

March 12, 1980

LB 905

SENATOR NEWELL: ...and that this issue is a very important issue that needs to be addressed by this body.

SPEAKER MARVEL: You are recognized for the purpose of closing on your motion, period.

SENATOR NEWELL: Mr. President, I am closing on this point and I am closing in regards to debate that had preceded, the debate about how I strenuously and vigorously opposed this bill at every stage of movement and I only want to point out that I haven't spoken this bill before and that I haven't vigorously opposed it, that the motions have been moved aside or the bill has been advanced and we are now on Select File trying to refer this bill to the Revenue Committee where it should go. This bill has been before the Revenue Committee before but this year, because of various machinations it was referred to the Banking, Commerce and Insurance Committee. The question of whether or not this bill, this exemption is a meritorious exemption was discussed before the Banking, Commerce and Insurance Committee which does not deal with overall revenue issues. I need to say simply, this, that there is no comparisons between insurance, IRA's and bank IRA's, because they pay, insurance IRA's pay much less percentage than a banking IRA. The only reason anybody would ever buy an insurance IRA is because of the insurance features of that IRA account, the insurance features. How do we treat insurance companies of this state? We treat insurance companies by taxing them a premium tax, because of the insurance. Now we treat insurance companies different than banks, even though banks lend money, banks collect money, insurance companies collect money and lend money but we treat them differently. But because the industry has said we need to create some advantages at least be able to talk about the advantages of an insurance IRA other than the fact that it has insurance features, we also need to make it comparable with the banks by doing away with the premium tax, but even that won't make it comparable because the interest rates are totally different. Anybody who buys an insurance IRA is not buying it for investment purpose, he is buying it because of the insurance features attached to it. So we see that this is the first step, it is actually the first step in the process of exempting insurance companies from paying the premium tax. This is the crack in the dam. Now, after this bill is passed they will come in next year and say look, you have done it for these people you ought to do it for these people, because consistency is the key. Now unfortunately the Revenue Committee can not be consistent if bills are routed to the Banking, Commerce and Insurance Committee instead of the Revenue Committee. We can not be consistent and we can not argue these points and make these distinctions