

February 28, 1986 LB 1114

amendment? Any further closing, Senator Johnson?

SENATOR V. JOHNSON: No, I think I used so much of Senator Hannibal's time I explained it well enough, I don't think I need to close.

PRESIDENT: Very well. The motion is to adopt the Johnson amendment to 1114. All those in favor vote aye, opposed vote nay. Please record your vote on the Johnson amendment to LB 1114. Have you all voted? Record the vote, Mr. Clerk.

CLERK: 26 ayes, 0 nays on adoption of Senator Johnson's amendment.

PRESIDENT: The amendment is adopted. The Chair on behalf of Senator Rex Haberman, who is the senator from my home district, has a guest under the south balcony this morning, Mr. Paul Orvis from Imperial. Welcome, Paul, if you'll stand, we'd gladly welcome you. Anything further on the bill? I assume you have a motion to advance the bill, Senator Johnson.

SENATOR V. JOHNSON: Yes, I do. I should make closing remarks. I would like to make some closing remarks on the bill. I am confident, incidentally, there will be a few Select File changes because we still have some thrashing to do on the issue and I will tell you where the areas lie that require some Select File consideration. The first area will be whether or not this new tax should be retroactive, should be retroactive to cover the 1985 tax year. The bill provides for the new tax to be retroactive but the bill was drafted with a slightly different purpose and I know that domestic insurance carriers are going to be concerned about retroactivity. The second change will deal with the quarterly payments. The domestic insurance carriers acceded to quarterly payments because they wanted us to, in a sense, carry LB 1114 in its original form. Now with the 1 percent flat tax it makes quarterly payments less attractive to the domestic carriers. Quarterly payments, however, are quite attractive to the state given the current financial condition of the state. But that will clearly be an item for negotiation. Finally, we have a property and casualty company in Nebraska, Farmers Mutual, that is extraordinarily nervous about moving from .6 of 1 percent to 1 percent flat tax and Farmers Mutual would like to have some exception for