

2021 Regular Session

HOUSE BILL NO. 539

BY REPRESENTATIVE CORMIER

TAX: Imposes a tax on the transmission of certain money and creates a special fund for the disposition of the avails 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, to be comprised of R.S. 39:100.146, and Part IV of
4 Chapter 3 of Subtitle IV of Title 47 of the Louisiana Revised Statutes of 1950, to be
5 comprised of R.S. 47:2711, 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 establish a special treasury fund;
8 to provide for the deposit, use, and investment of monies in the fund; to provide with
9 respect to licenses issued by the Office of Financial Institutions; to provide for
10 requirements and limitations; to provide for effectiveness; and to provide for related
11 matters.

12 Be it enacted by the Legislature of Louisiana:

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

16 SUBPART S. LOUISIANA TEACHER'S SALARY SUPPORT FUND

17 §100.146. Louisiana Teacher's Salary Support Fund; money transmission tax;
18 disposition of proceeds

19 A. There is hereby established the Teacher's Salary Support Fund as a special
20 fund in 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 deposited
2 into the fund. Monies in the fund shall be invested in the same manner as the state
3 general fund. Unexpended and unencumbered monies in the fund at the end of the
4 fiscal year shall remain in the fund.

5 B. Monies in the fund shall be allocated and appropriated each year solely
6 to provide pay raises for certificated teachers who teach in grades kindergarten
7 through twelve at a public school.

8 Section 2. Part IV of Chapter 3 of Subtitle IV of Title 47 of the Louisiana Revised
9 Statutes of 1950, comprised of R.S. 47:2711 is hereby enacted to read as follows:

10 PART IV. MONEY TRANSMISSION TAX

11 §2711. Money transmission tax

12 A. There is hereby levied a tax upon the transmission of money through any
13 person licensed by the Office of Financial Institutions to engage in the business of
14 money transmission, as such term is defined by R.S. 6:1032, hereinafter referred to
15 in this Part as "transmitter", and all persons not required to be licensed pursuant to
16 the provisions of R.S. 6:1034(3) through (6) and (8) through (11) who engage in the
17 business of money transmission. The tax levied pursuant to the provisions of this
18 Section shall apply only to money transmissions into Louisiana or from Louisiana
19 to locations outside the continental borders of the United States. The tax is payable
20 by the customer who engages a transmitter for the transmission of money. The tax
21 shall be collected at the time of payment for the transaction, and shall be remitted to
22 the state as provided in Subsection B of this Section. The amount of tax due the state
23 shall equal two percent of the amount of money transmitted in each transaction.

24 B. The tax levied pursuant to Subsection A of this Section shall be remitted
25 quarterly to the Department of Revenue on forms the secretary of the department
26 may prescribe. All required forms and remittances shall be filed with the
27 Department of Revenue not later than the fifteenth day of the month following the
28 close of each calendar quarter.

1 C. The secretary of the Department of Revenue shall be afforded all
 2 provisions currently under law to enforce the provisions of Subsection B of this
 3 Section. If a licensee fails to file reports or remit the tax imposed by this Section, the
 4 commissioner of financial institutions may suspend the license of the transmitter.
 5 A notification of the suspension shall also be sent to the Department of Revenue.
 6 The licensee may not reapply for a license until all required reports have been filed
 7 and all required taxes have been remitted.

8 D. Upon request from the Department of Revenue, the commissioner of
 9 financial institutions may make a claim against the surety bond of the transmitter on
 10 behalf of the state.

11 E. The Department of Justice, criminal division may assist the Department
 12 of Revenue in conducting audits and in the prosecution and seeking of legal remedies
 13 to ensure compliance with this Section.

14 Section 2. This Act shall become effective on July 1, 2021; if vetoed by the governor
 15 and subsequently approved by the legislature, this Act shall become effective on July 1,
 16 2021, 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 539 Original

2021 Regular Session

Cormier

Abstract: Levies a 2% tax on the transmission of money into La. or from La. to locations outside the continental borders of the U.S. and establishes the La. Teacher's Salary Support Fund for deposit of the avails of the tax.

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 U.S., by any and all means including but not limited to wire, facsimile, or electronic transfer. Present law exempts certain persons from the licensing requirements of present law.

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"). Proposed law requires the following persons who are otherwise exempt from the licensing requirements of present law to also charge the tax on money transmitting services:

- (1) A federally insured depository financial institution organized under the laws of this state, another state, or the U.S.
- (2) A wholly owned subsidiary of a federally insured depository institution organized under the laws of this state, another state, or the U.S.
- (3) A foreign bank branch or agency in the U.S. established under the federal law.
- (4) A person acting as an agent for certain entities if the entity is liable for satisfying the money services obligation owed to the purchaser on the person's receipt of the purchaser's money and there is a written contract appointing the person as the entity's agent
- (5) A person that acts as an intermediary on behalf of and at the discretion of a licensee.
- (6) An attorney or title company in connection with an immovable property transaction that receives and disburses domestic currency or issues an escrow or trust fund check.
- (7) A person engaged in the business of currency transportation who is both a registered motor carrier and a licensed armored car company or courier company.
- (8) A licensed lender using stored value cards or debit cards or electronic cash for loan disbursement under present law (La. Consumer Credit Law).
- (9) Any other person approved by the commissioner of financial institutions on a finding that the licensing of the person is not necessary to achieve the purposes of present law.

Proposed law limits the tax to money transmissions into La. or from La. to locations outside the continental borders of the U.S. Further provides that the tax is payable by the customer who engages a transmitter for the transmission of money, and shall be collected by the transmitter at the time of payment for the transaction.

Proposed law provides that the amount of tax shall be 2% of the amount of money transmitted in each transaction. The transmitter is required to remit the taxes collected to the Dept. of Revenue ("department") quarterly on forms prescribed by the secretary of the department.

Proposed law provides that if a transmitter fails to file reports or remit the tax imposed by proposed law, the commissioner 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 financial institutions at the request of the secretary of the department to make a claim against the surety bond of the transmitter on behalf of the state.

Proposed law establishes the La. Teacher's Salary Support Fund ("fund") as a special fund within the state treasury into which the avails of the money transmission tax levied 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

to provide for pay raises for certificated teachers who teach in grades kindergarten through twelve at a public school.

Effective July 1, 2021.

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