

Regular Session, 2014

**Approved  
6-2-14**

HOUSE STUDY REQUEST NO. 5

BY REPRESENTATIVE BILLIOT

FINANCIAL INSTITUTIONS: Requests the House Committee on Commerce to study the feasibility of state taxes on fees collected by money transmitters and the expected realization of state revenue relative to such taxes

1 A STUDY REQUEST

2 To the House Committee on Commerce to study the feasibility of levying a state tax on fees  
3 collected by money transmitters in the state of Louisiana and the expectation of  
4 revenue to be realized from levying such a tax, and whether any other states levy a  
5 tax on fees collected by money transmitters and realize resulting revenue, and to  
6 report the findings of the committee to the legislature not later than forty-five days  
7 prior to the convening of the 2015 Regular Session of the Legislature of Louisiana.

8 WHEREAS, R.S. 6:1032(13) provides that "money transmission" means to engage  
9 in the business of the sale or issuance of payment instruments or of receiving money or  
10 monetary value for transmission to a location within or outside the United States by any and  
11 all means, including but not limited to wire, facsimile, or electronic transfer; and

12 WHEREAS, the term "money transmission" includes the following:

13 (1) Selling or issuing stored value or payment in instruments including checks,  
14 money orders, and traveler's checks.

15 (2) Receiving money or monetary value for transmission including by payment  
16 instrument, wire, facsimile, electronic transfer, or Automated Clearing House (ACH) debit.

17 (3) Providing third-party bill paying services; and

18 WHEREAS, except for persons exempted from licensing requirements in R.S.  
19 6:1034, any person engaged in the business of money transmission or selling checks as a

1 service or for a fee in the state of Louisiana is required to be licensed by the Office of  
2 Financial Institutions as required in R.S. 6:1033; and

3 WHEREAS, there are approximately sixty-nine licensed money transmitters,  
4 including online companies, with approximately twelve thousand seven hundred and fifty-  
5 one physical agent locations in the state of Louisiana; and

6 WHEREAS, the customer of a money transmitter pays a fee to the money transmitter  
7 to accept the customer's money and transport the money to the customer's desired location  
8 or recipients; and

9 WHEREAS, the state has an interest in protecting customers from the risk that  
10 money transmitters will fail to deliver the funds as agreed and cause their customers to lose  
11 their money; and

12 WHEREAS, in providing regulation of the industry, the Office of Financial  
13 Institutions collects various application, licensing, and examination fees from licensed  
14 money transmitters; and

15 WHEREAS, while there may be various taxes imposed related to the online transfer  
16 of money, such as E-commerce taxes or foreign recipient taxes, there are no Louisiana taxes  
17 imposed for the transmission of money through money transmitters licensed pursuant to R.S.  
18 6:1033.

19 THEREFORE, BE IT RESOLVED that the House of Representatives of the  
20 Legislature of Louisiana requests the House Committee on Commerce to study the feasibility  
21 of levying a state tax on fees collected by money transmitters in the state of Louisiana and  
22 the expectation of revenue to be realized from levying such a tax, and whether any other  
23 states levy a tax on fees collected by money transmitters and realize resulting revenue, and  
24 to report the findings of the committee to the legislature not later than forty-five days prior  
25 to the convening of the 2015 Regular Session of the Legislature of Louisiana.

26 BE IT FURTHER RESOLVED that the House Committee on Commerce shall  
27 specifically solicit input, recommendations, and advice from the Office of Financial  
28 Institutions.

29 BE IT FURTHER RESOLVED that in undertaking the study and issuing  
30 recommendations, the House Committee on Commerce may request documents or data,

1 conduct public hearings, hear the testimony of witnesses, and take any other actions that it  
2 deems necessary to carry out its functions.

3 BE IT FURTHER RESOLVED that a copy of this Study Request shall be transmitted  
4 to the commissioner of the Office of Financial Institutions.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Billiot

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