOR LAMB: Before we proceed, I would like to introduce a guest of Senator Haberman under the south balcony from Chappell, Nebraska, Lyndia Capbella. Welcome to the Legislature. Also I have a note here that Senator Vickers is celebrating his 49th birthday today. Is that 49...is that really true? It sounds like a fictitious number but anyway the note here says it is his 49th birthday. Congratulations, Senator Vickers. Next on the speaking order is Senator Bayer.