



Fiscal Note

H.B. 440

2024 General Session
 Money Transmission Fees
 by Clancy, T.



General, Income Tax, and Uniform School Funds

JR4-4-101

	Ongoing	One-time	Total
Net GF/ITF/USF (rev.-exp.)	\$3,623,000	\$(2,769,700)	\$853,300

State Government

UCA 36-12-13(2)(c)

Revenues	FY 2024	FY 2025	FY 2026
General Fund	\$0	\$12,200,000	\$12,200,000
General Fund, One-time	\$0	\$(4,400,000)	\$0
Income Tax Fund	\$0	\$(8,400,000)	\$(8,400,000)
Income Tax Fund, One-time	\$0	\$2,800,000	\$0
Total Revenues	\$0	\$2,200,000	\$3,800,000

Enactment of this legislation would provide that a wire transfer service sending a wire transfer shall collect a fee of \$7.50 for each transaction not in excess of \$500 and an additional 1.5% of the amount of the wire transfer that exceeds \$500. This bill also allows an income tax credit equal to the fees for those that file an individual income tax return with a valid social security or taxpayer identification number. Enactment of these changes will generate revenue for the General Fund and decrease revenue to the Income Tax Fund. Revenues to the General Fund may increase by an estimated \$7.8 million in FY 2025 and \$12.2 million in FY 2026. Revenues to the Income Tax Fund may decrease by an estimated \$5.6 million in FY 2025 and \$8.4 million in FY 2026.

Expenditures	FY 2024	FY 2025	FY 2026
General Fund, One-time	\$568,800	\$0	\$0
Income Tax Fund	\$0	\$177,000	\$177,000
Income Tax Fund, One-time	\$600,900	\$0	\$0
Total Expenditures	\$1,169,700	\$177,000	\$177,000

Enactment of this legislation would create a new tax type and a new refund process, the implementation of which could cost the Utah Tax Commission \$568,800, one-time, from the General Fund in FY 2024, \$600,900, one-time in FY 2024 and \$177,00 ongoing in FY 2025, both from the Income Tax Fund for enhancements and new developments to the State's tax systems, forms, instructions, training and processes as well as personnel and vendor costs to implement and oversee the changes.

	FY 2024	FY 2025	FY 2026
Net All Funds	\$ (1,169,700)	\$ 2,023,000	\$ 3,623,000

Local Government

UCA 36-12-13(2)(c)

Enactment of this legislation likely will not result in direct, measurable costs for local governments.

Individuals & Businesses

UCA 36-12-13(2)(c)

Enactment of this legislation would increase fees for individuals and businesses that send wire transfers by establishing a fee of \$7.50 for each transaction not in excess of \$500 and an additional 1.5% of the amount of the wire transfer that exceeds \$500. Customers of wire transfer services may pay an estimated \$7.8 million in FY 2025 and \$12.2 million in FY 2026 in wire transfer fees. Affected customers would also be eligible for an income tax credit equal to the fees for those that file an individual income tax return with a valid taxpayer identification number.

Regulatory Impact

UCA 36-12-13(2)(d)

Enactment of this legislation likely will not change the regulatory burden for Utah residents or businesses.

Performance Evaluation

JR1-4-601

This bill does not create a new program or significantly expand an existing program.

Notes on Notes

Fiscal notes estimate the direct costs or revenues of enacting a bill. The Legislature uses them to balance the budget. They do not measure a bill's benefits or non-fiscal impacts like opportunity costs, wait times, or inconvenience. A fiscal note is not an appropriation. The Legislature decides appropriations separately.