

2015 Regular Session

HOUSE BILL NO. 586

BY REPRESENTATIVE BILLIOT

TAX/STATE: Provides with respect to a tax on the transmission of money and a tax credit for payment of the tax

1 AN ACT

2 To enact Subpart S of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, comprised of R.S. 39:100.146, and Part IV of Chapter 3
4 of Subtitle IV of Title 47 of the Louisiana Revised Statutes of 1950, comprised of
5 R.S. 47:2711, and R.S. 47:6039, relative to state taxation; to impose a tax on money
6 transmission; to provide for the amount of the tax; to provide with respect to the
7 collection and remittance of the avails of the tax; to provide with respect to licenses
8 issued by the Office of Financial Institutions; to provide for the use of the avails of
9 the tax; to establish a special treasury fund; to provide for the deposit, use, and
10 investment of monies in the fund; to establish a tax credit for taxpayers who have
11 paid the money transmission tax; to provide for the amount of the credit; to provide
12 for eligibility; to provide for certain limitations; to authorize rulemaking; to provide
13 for effectiveness; and to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. Subpart S of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
16 Louisiana Revised Statutes of 1950, to be comprised of R.S. 39:100.146, is hereby enacted
17 to read as follows:

18 §100.146. Quality of Life Fund; money transmission tax; disposition of proceeds

19 A. There is hereby established the Quality of Life Fund as a special fund
20 within the state treasury. Each fiscal year an amount equal to the avails of the

1 Money Transmission Tax that are collected pursuant to R.S. 47:2711 shall be
2 deposited into the fund. Monies in the fund shall be invested in the same manner as
3 the state general fund. Unexpended and unencumbered monies in the fund at the end
4 of the fiscal year shall remain in the fund.

5 B. Monies in the fund shall be allocated and appropriated each year solely
6 as follows:

7 (1)(a) Ten million dollars to the Greater New Orleans Community Health
8 Connection program administered by the Department of Health and Hospitals.

9 (b) Ten million dollars to the Office of Public Health, Department of Health
10 and Hospitals, for payments to Federally Qualified Health Centers.

11 (c) Three million dollars to the Office of State Parks, Department of Culture,
12 Recreation, and Tourism for repairs and improvements to existing facilities on
13 existing park areas.

14 (2) If in any fiscal year monies available for appropriation from the fund are
15 insufficient to provide for the allocations established in Paragraph (1) of this
16 Subsection, there shall be a pro rata reduction to each of the three recipient entities.

17 Section 2. Part IV of Chapter 3 of Subtitle IV of Title 47 of the Louisiana Revised
18 Statutes of 1950, to be comprised of R.S. 47:2711, and R.S. 47:6039 are hereby enacted to
19 read as follows:

20 PART IV. MONEY TRANSMISSION TAX

21 §2711. Money transmission tax

22 A. There is hereby levied a tax upon the transmission of money through any
23 person licensed by the Office of Financial Institutions to engage in the business of
24 money transmission, as such term is defined by R.S. 6:1032(13), hereinafter referred
25 to as "transmitter". The tax is payable by the customer who engages a transmitter for
26 the transmission of money. The tax shall be collected at the time of payment for the
27 transaction, and shall be remitted to the state as provided in Subsection B of this
28 Section. The amount of tax due the state shall be five dollars for each transaction of

1 five hundred dollars or less, plus an amount equal to one percent of any amount in
2 excess of five hundred dollars.

3 B. The tax levied pursuant to Subsection A of this Section shall be remitted
4 quarterly to the Department of Revenue on such forms as the secretary of the
5 department may prescribe. All required forms and remittances shall be filed with the
6 Department of Revenue not later than the fifteenth day of the month following the
7 close of each calendar quarter.

8 C. Every transmitter shall post a notice on a form prescribed by the
9 Department of Revenue that notifies customers that upon filing an individual income
10 tax return with either a valid social security number or a valid taxpayer identification
11 number the customer shall be entitled to an income tax credit equal to the amount of
12 the money transmission tax by the customer for the transaction.

13 E. The secretary of the Department of Revenue shall be afforded all
14 provisions currently under law to enforce the provisions of Subsection B of this
15 Section. If a licensee fails to file reports or remit the tax imposed by this Section, the
16 commissioner of the Office of Financial Institutions may suspend the license of the
17 transmitter. A notification of the suspension shall also be sent to the Department of
18 Revenue. The licensee may not reapply for a license until all required reports have
19 been filed and all required taxes have been remitted.

20 F. Upon request from the Department of Revenue, the commissioner of the
21 Office of Financial Institutions may make a claim against the surety bond of the
22 transmitter on behalf of the state.

23 G. The Criminal Division of the Office of the Attorney General may assist
24 the Department of Revenue in conducting audits and the prosecution and seeking of
25 legal remedies to ensure compliance with this Section.

26 * * *

27 §6039. Tax credit; money transfer tax

28 A. There shall be a credit against Louisiana individual income tax for
29 taxpayers who have paid the Money Transmission Tax, hereinafter referred to as

1 "tax". The tax credit shall be equal to the amount of tax paid during the taxable year
 2 for which the credit is claimed. A credit may only be claimed for the taxable year
 3 in which the tax was paid.

4 B. The secretary of the Department of Revenue shall provide by rule
 5 promulgated in accordance with the Administrative Procedure Act for any policies
 6 and procedures necessary for administration of the tax credit established in this
 7 Section.

8 Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor
 9 and subsequently approved by the legislature, this Act shall become effective on July 1,
 10 2015, or on the day following such approval by the legislature, whichever is later.

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)]

HB 586 Original

2015 Regular Session

Billiot

Abstract: Levies a tax on the transmission of money, establishes the Quality of Life Fund and deposits the tax proceeds into the fund, and establishes a 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 but not limited to wire, facsimile, or electronic transfer.

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"). 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 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 of Revenue ("department") quarterly on forms prescribed by the secretary of the department.

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 that is available 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. Further, proposed law authorizes the commissioner of the Office of Financial Institutions at the request of the secretary of the Department of Revenue to make a claim against the surety bond of the transmitter on behalf of the state.

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 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 as follows:

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

Effective July 1, 2015,

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