International Money Transmission Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephanie Gricius

LONG TITLE

General Description:

This bill enacts a fee and income tax credit in relation to international money transmissions.

Highlighted Provisions:

This bill:

- defines terms;
- requires customers requesting an international money transmission from a licensed money transmitter to pay a fee on the transaction unless the customer presents valid identification;
- requires money transmitters to remit fee revenue to the Department of Financial Institutions on a quarterly basis and post a notice regarding the fee;
- provides for the deposit and use of fee revenue;
- authorizes the Commissioner of Financial Institutions to make rules to administer the fee and impose penalties on a money transmitter for failing to comply with the fee requirements;
- enacts a nonrefundable income tax credit for individuals who pay the international money transmission fee equal to the aggregate amount of fees paid during the taxable year; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-10-1002.2 (Effective 05/07/25) (Applies beginning 01/01/25), as last amended by Laws of Utah 2023, Chapters 460, 462

ENACTS:

7-25-501 (Effective 05/07/25), Utah Code Annotated 1953

7-25-502 (Effective 05/07/25), Utah Code Annotated 1953

59-10-1048 (Effective 05/07/25) (Applies beginning 01/01/25), Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **7-25-501** is enacted to read:

Part 5. International Money Transmission Fee

7-25-501 (Effective 05/07/25). Definitions.

As used in this part:

(1) "Foreign country" means a jurisdiction other than:

(a) the United States; or

(b) a state, district, commonwealth, territory, or insular possession of the United States.

(2) "International money transmission" means a money transmission transaction in which money is transmitted to a foreign country.

(3)(a) "Valid identification" means any of the following non-expired forms of identification:

(i) a United States passport or passport card;

(ii) a state-issued driver license;

(iii) a state-issued identification card;

(iv) a United States military identification;

(v) a state-issued concealed carry permit;

(vi) a United States resident alien card;

(vii) an identification of a federally recognized Indian tribe; or

(viii) a United States visa that is classified as H-2A or H-2B.

(b) "Valid identification" does not include a Utah driving privilege card.

Section 2. Section **7-25-502** is enacted to read:

7-25-502 (Effective 05/07/25). Fee imposed on international money transmissions -- Rate -- Exemption -- Collection, remittance, and deposit of fee revenue -- Posting of notice -- Administration.

(1) Except as provided in Subsection (2), beginning July 1, 2025, a customer requesting an international money transmission from a licensee shall pay a fee in an amount equal to 2% of the amount of the transaction.

(2) A customer is exempt from paying the fee described in Subsection (1) if the customer presents valid identification to the licensee at the time the international money transmission is requested.

(3) A licensee shall remit all fees collected under this section to the department on a quarterly basis using a form prescribed by the department.

(4) Fee revenue shall be deposited into the General Fund as dedicated credits to be used by the department for the administration and enforcement of this chapter.

(5) A licensee shall post a notice in a conspicuous place stating that:

(a) a customer who requests an international money transmission is required to pay the fee described in Subsection (1) unless the customer presents valid identification to the licensee; and

(b) a customer who pays the fee described in Subsection (1) may claim a tax credit in accordance with Section 59-10-1048.

(6) The commissioner may:

(a) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules that specify:

(i) procedures and requirements for the collection, reporting, and remittance of fees under this section; and

(ii) requirements for the notice described in Subsection (5); and

(b) impose penalties on a licensee under Section 7-25-405 if the commissioner determines that the licensee has failed to comply with the requirements of this section or any rules adopted under Subsection (6)(a).

Section 3. Section **59-10-1002.2** is amended to read:

59-10-1002.2 (Effective 05/07/25) (Applies beginning 01/01/25). Apportionment of tax credits.

(1) A nonresident individual or a part-year resident individual that claims a tax credit in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1022, 59-10-1023, 59-10-1024, 59-10-1028, 59-10-1042, 59-10-1043, 59-10-1044, 59-10-1046, [~~or~~] 59-10-1047, or 59-10-1048 may only claim an apportioned amount of the tax credit equal to:

(a) for a nonresident individual, the product of:

(i) the state income tax percentage for the nonresident individual; and

(ii) the amount of the tax credit that the nonresident individual would have been allowed to claim but for the apportionment requirements of this section; or

(b) for a part-year resident individual, the product of:

(i) the state income tax percentage for the part-year resident individual; and

(ii) the amount of the tax credit that the part-year resident individual would have been allowed to claim but for the apportionment requirements of this section.

(2) A nonresident estate or trust that claims a tax credit in accordance with Section 59-10-1017, 59-10-1020, 59-10-1022, 59-10-1024, or 59-10-1028 may only claim an apportioned amount of the tax credit equal to the product of:

(a) the state income tax percentage for the nonresident estate or trust; and

(b) the amount of the tax credit that the nonresident estate or trust would have been allowed to claim but for the apportionment requirements of this section.

Section 4. Section **59-10-1048** is enacted to read:

59-10-1048 (Effective 05/07/25) (Applies beginning 01/01/25). Nonrefundable tax credit for payment of international wire transfer fees.

(1) As used in this section, "international money transmission fee" means the fee imposed by Section 7-25-502.

(2) Subject to Section 59-10-1002.2, a claimant who pays an international money transmission fee may claim a nonrefundable tax credit in an amount equal to the aggregate amount of international money transmission fees paid by the claimant during the taxable year.

(3) A claimant may not carry forward or carry back the amount of the tax credit under this section that exceeds the claimant's tax liability for the taxable year.

Section 5. **Effective Date.**

This bill takes effect on May 7, 2025.

Section 6. **Retrospective operation.**

The following sections have retrospective operation for a taxable year beginning on or after January 1, 2025:

(1) Section 59-10-1002.2; and

(2) Section 59-10-1048.