

HB0284S02 compared with HB0284S01

~~{Omitted text}~~ shows text that was in HB0284S01 but was omitted in HB0284S02

inserted text shows text that was not in HB0284S01 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 tax and income tax credit 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;

10 ▶ exempts ~~{a customer who requests}~~ an international money transmission from ~~{paying}~~ the tax
if the customer requesting the transaction presents valid identification;

12 ▶ requires the tax to be stated separately on an invoice or receipt;

12 ▶ requires licensed money transmitters to remit collected ~~{tax revenue}~~ taxes quarterly and report
annually to the State Tax Commission ~~{on a quarterly basis}~~ ;

14 ▶ provides for the State Tax Commission's administration of the tax;

15 ▶ enacts a nonrefundable income tax credit for individuals who pay the tax; ~~{and}~~

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

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16 ▸ 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** ~~{{Applies beginning 01/01/25}}~~, as last amended by Laws of Utah 2023, Chapters
460, 462 ~~{{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**

29 **59-10-1048** ~~{{Applies beginning 01/01/25}}~~, Utah Code Annotated 1953 ~~{{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:*

36 Section 1. Section **1** is enacted to read:

37 **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.

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

41 **59-10-1002.2. ~~{{Applies beginning 01/01/25}}~~Apportionment of tax credits.**

36 (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:

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

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

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- 43 (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
- 45 (b) for a part-year resident individual, the product of:
- 46 (i) the state income tax percentage for the part-year resident individual; and
- 47 (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.
- 49 (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:
- 52 (a) the state income tax percentage for the nonresident estate or trust; and
- 53 (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. ~~{{Applies beginning 01/01/25}}~~ Nonrefundable tax credit for payment of**
international money transmission tax.

- 58 (1) As used in this section, "international money transmission tax" means the tax imposed by Chapter
32, International Money Transmission Tax.
- 60 (2) Subject to Section 59-10-1002.2, a claimant who pays an international money transmission 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 taxes that the claimant paid during the
taxable year.
- 64 (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:

67 **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.
- 70 ~~{{(1)}}~~ (3) "Foreign country" means a jurisdiction other than:
- 71 (a) the United States; or

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- 72 (b) a state, district, commonwealth, territory, or insular possession of the United States.
- 73 ~~{(2)}~~ (4)
- (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.
- 76 (b) "International money transmission" does not include a transaction conducted by a { ~~state or federally~~
chartered bank, savings and loan association, savings bank, industrial bank, credit union, trust
company, or } depository institution{ ~~, as those terms are~~ } as defined in Section 7-1-103 or a
subsidiary or affiliate of the depository institution.
- 80 ~~{(3)}~~ (5) "Licensee" means a person licensed by the Department of Financial Institutions under Title 7,
Chapter 25, Money Transmitter Act.
- 82 ~~{(4)}~~ (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:
- 84 (i) a United States passport or United States passport card;
- 85 (ii) a state-issued driver license or state-issued identification card;
- 86 (iii) a United States military identification;
- 87 (iv) a state-issued concealed carry permit;
- 88 (v) a United States resident alien card;
- 89 (vi) an identification of a federally recognized Indian tribe; { ~~or~~ }
- 90 (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.
- 91 (b) "Valid identification" does not include a Utah driving privilege card.
- 108 Section 5. Section **5** is enacted to read:
- 109

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

- 95 (1) {A} Except as provided in Subsection (3), a tax is imposed on an international money transmission
on or after {July} January 1, {2025} 2026, at a rate equal to 2% of the transmission amount {of the
transaction}.
- 97 (2) The tax {under this chapter} imposed under Subsection (1) shall be:
- 98 (a) paid by the customer requesting the international money transmission; {and}
- 99 (b) collected by the licensee or authorized agent at the time {the customer requests} 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.
- 101 (3) {A customer} An international money transmission is exempt from {paying} the tax imposed {by
this chapter} under Subsection (1) if the customer requesting the international money transmission
presents valid identification to the licensee or authorized agent at the time the {customer requests
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.**

- 106 (1) A licensee shall remit {taxes collected} 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.
- 109 (2) The commission shall:
- 110 (a) deposit revenues generated by the tax under this chapter into the General Fund; and
- 111 (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. {Licensee quarterly report} Annual reporting by licensee to commission--**
Licensee to retain exempt transaction information.

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(1) ~~{A}~~ For a calendar year beginning on or after January 1, 2027, a licensee shall ~~{each quarter}~~ annually report to the commission:

116 (a) the number of international money transmissions conducted by the licensee or an authorized agent
for the previous calendar ~~{quarter}~~ year; ~~{and}~~

118 ~~{(b) {for each international money transmission described in Subsection (1)(a):}}~~

119 ~~{(i)}~~ (b) the {name} total amount of {the customer who requested international money} money
transmitted through the customer who requested international money {transmission;} transmissions
reported under Subsection (1)(a); and

120 ~~{(ii) {the amount of the transaction;}}~~

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

149 (b) electronically using a form prescribed by the commission.

150 (3)

121 ~~{(iii)}~~ (a) {whether the} For each international money transmission that a licensee or an authorized
agent conducts on behalf of a customer {was exempt from paying} to which the tax {under}
imposed by this chapter does not apply in accordance with Subsection 59-32-102(3){;and} because
the customer presented valid identification, the licensee shall retain the following information:

123 ~~{(iv) {if the customer was not exempt from paying the tax under this chapter, the amount of the tax paid~~
~~by the customer from the tax imposed by this chapter.}}~~

125 ~~{(2) {A licensee shall file the report required by this section on the last day of the month immediately~~
~~following the last day of the previous calendar quarter.}}~~

127 ~~{(3)}~~ (i) {The commission shall prescribe} the form {for} of identification presented by the {report
under this section.} 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.

130 **Section 8. Retrospective Operation.**

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

133 (1) Section 59-10-1002.2 (Applies beginning 01/01/2025); and

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134 (2) Section 59-10-1048 (Applies beginning 01/01/2025).

158 Section 8. **Effective date.**

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

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

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