

As Introduced

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Representatives Wiggam, King

Cosponsors: Representatives Barhorst, Click, Creech, Dean, Gross, Hall, Holmes, Hoops, John, Johnson, Kick, Klopfenstein, Lear, Lorenz, Miller, K., Miller, M., Seitz, Williams, Willis

A BILL

To amend section 5747.98 and to enact sections 1
1315.131, 5502.80, and 5747.87 of the Revised 2
Code to levy a remittance transfer fee on money 3
transmissions to a person outside of the United 4
States, to authorize an income tax credit based 5
on the amount of remittance transfer fees paid, 6
and to name this act Ohio's Withholding Illegal 7
Revenue Entering Drug Markets (WIRED) Act. 8

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 5747.98 be amended and sections 9
1315.131, 5502.80, and 5747.87 of the Revised Code be enacted to 10
read as follows: 11

Sec. 1315.131. (A) To provide revenue for local law 12
enforcement, a remittance transfer fee is imposed on licensees 13
and authorized delegates that transmit money from a customer in 14
this state to a person outside of the United States. The amount 15
of the remittance transfer fee equals seven per cent of the 16
amount of money, or its equivalent, transmitted by the licensee 17

or authorized delegate in the transaction. 18

(B) A licensee or authorized delegate may bill or invoice 19
the remittance transfer fee imposed by this section to the 20
customer from which the money is transmitted, but shall provide 21
that customer with an itemized receipt that lists the amount of 22
the remittance transfer fee as a separate line item from any 23
other amounts charged by the licensee or authorized delegate in 24
connection with the transaction. 25

(C) A person that transmitted money from a customer in 26
this state to a person outside of the United States shall file a 27
quarterly report and pay the aggregate amount of remittance 28
transfer fees due on all such transactions during the previous 29
quarter to the superintendent of financial institutions in a 30
form and manner prescribed by the superintendent. 31

(D) The withholding illegal revenue entering drug markets 32
fund is created in the state treasury. All remittance transfer 33
fees collected by the superintendent under this section shall be 34
deposited into the fund. All investment earnings of the fund 35
shall be credited to the fund. The superintendent and the 36
director of public safety shall use the moneys in the fund to 37
make transfers as required by section 5747.87 of the Revised 38
Code and for the purposes described in section 5502.80 of the 39
Revised Code. 40

(E) Every licensee and authorized delegate that transfers 41
money from customers in this state to a person outside of the 42
United States shall conspicuously post a notice in the 43
licensee's or authorized delegate's place of business, in a form 44
prescribed by the superintendent, that informs customers of the 45
tax credit authorized by section 5747.87 of the Revised Code for 46
remittance transfer fees imposed by this section that are billed 47

or invoiced to the customer. 48

Sec. 5502.80. (A) As used in this section "law enforcement agency" means an organized police department, sheriff's office, or marshal's office of any county, municipal corporation, or township. 49
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(B) The department of public safety shall use moneys deposited to the withholding illegal revenue entering drug markets fund, under section 1315.131 of the Revised Code, to award grants to law enforcement agencies to defray costs incurred by those agencies related to undocumented immigration, human trafficking, and drug trafficking. 53
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(C) The director of public safety, in consultation with the superintendent of financial institutions, may adopt rules under Chapter 119. of the Revised Code to establish the guidelines for the grant program and for administering the fund. 59
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Sec. 5747.87. (A) As used in this section, "authorized delegate," "licensee," and "transmit money" have the same meanings as in section 1315.01 of the Revised Code. 63
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(B) A refundable credit is allowed against a taxpayer's aggregate tax liability under section 5747.02 of the Revised Code. The credit shall equal the amount of remittance transfer fees imposed by section 1315.131 of the Revised Code that are billed or invoiced to, and paid by, a taxpayer in the taxable year, but the amount of credit allowed shall not exceed, for any taxable year, two thousand dollars, including any credit amounts apportioned or allocated to the taxpayer by a pass-through entity. The credit applies only to remittance transfer fees paid for transactions in which the taxpayer is the customer of a licensee or authorized delegate. The credit is not available for 66
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remittance transfer fees paid by a taxpayer acting as a licensee 77
or authorized delegate by transmitting money on behalf of 78
another customer. 79

The credit shall be claimed in the order required under 80
section 5747.98 of the Revised Code. If the amount of the credit 81
under this section exceeds the aggregate amount of tax otherwise 82
due under section 5747.02 of the Revised Code after deduction of 83
all other credits in that order, the taxpayer is entitled to a 84
refund of the excess. 85

If the taxpayer is a direct or indirect investor in a 86
pass-through entity that paid remittance transfer fees under 87
section 1315.131 of the Revised Code during the taxpayer's 88
taxable year that would have qualified the entity for the credit 89
if the entity was a taxpayer, the taxpayer may claim its 90
proportionate or distributive share of the credit allowed under 91
this section. 92

(C) The tax commissioner may require the taxpayer to 93
furnish proof of payment of remittance transfer fees under 94
section 1315.131 of the Revised Code as a condition of obtaining 95
the credit authorized under this section. 96

(D) On or before the thirtieth day of July of each year, 97
the tax commissioner shall certify to the superintendent of the 98
division of financial institutions and the director of budget 99
and management the amount of tax credits claimed under this 100
section in the preceding fiscal year. Within fifteen days after 101
receipt of this certification, the director of budget and 102
management shall transfer money equal to the certified amount to 103
the general revenue fund from the withholding illegal revenue 104
entering drug markets fund created in section 1315.131 of the 105
Revised Code. 106

Sec. 5747.98. (A) To provide a uniform procedure for	107
calculating a taxpayer's aggregate tax liability under section	108
5747.02 of the Revised Code, a taxpayer shall claim any credits	109
to which the taxpayer is entitled in the following order:	110
Either the retirement income credit under division (B) of	111
section 5747.055 of the Revised Code or the lump sum retirement	112
income credits under divisions (C), (D), and (E) of that	113
section;	114
Either the senior citizen credit under division (F) of	115
section 5747.055 of the Revised Code or the lump sum	116
distribution credit under division (G) of that section;	117
The dependent care credit under section 5747.054 of the	118
Revised Code;	119
The credit for displaced workers who pay for job training	120
under section 5747.27 of the Revised Code;	121
The campaign contribution credit under section 5747.29 of	122
the Revised Code;	123
The twenty-dollar personal exemption credit under section	124
5747.022 of the Revised Code;	125
The joint filing credit under division (G) <u>(E)</u> of section	126
5747.05 of the Revised Code;	127
The earned income credit under section 5747.71 of the	128
Revised Code;	129
The nonrefundable credit for education expenses under	130
section 5747.72 of the Revised Code;	131
The nonrefundable credit for donations to scholarship	132
granting organizations under section 5747.73 of the Revised	133

Code;	134
The nonrefundable credit for tuition paid to a nonchartered nonpublic school under section 5747.75 of the Revised Code;	135 136 137
The nonrefundable vocational job credit under section 5747.057 of the Revised Code;	138 139
The nonrefundable job retention credit under division (B) of section 5747.058 of the Revised Code;	140 141
The enterprise zone credit under section 5709.66 of the Revised Code;	142 143
The credit for beginning farmers who participate in a financial management program under division (B) of section 5747.77 of the Revised Code;	144 145 146
The credit for commercial vehicle operator training expenses under section 5747.82 of the Revised Code;	147 148
The nonrefundable welcome home Ohio (WHO) program credit under section 122.633 of the Revised Code;	149 150
The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	151 152 153
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	154 155
The small business investment credit under section 5747.81 of the Revised Code;	156 157
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	158 159
The opportunity zone investment credit under section	160

122.84 of the Revised Code;	161
The enterprise zone credits under section 5709.65 of the Revised Code;	162 163
The research and development credit under section 5747.331 of the Revised Code;	164 165
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	166 167
The nonrefundable Ohio low-income housing tax credit under section 5747.83 of the Revised Code;	168 169
The nonrefundable affordable single-family home credit under section 5747.84 of the Revised Code;	170 171
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	172 173
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	174 175
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	176 177
The refundable credit for film and theater capital improvement projects under section 5747.67 of the Revised Code;	178 179
The refundable jobs creation credit or job retention credit under division (A) of section 5747.058 of the Revised Code;	180 181 182
The refundable credit for taxes paid by a qualifying entity granted under section 5747.059 of the Revised Code;	183 184
The refundable credits for taxes paid by a qualifying pass-through entity granted under division (I) of section 5747.08 of the Revised Code;	185 186 187

The refundable credit under section 5747.80 of the Revised Code for losses on loans made to the Ohio venture capital program under sections 150.01 to 150.10 of the Revised Code;

The refundable credit for rehabilitating a historic building under section 5747.76 of the Revised Code;

The refundable credit under section 5747.39 of the Revised Code for taxes levied under section 5747.38 of the Revised Code paid by an electing pass-through entity—;

The refundable credit under section 5747.87 of the Revised Code for remittance transfer fees paid under section 1315.131 of the Revised Code.

(B) For any credit, except the refundable credits enumerated in this section and the credit granted under division (H) of section 5747.08 of the Revised Code, the amount of the credit for a taxable year shall not exceed the taxpayer's aggregate amount of tax due under section 5747.02 of the Revised Code, after allowing for any other credit that precedes it in the order required under this section. Any excess amount of a particular credit may be carried forward if authorized under the section creating that credit. Nothing in this chapter shall be construed to allow a taxpayer to claim, directly or indirectly, a credit more than once for a taxable year.

Section 2. That existing section 5747.98 of the Revised Code is hereby repealed.

Section 3. The enactment by this act of section 5747.87 of the Revised Code applies to taxable years ending on or after the effective date of this section.

Section 4. The remittance transfer fee imposed by section 1315.131 of the Revised Code, as enacted by this act, applies to

transactions on and after the first day of the first month that	217
begins after the effective date of this section.	218
Section 5. This act shall be known as Ohio's Withholding	219
Illegal Revenue Entering Drug Markets (WIRED) Act.	220