

March 17, 1988

LB 855

CLERK: Mr. President, Senator Ashford has an amendment to the bill. That is found on page 1394 of the Journal.

PRESIDENT: Senator Ashford, please.

SENATOR ASHFORD: Thank you, Mr. President, members, very briefly, the amendment essentially, simply changes the formula utilized in assessing these particular companies who are involved in writing these annuity policies and what it does is it adds to the formula, the percentage of savings from the nonpayment of the retaliatory tax to other states. It adds that part of the savings that these companies will get to their proportionate share of total premium tax in arriving at the assessment that will be made during these first three years. So it does, I think, make for a more fair formula because it involves the...adds to the formula of the retaliatory tax savings as well as the proportionate share of premium tax. So that's the essence of this amendment.

PRESIDENT: Senator Chambers, please.

SENATOR CHAMBERS: Mr. Chairman and members of the Legislature, I'd like to ask Senator Ashford a question.

PRESIDENT: Senator Ashford.

SENATOR CHAMBERS: Senator Ashford, would you state again what you said, generally.

SENATOR ASHFORD: All right, when they...for the next three years there is going to be an assessment against those companies that are benefitting from this premium tax reduction, or abolition. And in the original bill the percentage of...or the assessment was based upon the proportionate share of that company's total premium tax, of all the (inaudible). We've added to the formula the retaliatory tax savings, to the formula, in determining what the assessment will be, so that those companies that are going to save a significant amount in the retaliatory tax will pay a greater percentage or greater share of that assessment.

SENATOR CHAMBERS: Okay.

PRESIDENT: Mr. Clerk, do you have an amendment to the amendment?