

Stephanie Gricius proposes the following substitute bill:

International Money Transmission Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephanie Gricius

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill enacts a tax and income tax credit related to international money transmissions.

Highlighted Provisions:

This bill:

- defines terms;
- imposes a tax on international money transmissions on or after a certain date;
- exempts an international money transmission from the tax if the customer requesting the transaction presents valid identification;
- requires the tax to be stated separately on an invoice or receipt;
- requires licensed money transmitters to remit collected taxes quarterly and report annually to the State Tax Commission;
- provides for the State Tax Commission's administration of the tax;
- enacts a nonrefundable income tax credit for individuals who pay the tax;
- requires the commissioner of the Department of Financial Institutions to annually provide a list of all licensed money transmitters to the State Tax Commission; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-10-1002.2, as last amended by Laws of Utah 2023, Chapters 460, 462

ENACTS:

7-25-207, Utah Code Annotated 1953

59-10-1048, Utah Code Annotated 1953

59-32-101, Utah Code Annotated 1953

59-32-102, Utah Code Annotated 1953

59-32-103, Utah Code Annotated 1953

59-32-104, Utah Code Annotated 1953

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

Section 1. Section 7-25-207 is enacted to read:

7-25-207 . Commissioner to annually provide list of licensees to tax commission.

On or before January 31 of each calendar year, the commissioner shall provide the State Tax Commission with a list of all persons licensed under this chapter.

Section 2. Section 59-10-1002.2 is amended to read:

59-10-1002.2 . 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 3. Section 59-10-1048 is enacted to read:

59-10-1048 . Nonrefundable tax credit for payment of international money

transmission tax.

(1) As used in this section, "international money transmission tax" means the tax imposed by Chapter 32, International Money Transmission Tax.

(2) Subject to Section 59-10-1002.2, a claimant who pays an international money transmission tax may claim on the claimant's individual income tax return a nonrefundable tax credit in an amount equal to the aggregate amount of international money transmission taxes that the claimant paid 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 4. Section **59-32-101** is enacted to read:

CHAPTER 32. INTERNATIONAL MONEY TRANSMISSION TAX

59-32-101 . Definitions.

As used in this chapter:

(1) "Authorized agent" means the same as that term is defined in Section 7-25-102.

(2) "Customer" means an individual for whom a licensee conducts an international money transmission.

(3) "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.

(4)(a) "International money transmission" means a money transmission, as defined in Section 7-25-102, conducted by a licensee or an authorized agent on behalf of a customer, in which money is transmitted to a foreign country.

(b) "International money transmission" does not include a transaction conducted by a depository institution as defined in Section 7-1-103 or a subsidiary or affiliate of the depository institution.

(5) "Licensee" means a person licensed by the Department of Financial Institutions under Title 7, Chapter 25, Money Transmitter Act.

(6)(a) "Transmission amount" means the total amount of money transmitted through a single international money transmission transaction.

(b) "Transmission amount" does not include amounts paid or charged for an international money transmission transaction, including any service charge, transaction fee, or sales and use tax imposed under Chapter 12, Sales and Use Tax Act.

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

97 identification:

98 (i) a United States passport or United States passport card;

99 (ii) a state-issued driver license or state-issued identification card;

100 (iii) a United States military identification;

101 (iv) a state-issued concealed carry permit;

102 (v) a United States resident alien card;

103 (vi) an identification of a federally recognized Indian tribe;

104 (vii) a United States visa that is classified as H-2A or H-2B; or

105 (viii) a driver license or identification card issued to a diplomat as defined in Section
106 41-6a-1901.

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

108 Section 5. Section **59-32-102** is enacted to read:

109 **59-32-102 . Imposition of tax on international money transmissions -- Rate -- Tax**
110 **paid by customer and collected by licensee or authorized agent -- Itemized receipt**
111 **required -- Transactions exempt from tax.**

112 (1) Except as provided in Subsection (3), a tax is imposed on an international money
113 transmission on or after January 1, 2026, at a rate equal to 2% of the transmission
114 amount.

115 (2) The tax imposed under Subsection (1) shall be:

116 (a) paid by the customer requesting the international money transmission;

117 (b) collected by the licensee or authorized agent at the time the international money
118 transmission is requested; and

119 (c) stated separately on an invoice or receipt provided to the customer for the
120 international money transmission transaction.

121 (3) An international money transmission is exempt from the tax imposed under Subsection
122 (1) if the customer requesting the international money transmission presents valid
123 identification to the licensee or authorized agent at the time the international money
124 transmission is requested.

125 Section 6. Section **59-32-103** is enacted to read:

126 **59-32-103 . Remittance and deposit of tax revenue -- Administration --**
127 **Rulemaking.**

128 (1) A licensee shall remit the taxes that the licensee or an authorized agent collects under
129 this chapter to the commission quarterly on or before the last day of the month following
130 each calendar quarterly period using a form prescribed by the commission.

(2) The commission shall:

(a) deposit revenues generated by the tax under this chapter into the General Fund; and

(b) administer, collect, and enforce the tax under this chapter in accordance with Chapter 1, General Taxation Policies.

(3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement and enforce this chapter.

Section 7. Section **59-32-104** is enacted to read:

59-32-104 . Annual reporting by licensee to commission -- Licensee to retain exempt transaction information.

(1) For a calendar year beginning on or after January 1, 2027, a licensee shall annually report to the commission:

(a) the number of international money transmissions conducted by the licensee or an authorized agent for the previous calendar year;

(b) the total amount of money transmitted through the international money transmissions reported under Subsection (1)(a); and

(c) any other information required by the commission.

(2) A licensee shall file the report described in Subsection (1):

(a) on or before January 31 of each calendar year; and

(b) electronically using a form prescribed by the commission.

(3)(a) For each international money transmission that a licensee or an authorized agent conducts on behalf of a customer to which the tax imposed by this chapter does not apply in accordance with Subsection 59-32-102(3) because the customer presented valid identification, the licensee shall retain the following information:

(i) the form of identification presented by the customer; and

(ii) the identification number.

(b) A licensee shall retain the information described in Subsection (3)(a) for the same time period a person is required to keep books and records under Section 59-1-1406.

Section 8. **Effective Date.**

(1) Except as provided in Subsection (2), this bill takes effect for a future taxable year beginning on or after January 1, 2026.

(2) The actions affecting Section 7-25-207 take effect on January 1, 2026.