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## DIGEST

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HB 539 Original

2021 Regular Session

Cormier

**Abstract:** Levies a 2% tax on the transmission of money into La. or from La. to locations outside the continental borders of the U.S. and establishes the La. Teacher's Salary Support Fund for deposit of the avails of the tax.

Present law provides for the licensing of persons engaged in the business of money transmission by the Office of Financial Institutions.

Present law defines "money transmission" generally as engaging in the business of the sale or issuance of payment instruments or of receiving money or monetary value for transmission to a location within or outside the U.S., by any and all means including but not limited to wire, facsimile, or electronic transfer. Present law exempts certain persons from the licensing requirements of present law.

Proposed law retains present law.

Proposed law levies a tax upon the transmission of money through any person licensed by the Office of Financial Institutions to engage in the business of money transmission ("transmitter"). Proposed law requires the following persons who are otherwise exempt from the licensing requirements of present law to also charge the tax on money transmitting services:

- (1) A federally insured depository financial institution organized under the laws of this state, another state, or the U.S.
- (2) A wholly owned subsidiary of a federally insured depository institution organized under the laws of this state, another state, or the U.S.
- (3) A foreign bank branch or agency in the U.S. established under the federal law.
- (4) A person acting as an agent for certain entities if the entity is liable for satisfying the money services obligation owed to the purchaser on the person's receipt of the purchaser's money and there is a written contract appointing the person as the entity's agent
- (5) A person that acts as an intermediary on behalf of and at the discretion of a licensee.
- (6) An attorney or title company in connection with an immovable property transaction that receives and disburses domestic currency or issues an escrow or trust fund check.

- (7) A person engaged in the business of currency transportation who is both a registered motor carrier and a licensed armored car company or courier company.
- (8) A licensed lender using stored value cards or debit cards or electronic cash for loan disbursement under present law (La. Consumer Credit Law).
- (9) Any other person approved by the commissioner of financial institutions on a finding that the licensing of the person is not necessary to achieve the purposes of present law.

Proposed law limits the tax to money transmissions into La. or from La. to locations outside the continental borders of the U.S. Further provides that the tax is payable by the customer who engages a transmitter for the transmission of money, and shall be collected by the transmitter at the time of payment for the transaction.

Proposed law provides that the amount of tax shall be 2% of the amount of money transmitted in each transaction. The transmitter is required to remit the taxes collected to the Dept. of Revenue ("department") quarterly on forms prescribed by the secretary of the department.

Proposed law provides that if a transmitter fails to file reports or remit the tax imposed by proposed law, the commissioner of financial institutions may suspend the license of the transmitter. If suspended, the licensee may not reapply for a license until all required reports have been filed and required taxes have been remitted. Further, proposed law authorizes the commissioner of financial institutions at the request of the secretary of the department to make a claim against the surety bond of the transmitter on behalf of the state.

Proposed law establishes the La. Teacher's Salary Support Fund ("fund") as a special fund within the state treasury into which the avails of the money transmission tax levied pursuant to proposed law shall be deposited. Monies in the fund shall be invested in the same manner as the state general fund. Unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund.

Proposed law requires that monies in the fund be allocated and appropriated each year solely to provide for pay raises for certificated teachers who teach in grades kindergarten through twelve at a public school.

Effective July 1, 2021.

(Adds R.S. 39:100.146 and R.S. 47:2711)