
DIGEST

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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)