

House Bill 532

By: Representative Jones of the 167th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 4 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,
2 relating to sale of payment instruments, so as to provide for the imposition of certain fees
3 upon money transmission transactions completed by financial institutions for individuals; to
4 provide for definitions; to provide for rules and regulations; to provide for compensation to
5 financial institutions for reporting and paying fees; to require a receipt and a notice be given
6 with each transaction; to amend Article 3 of Chapter 7 of Title 48 of the Official Code of
7 Georgia Annotated, relating to income tax returns and furnishing of information, so as to
8 provide for a tax credit for residents in the amount of certain assessed money transmission
9 transaction fees paid by such residents; to provide for a reimbursement for certain residents
10 in the amount of certain assessed money transmission transaction fees paid by such residents;
11 to provide for related matters; to repeal conflicting laws; and for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 style="text-align:center">**SECTION 1.**

14 Article 4 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to sale
15 of payment instruments, is amended by adding a new Code section to read as follows:

16 "7-1-699.

17 (a) As used in this Code section, the term:

18 (1) 'Corporation' shall mean any entity formed or incorporated under or subject to the
19 provisions of Title 14.

20 (2) 'Money transmission' shall mean engaging in the business of receiving money or
21 monetary value for transmission or transmitting money or monetary value within the
22 United States or to locations abroad by any and all means, including, but not limited to,
23 an order, wire, facsimile, or electronic transfer; provided, however, that such term shall
24 not include:

25 (A) Closed-loop transactions;

- 26 (B) A bank, credit union, or brokerage engaging in the business of transmitting money
27 or monetary value from an account or on behalf of a depositor; or
- 28 (C) Transmission or transmitting money or monetary value that is to only be received
29 or retrieved at a physical location within this state.
- 30 (b) Each financial institution, including, but not limited to, money transmitters, shall
31 collect a fee on each money transmission transaction completed for an individual; provided,
32 however, that no such fee shall be collected on money transmission transactions completed
33 for a corporation.
- 34 (c) The fee provided for in subsection (b) of this Code section shall be:
- 35 (1) Ten dollars for each money transmission transaction that is not in excess of \$500.00;
36 and
- 37 (2) Two percent of the monetary amount of the money transmission transaction for each
38 money transmission transaction that is in excess of \$500.00.
- 39 (d) The fee provided for in subsection (b) of this Code section shall be paid into the state
40 treasury.
- 41 (e)(1) The department shall be authorized to promulgate any rules and regulations
42 necessary for the collection and payment of the fee as provided for in this Code section.
- 43 (2) For compensation for reporting and paying the fees provided for in this Code section,
44 each financial institution shall be allowed to deduct and retain 5 percent of the combined
45 total amount of all fees reported due on a return for the collection and payment of fees
46 provided for under paragraph (1) of this subsection, provided that such return is timely
47 filed and the amount due is not delinquent at the time of payment.
- 48 (f)(1) The individual for whom a money transmission transaction is made shall be
49 provided a receipt by the financial institution contemporaneous with the transaction
50 evidencing the fee that has been assessed pursuant to this Code section.
- 51 (2) The individual for whom a money transmission transaction is made shall be provided
52 a notice with the receipt provided for under paragraph (1) of this subsection. Such notice
53 shall state that such individual may be entitled to an income tax credit or a reimbursement
54 for the amount of the money transmission transaction, information on how such
55 individual may obtain such credit or reimbursement, and that the receipt should be
56 retained for the individual's Georgia income tax records. The notice shall be as provided
57 for by rules and regulations of the department and consistent with the purposes of this
58 paragraph."

SECTION 2.

59

60 Article 3 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
61 income tax returns and furnishing of information, is amended by adding a new Code section
62 to read as follows:

63 "48-7-64.

64 (a)(1) A taxpayer shall be allowed a credit against the tax imposed by Code Section
65 48-7-20 for the fee paid by and collected from such taxpayer for a money transmission
66 transaction under Code Section 7-1-699 if filed for by July 1 of the calendar year
67 following the calendar year in which the fee was paid and collected. The amount of such
68 credit shall be the amount of such fee paid.

69 (2) The total amount of the tax credit provided for in this Code section for a taxable year
70 may exceed the taxpayer's income tax liability. No such tax credit shall be allowed the
71 taxpayer against prior years' tax liability.

72 (b)(1) Any resident for whom a tax is not imposed by Code Section 48-7-20 and who has
73 paid the fee for a money transmission transaction pursuant to Code Section 7-1-699
74 during the preceding calendar year may file a request with the department for
75 reimbursement of the amount of such fee paid in the preceding calendar year. Such
76 request shall be filed by July 1 of the calendar year following the calendar year in which
77 the fee was paid and collected.

78 (2) Such request shall include all personal identifying information which the department
79 would collect from a resident for whom a tax is imposed by Code Section 48-7-20 and
80 a statement from such resident that he or she does not meet the requirements to have a tax
81 imposed upon him or her by Code Section 48-7-20. The request shall be made as a sworn
82 statement, duly attested to by an authorized officer of the state, on forms provided by the
83 department.

84 (c) The commissioner shall be authorized to promulgate any rules and regulations
85 necessary to implement and administer this Code section."

86

SECTION 3.

87 All laws and parts of laws in conflict with this Act are repealed.