

is probably a much more legitimate cost than this exemption. This is, in fact, an expenditure. It is a tax expenditure. We, the people of the State of Nebraska, are going to pay for this exemption out of our tax dollars. I mean, that is what tax exemptions are and this one is the least justifiable, the least rational. Now it is only three hundred and some thousand dollars and what is three hundred and some thousand dollars? We spend more than that in a day, right? And when you look at a budget that is \$600,000,000 what is \$300,000? We ought to do this to the insurance industry because the insurance industry asked us even if it isn't right. Well I would hope that the members of this body would look at this more critically and realize that this is not a good exemption. This is another, another, another example of the continual exemptions that we have allowed and it is wrong. With that, I urge the body to shake off the arguments that have been presented which are erroneous at best and do what is right and that is bring the bill back and strike the enacting clause because in the end that is the only responsible thing to do on this issue.

SENATOR CLARK: Senator Keyes.

SENATOR KEYES: I will be very brief. Many of the things have been said this morning that need to be said. Some of the things need to be said that haven't been said. First of all, the insurance companies on their corporate income tax, they figure how much it is and then they take the premium tax that is on the premiums all except that that goes to the Fire Marshal and they credit that to the income tax and they pay the greater of the two but they don't pay both. Were they to pay both it would be about twelve to fifteen million dollars as close as I can figure coming to the State of Nebraska. That is why the insurance companies love Nebraska. We are not changing that, not one bit. I have tried to change that. Senator Duis, ever since I have been in the Revenue Committee, as long as he was here had a bill and we killed it in committee. This year they've got it in the Banking Committee and brought it out. Now the IRA accounts and the keyhole accounts, that really doesn't cancel out the tax. All it does is delay it. It delays it and maybe when you cash in your savings you pay the income tax then if you owe some. You usually will take it when you don't make any money, when you aren't making so much and then you don't have to pay it but who picks up the tab, who picks up the tab for this three hundred and some thousand dollars that should be paid by the people who have the money to put aside that don't need these years to defer their tax on? Who pays that?