

SENATOR CROSBY: Senator Lindsay.

SENATOR LINDSAY: Thank you, Madam President and members. This amendment has been printed in the Journal. What it would do is to incorporate the terms of a revised LB 596 into LB 300. The amendment has gone through Senator Hall's office. It has gone through Senator Warner's office to make sure that it is, I guess, in correct form. What it would do is in Nebraska, and most states have retaliatory...most states raise most of their income from insurance companies through the premium tax, and virtually all states have a retaliatory premium tax. A handful of states, Nebraska, one of them, have the corporate income tax applied to insurance companies. Therefore, some states have or many states then have a retaliatory income tax proposal. What LB 596, or what this amendment to LB 300 would do is to correct that, and it would by allowing or by offsetting those companies that have a retaliatory income tax language, it would not be applied to those companies in those states. Therefore, for example, a Pennsylvania company doing business in Nebraska would not be subject to that income tax because we would...companies in Nebraska, then, would be retaliated against by virtue of us doing that. The fiscal note on it that we've gotten is \$44,500 in '95-96, so it is not a significant impact. With that, I would yield the balance of my time to Senator Hall.

SENATOR CROSBY: Thank you, Senator Lindsay. For discussion on the motion, Senator Hall.

SENATOR HALL: Thank you, Madam President and members. I rise in support of the motion by Senator Lindsay to return the bill, and then adopt the amendment. The proposal, as he described it, is one where the insurance companies, depending upon what state they happen to be in, if the tax rate is higher in this state and they happen to be domiciled in Ohio, for example, when a Nebraska domiciled company, or domestic company goes to Ohio, they are going to be charged that higher rate, and it is called retaliation. What Senator Lindsay's amendment does is it's very specific, and that's why when you look at the original proposal, and you look at the fiscal note on it, it says a million and a half dollars, the bill as it was introduced. This is a much more specific and actually it's an agreed to amendment by the insurance industry because there are few companies that have been affected by this problem that exists out there. And there are actually a few states, I think Ohio is the only example, where they have, in fact, retaliated, but it's just a matter of