

HB0284S02 compared with HB0284

~~{Omitted text}~~ shows text that was in HB0284 but was omitted in HB0284S02

inserted text shows text that was not in HB0284 but was inserted into HB0284S02

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1

International Money Transmission Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephanie Gricius

Senate Sponsor: Daniel McCay

2

3 LONG TITLE

4 General Description:

5 This bill enacts a ~~{fee}~~ tax and income tax credit ~~{in relation}~~ related to international money
transmissions.

6 Highlighted Provisions:

7 This bill:

- 8 ▸ defines terms;
- 9 ▸ imposes a tax on international money transmissions on or after a certain date;
- 9 ▸ ~~{requires customers requesting}~~ exempts an international money transmission from ~~{a licensed~~
12 ~~money transmitter to pay a fee on the transaction unless}~~ the tax if the customer requesting the
12 transaction presents valid identification;
- 12 ▸ requires the tax to be stated separately on an invoice or receipt;
- 12 ▸ requires licensed money transmitters to remit ~~{fee revenue to the Department of Financial~~
14 ~~Institutions on a}~~ collected taxes quarterly ~~{basis and post a notice regarding}~~ and report annually to
the ~~{fee}~~ State Tax Commission;
- 14 ▸

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provides for the {~~deposit and use~~} State Tax Commission's administration of {~~fee revenue~~} the tax;

15 ▸ {~~authorizes the Commissioner of Financial Institutions to make rules to administer the fee and impose penalties on a money transmitter for failing to comply with the fee requirements;~~}

18 ▸ enacts a nonrefundable income tax credit for individuals who pay the {~~international money transmission fee equal to the aggregate amount of fees paid during the taxable year; and~~} tax;

17 ▸ requires the commissioner of the Department of Financial Institutions to annually provide a list of all licensed money transmitters to the State Tax Commission; and

20 ▸ makes technical changes.

20 Money Appropriated in this Bill:

21 None

22 Other Special Clauses:

23 This bill provides a special effective date.

25 AMENDS:

26 **59-10-1002.2** ~~{(Effective 05/07/25)}~~ ~~{(Applies beginning 01/01/25)}~~, as last amended by Laws of Utah 2023, Chapters 460, 462 ~~{(Effective 05/07/25)}~~ ~~{(Applies beginning 01/01/25)}~~, as last amended by Laws of Utah 2023, Chapters 460, 462

27 ENACTS:

28 **7-25-207 , Utah Code Annotated 1953 , Utah Code Annotated 1953**

30 ~~{7-25-501 (Effective 05/07/25), Utah Code Annotated 1953 (Effective 05/07/25), Utah Code Annotated 1953}~~

31 ~~{7-25-502 (Effective 05/07/25), Utah Code Annotated 1953 (Effective 05/07/25), Utah Code Annotated 1953}~~

29 **59-10-1048** ~~{(Effective 05/07/25)}~~ ~~{(Applies beginning 01/01/25)}~~, Utah Code Annotated 1953 ~~{(Effective 05/07/25)}~~ ~~{(Applies beginning 01/01/25)}~~, Utah Code Annotated 1953

30 **59-32-101 , Utah Code Annotated 1953 , Utah Code Annotated 1953**

31 **59-32-102 , Utah Code Annotated 1953 , Utah Code Annotated 1953**

32 **59-32-103 , Utah Code Annotated 1953 , Utah Code Annotated 1953**

33 **59-32-104 , Utah Code Annotated 1953 , Utah Code Annotated 1953**

34

35 *Be it enacted by the Legislature of the state of Utah:*

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Section 1. Section 1 is enacted to read:

7-25-207. Commissioner to annually provide list of licensees to tax commission.

On or before January 31 of each calendar year, the commissioner shall provide the State Tax Commission with a list of all persons licensed under this chapter.

Section 1. Section 1 is enacted to read:

Part 5. International Money Transmission Fee

7-25-501. Definitions.

As used in this part:

(1) "Foreign country" means a jurisdiction other than:

(a) the United States; or

(b) a state, district, commonwealth, territory, or insular possession of the United States.

(2) "International money transmission" means a money transmission transaction in which money is transmitted to a foreign country.

(3)

(a) "Valid identification" means any of the following non-expired forms of identification:

(i) a United States passport or passport card;

(ii) a state-issued driver license;

(iii) a state-issued identification card;

(iv) a United States military identification;

(v) a state-issued concealed carry permit;

(vi) a United States resident alien card;

(vii) an identification of a federally recognized Indian tribe; or

(viii) a United States visa that is classified as H-2A or H-2B.

(b) "Valid identification" does not include a Utah driving privilege card.

Section 2. Section 2 is enacted to read:

7-25-502. Fee imposed on international money transmissions -- Rate -- Exemption -- Collection, remittance, and deposit of fee revenue -- Posting of notice -- Administration.

(1) Except as provided in Subsection (2), beginning July 1, 2025, a customer requesting an international money transmission from a licensee shall pay a fee in an amount equal to 2% of the amount of the transaction.

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(2) A customer is exempt from paying the fee described in Subsection (1) if the customer presents valid identification to the licensee at the time the international money transmission is requested.

66 (3) A licensee shall remit all fees collected under this section to the department on a quarterly basis using a form prescribed by the department.

68 (4) Fee revenue shall be deposited into the General Fund as dedicated credits to be used by the department for the administration and enforcement of this chapter.

70 (5) A licensee shall post a notice in a conspicuous place stating that:

71 (a) a customer who requests an international money transmission is required to pay the fee described in Subsection (1) unless the customer presents valid identification to the licensee; and

74 (b) a customer who pays the fee described in Subsection (1) may claim a tax credit in accordance with Section 59-10-1048.

76 (6) The commissioner may:

77 (a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules that specify:

79 (i) procedures and requirements for the collection, reporting, and remittance of fees under this section; and

81 (ii) requirements for the notice described in Subsection (5); and

82 (b) impose penalties on a licensee under Section 7-25-405 if the commissioner determines that the licensee has failed to comply with the requirements of this section or any rules adopted under Subsection (6)(a).

40 Section 2. Section **59-10-1002.2** is amended to read:

41 **59-10-1002.2. ~~{{(Effective 05/07/25)}} {{(Applies beginning 01/01/25)}}~~Apportionment of tax credits.**

88 (1) A nonresident individual or a part-year resident individual that claims a tax credit in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1022, 59-10-1023, 59-10-1024, 59-10-1028, 59-10-1042, 59-10-1043, 59-10-1044, 59-10-1046, ~~[or]~~59-10-1047, or 59-10-1048 may only claim an apportioned amount of the tax credit equal to:

93 (a) for a nonresident individual, the product of:

94 (i) the state income tax percentage for the nonresident individual; and

95 (ii) the amount of the tax credit that the nonresident individual would have been allowed to claim but for the apportionment requirements of this section; or

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- 97 (b) for a part-year resident individual, the product of:
- 98 (i) the state income tax percentage for the part-year resident individual; and
- 99 (ii) the amount of the tax credit that the part-year resident individual would have been allowed to claim but for the apportionment requirements of this section.
- 101 (2) A nonresident estate or trust that claims a tax credit in accordance with Section 59-10-1017, 59-10-1020, 59-10-1022, 59-10-1024, or 59-10-1028 may only claim an apportioned amount of the tax credit equal to the product of:
- 104 (a) the state income tax percentage for the nonresident estate or trust; and
- 105 (b) the amount of the tax credit that the nonresident estate or trust would have been allowed to claim but for the apportionment requirements of this section.

61 Section 3. Section 3 is enacted to read:

62 **59-10-1048.** ~~{{(Effective 05/07/25)}} {{(Applies beginning 01/01/25)}}~~ **Nonrefundable tax credit for payment of international {~~wire transfer fees~~} money transmission tax.**

- 110 (1) As used in this section, "international money transmission {~~fee~~} tax" means the {~~fee~~} tax imposed by {~~Section 7-25-502~~} Chapter 32, International Money Transmission Tax.
- 112 (2) Subject to Section 59-10-1002.2, a claimant who pays an international money transmission {~~fee~~} tax may claim on the claimant's individual income tax return a nonrefundable tax credit in an amount equal to the aggregate amount of international money transmission {~~fees paid by~~} taxes that the claimant paid during the taxable year.
- 116 (3) A claimant may not carry forward or carry back the amount of the tax credit under this section that exceeds the claimant's tax liability for the taxable year.

72 Section 4. Section 4 is enacted to read:

73

CHAPTER 32. INTERNATIONAL MONEY TRANSMISSION TAX

74 **59-32-101. Definitions.**

As used in this chapter:

- 76 (1) "Authorized agent" means the same as that term is defined in Section 7-25-102.
- 77 (2) "Customer" means an individual for whom a licensee conducts an international money transmission.
- 79 (3) "Foreign country" means a jurisdiction other than:
- 80 (a) the United States; or
- 81 (b) a state, district, commonwealth, territory, or insular possession of the United States.
- 82 (4)

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(a) "International money transmission" means a money transmission, as defined in Section 7-25-102, conducted by a licensee or an authorized agent on behalf of a customer, in which money is transmitted to a foreign country.

85 (b) "International money transmission" does not include a transaction conducted by a depository institution as defined in Section 7-1-103 or a subsidiary or affiliate of the depository institution.

88 (5) "Licensee" means a person licensed by the Department of Financial Institutions under Title 7, Chapter 25, Money Transmitter Act.

90 (6)

(a) "Transmission amount" means the total amount of money transmitted through a single international money transmission transaction.

92 (b) "Transmission amount" does not include amounts paid or charged for an international money transmission transaction, including any service charge, transaction fee, or sales and use tax imposed under Chapter 12, Sales and Use Tax Act.

96 (7)

(a) "Valid identification" means any of the following non-expired forms of identification:

98 (i) a United States passport or United States passport card;

99 (ii) a state-issued driver license or state-issued identification card;

100 (iii) a United States military identification;

101 (iv) a state-issued concealed carry permit;

102 (v) a United States resident alien card;

103 (vi) an identification of a federally recognized Indian tribe;

104 (vii) a United States visa that is classified as H-2A or H-2B; or

105 (viii) a driver license or identification card issued to a diplomat as defined in Section 41-6a-1901.

107 (b) "Valid identification" does not include a Utah driving privilege card.

108 Section 5. Section 5 is enacted to read:

109 **59-32-102. Imposition of tax on international money transmissions -- Rate -- Tax paid**
by customer and collected by licensee or authorized agent -- Itemized receipt required --
Transactions exempt from tax.

112 (1) Except as provided in Subsection (3), a tax is imposed on an international money transmission on or after January 1, 2026, at a rate equal to 2% of the transmission amount.

115 (2) The tax imposed under Subsection (1) shall be:

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- 116 (a) paid by the customer requesting the international money transmission;
117 (b) collected by the licensee or authorized agent at the time the international money transmission is
requested; and
119 (c) stated separately on an invoice or receipt provided to the customer for the international money
transmission transaction.
121 (3) An international money transmission is exempt from the tax imposed under Subsection (1) if
the customer requesting the international money transmission presents valid identification to the
licensee or authorized agent at the time the international money transmission is requested.

125 Section 6. Section 6 is enacted to read:

126 **59-32-103. Remittance and deposit of tax revenue -- Administration -- Rulemaking.**

- 128 (1) A licensee shall remit the taxes that the licensee or an authorized agent collects under this chapter to
the commission quarterly on or before the last day of the month following each calendar quarterly
period using a form prescribed by the commission.
131 (2) The commission shall:
132 (a) deposit revenues generated by the tax under this chapter into the General Fund; and
133 (b) administer, collect, and enforce the tax under this chapter in accordance with Chapter 1, General
Taxation Policies.
135 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission
may make rules to implement and enforce this chapter.

137 Section 7. Section 7 is enacted to read:

138 **59-32-104. Annual reporting by licensee to commission -- Licensee to retain exempt**
transaction information.

- 140 (1) For a calendar year beginning on or after January 1, 2027, a licensee shall annually report to the
commission:
142 (a) the number of international money transmissions conducted by the licensee or an authorized agent
for the previous calendar year;
144 (b) the total amount of money transmitted through the international money transmissions reported under
Subsection (1)(a); and
146 (c) any other information required by the commission.
147 (2) A licensee shall file the report described in Subsection (1):
148 (a) on or before January 31 of each calendar year; and

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- 149 (b) electronically using a form prescribed by the commission.
150 (3)
(a) For each international money transmission that a licensee or an authorized agent conducts on
behalf of a customer to which the tax imposed by this chapter does not apply in accordance with
Subsection 59-32-102(3) because the customer presented valid identification, the licensee shall
retain the following information:
154 (i) the form of identification presented by the customer; and
155 (ii) the identification number.
156 (b) A licensee shall retain the information described in Subsection (3)(a) for the same time period a
person is required to keep books and records under Section 59-1-1406.

120 Section 6. **Retrospective Operation.**

The following sections have retrospective operation for a taxable year beginning on or
after January 1, 2025:

123 (1) Section 59-10-1002.2; and

124 (2) Section 59-10-1048.

158 Section 8. **Effective date.**

{ ~~This~~ } ~~Except as provided in Subsection (2), this~~ bill takes effect { ~~on May 7, 2025~~ } ~~for a future~~
taxable year beginning on or after January 1, 2026.

161 (2) The actions affecting Section 7-25-207 take effect on January 1, 2026.

2-18-25 4:15 PM