

1 percent as of February 28, 1986, move them to 7/10th of 1 percent for calendar year 1986. And, as you may remember, those taxes will be paid on a quarterly basis. Move them to 8/10th of 1 percent for calendar year 1987, and again as you may remember those taxes will be paid on a quarterly basis, and then move them to the full 1 percent as of calendar year 1988. In other words, there is a slight phase in concept for property and casualty premium taxes. But by 1988 we will then have, in this state, a totally uniform system of taxation wherein our premium taxes will be 1 percent irrespective of the line that is written, except group health insurance, which will be at a half a tenth, which will be at a half of a percent. And again, as you may remember, the reason that we have provided special treatment for group health insurance is their main line of competition today lies with self-insurers, which I think now command 40 percent of their market. And we cannot impose any premium tax whatsoever on self-insurers. So the amendments, they do a little clean-up work on 1114, they provide the phase in for the property and casualty lines, and that essentially is it. I would offer the amendments. I will tell you that this has been a very tough, difficult question that I, personally, believe that when we adopt these amendments which now meet the approval of all the insurance carriers that we're treating and we have passed this bill, that we will have literally laid to rest the potential that we have now in court for an unconstitutional premium tax law.

SPEAKER NICHOL: Senator Warner, then Senator Higgins.

SENATOR WARNER: I guess first I have a question of Senator Johnson, so I understand. Page 3 of the amendment, 2412, is that the right amendment? The section about where these funds are deposited to the...how much money are we talking about, and when does it come, and where does it go under the amendment? If you've already said, I apologize because I got here late.

SENATOR V. JOHNSON: Senator Warner, we are talking about a total premium tax dollar of 28 million which is paid in, at the current time it is paid in in one fell swoop.

SENATOR WARNER: All right.

SENATOR V. JOHNSON: Now this particular bill, 1114, is