

February 28, 1986 LB 1114

PRESIDENT: Senator Barrett, do you wish to speak on the amendment?

SENATOR BARRETT: Thank you, Mr. President. Senator Johnson, would you please yield to a question?

SENATOR V. JOHNSON: Yes, Senator Barrett.

SENATOR BARRETT: The amendment as I understand it is a 1 percent flat tax...

SENATOR V. JOHNSON: Yes, sir.

SENATOR BARRETT: ...on all insurance companies, both domestic and foreign...

SENATOR V. JOHNSON: Yes, sir.

SENATOR BARRETT: ...with an exception for the group health and accident insurance policy, or companies.

SENATOR V. JOHNSON: That is correct. And for that business, for that line the premium tax is a half of 1 percent.

SENATOR BARRETT: You have also suggested, I believe, that the retaliatory tax now in effect will make it possible for Nebraska not to lose any money.

SENATOR V. JOHNSON: That is correct.

SENATOR BARRETT: That is the net effect.

SENATOR V. JOHNSON: That is correct.

SENATOR BARRETT: Do you have any estimate of what that might yield?

SENATOR V. JOHNSON: Yes. The retaliatory tax under this law, the current retaliatory tax under our current law...I can't give it to you, I'm sorry. I'll have to look at it again, but the retaliatory tax with this change will yield \$10.3 million. Under current law the retaliatory tax doesn't have to yield that much money because we can use the basic 2 percent rate and the .6 of 1 percent rate and not have to look to the retaliatory tax as a big workhorse, but