
DIGEST

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HB 809 Original

2015 Regular Session

Billiot

Abstract: Levies a tax on the transmission of money and dedicates the tax proceeds to the Quality of Life Fund. Establishes an individual income tax credit equal to the amount of tax paid.

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 United States, by any and all means including wire, facsimile, or electronic transfer.

Present law requires the commissioner to visit and examine each licensee or agent authorized to engage in the business of money transmission on a recurring schedule or whenever is necessary. Requires the commissioner to revoke or suspend a license on any grounds for which he may refuse to grant a license or for a violation of present law.

Proposed law retains present law.

Proposed law authorizes the commissioner to suspend or revoke a license upon notice of the secretary of the Dept. of Revenue (department) that the licensee has failed to file reports or remit tax levied and due on the transmission of money as required by proposed law. Further prohibits the commissioner from reinstating a license or granting a new license without notice from the secretary that the person has complied with proposed 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"). The tax is payable by the customer who engages a transmitter for the transmission of money, and shall be collected at the time of payment for the transaction.

Proposed law excludes the following types of transactions from applicability of proposed law:

- (1) A transaction through a bill payment service.
- (2) A transfer of money by internet or telephone through use of a debit card, credit card, or ACH transfer.
- (3) The sale and servicing of prepaid debit cards and stored value cards.

- (4) The sale of a money order.
- (5) A transaction for the cashing of a check.

Proposed law provides that the amount of tax shall be \$5 for each transaction of \$500 or less, plus an amount equal to 1% of any amount in excess of \$500. The transmitter is required to remit the taxes collected to the department quarterly on forms prescribed by the secretary.

Proposed law requires a transmitter to post a notice on a form prescribed by the department notifying its customers of an individual income tax credit established by proposed law in an amount equal to the amount of the money transmission tax paid by the customer for the transaction.

Proposed law provides that if a transmitter fails to file reports or remit the tax imposed by proposed law, the commissioner of the Office 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.

Proposed law establishes an individual income tax credit for taxpayers who have paid the money transmission tax established pursuant to proposed law. The amount of the tax credit is equal to the amount of tax paid during the taxable year for which the credit is claimed. A credit may only be claimed for the taxable year in which the tax was paid.

Proposed law establishes the Quality of Life Fund as a special fund within the state treasury into which the avails of the money transmission tax 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 as follows:

- (1) \$10 million to the Greater New Orleans Community Health Connection program administered by the Dept. of Health and Hospitals (DHH).
- (2) \$ 10 million to the Office of Public Health, DHH, for payments to Federally Qualified Health Centers.
- (3) \$3 million to the Office of State Parks, Dept. of Culture, Recreation, and Tourism for repairs and improvements to existing facilities on existing park areas.

Effective July 1, 2015.

(Adds R.S. 6:1044(C), R.S. 39:100.146, and R.S. 47:2711 and 6039)