

LEGISLATIVE BILL 212

Approved by the Governor May 4, 1979

Introduced by Appropriations Committee, Warner, 25, Chmn.; Rumery, 42; S. Marsh, 29; Hoagland, 6; Fowler, 27; Labeledz, 5; Hasebroock, 18; Cope, 36

AN ACT to amend section 81-523, Reissue Revised Statutes of Nebraska, 1943, to increase premium tax rates; to create a fund and provide its source and use; and to repeal the original section.
Be it enacted by the people of the State of Nebraska,

Section 1. That section 81-523, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

81-523. (1) For the purpose of maintaining the office of the State Fire Marshal and such other fire prevention activities as the Governor may direct, every foreign and alien insurance company including nonresident attorneys for subscribers to reciprocal insurance exchanges shall, on or before March 1, pay a tax to the Director of Insurance of ~~one-half~~ three-fourths of one per cent of the gross direct writing premiums and assessments received by each of such companies during the preceding calendar year for fire insurance business done in this state.

(2) For the purpose set forth in subsection (1) of this section, every domestic insurance company including resident attorneys for subscribers to reciprocal insurance exchanges shall, on or before March 1, pay a tax to the Director of Insurance of ~~one-fourth~~ three-eighths of one per cent of the gross direct writing premiums and assessments received by each of such companies during the preceding calendar year for fire insurance business done in this state.

(3) The term fire insurance business, as used in subsections (1), (2), and (4) of this section, shall include, but not be limited to, premiums of policies on fire risks on automobiles, whether written under floater form or otherwise.

(4) Return premiums on fire insurance business, subject to the fire marshal insurance tax, in accordance with subsections (1) and (2) of this section, may be deducted from the gross direct writing premiums for the purpose of the tax calculations provided for by subsections (1) and (2) of this section. In the case of

mutual companies and assessment associations, the dividends paid or credited to policyholders or members in this state shall be construed to be return premiums.

(5) There is hereby created a separate cash fund to be known as the Fire Insurance Tax Fund. Any tax collected pursuant to subsections (1) and (2) of this section shall be deposited in the state treasury and shall be credited by the State Treasurer to the Fire Insurance Tax Fund. Expenditures shall be made from such fund to maintain the office of the State Fire Marshal for the purpose of fire investigation, detection and suppression of arson, and other fire prevention activities.

Sec. 2. That original section 31-523, Reissue Revised Statutes of Nebraska, 1943, is repealed.