

March 17, 1980

LB 905

Blue Shield and as Senator Kelly indicated, they are opposed to this amendment. Now that surprised me, actually. They did say, Senator Kelly, they did say they are not violently opposed. They were just opposed. Now that is kind of a unique situation. I'm not sure exactly why they are opposed. I didn't have that much time to discuss their great opposition. I do know that there has been numerous other attempts or at least two, to exempt Blue Cross and Blue Shield and for some reason their enthusiasm for being exempted is no longer there and I don't know if that is due to the insurance brotherhood that has formed around this exemption but I suspect that it is. I would say that if Blue Cross-Blue Shield honestly thought they could be exempted and if the other insurance, if their insurance brothers, brethren, in fact, did not argue with them that this is not the place that they should try to be exempted, that they would probably be supportive of this amendment. They have, in fact, in the past tried to get this on but I am going to assume that the Blue Cross-Blue Shield are sincere when they say they do not want to be exempted and in the future we will use this argument to withstand any attempts by that company to be exempted from the premium tax. I think that we all should live with the consistency argument and it will be interesting to see that done. You see, we have here a bill to exempt \$309,000 from taxes and that will grow as it has grown in the past to greater amounts and it will be one of those exemptions that will some day, if it was ever put back on, bring the state well over a million dollars but it probably will never be put back on because when we make exemptions in this state, we make exemptions. It is not easy to try to get a bill back through the Legislature to add people to the tax rolls, partly because everyone in the body would prefer to exempt than to tax and that makes you more popular with the industry and that is always a very happy thing to do is to help someone out, but as we continue to exempt and exempt and exempt and exempt and exempt, we find that the only people still paying the tax bill are the homeowners. The only people that are still paying the tax bill are the wage earners. We find the only people paying the tax bill are those who for some reason or another have not band themselves together in a trade association or some sort of powerful lobbying interest and said, we also want to be exempted. Those people tend to be the people least able to pay the tax but they are the least able to get the tax off so they will be the ones paying the tax. I think that this is a good bill. My motion to exempt Blue Cross-Blue Shield is also a good proposal and in the end maybe we

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