

As Introduced

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H. B. No. 149

Representatives King, Miller, K.

**Cosponsors: Representatives Hall, T., Williams, Click, Gross, Ritter, Johnson,
Daniels, Lear, Klopfenstein**

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 transfer fee on money 3
transmissions, to authorize an income tax credit 4
based on the amount of the transfer fees paid, 5
and to name this act Ohio's Withholding Illegal 6
Revenue Entering Drug Markets (WIRED) Act. 7

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

Section 1. That section 5747.98 be amended and sections 8
1315.131, 5502.80, and 5747.87 of the Revised Code be enacted to 9
read as follows: 10

Sec. 1315.131. (A) To provide revenue for local law 11
enforcement, a transfer fee is imposed on licensees and 12
authorized delegates that transmit money from a customer in this 13
state. The amount of the transfer fee equals three per cent of 14
the amount of money, or its equivalent, transmitted by the 15
licensee or authorized delegate in the transaction. 16

(B) A licensee or authorized delegate may bill or invoice 17

the transfer fee imposed by this section to the customer from 18
which the money is transmitted, but shall provide that customer 19
with an itemized receipt that lists the amount of the transfer 20
fee as a separate line item from any other amounts charged by 21
the licensee or authorized delegate in connection with the 22
transaction. 23

(C) A person that transmitted money from a customer in 24
this state shall file a quarterly report and pay the aggregate 25
amount of transfer fees due on all such transactions during the 26
previous quarter to the superintendent of financial institutions 27
in a form and manner prescribed by the superintendent. If the 28
report is filed and the amount of the transfer fees shown on the 29
report to be due is paid on or before the date the report is 30
required to be filed, the person is entitled to a discount equal 31
to three-fourths of one per cent of the amount otherwise shown 32
to be due on the report. 33

(D) The withholding illegal revenue entering drug markets 34
fund is created in the state treasury. All transfer fees 35
collected by the superintendent under this section shall be 36
deposited into the fund. All investment earnings of the fund 37
shall be credited to the fund. The superintendent and the 38
director of public safety shall use the moneys in the fund to 39
make transfers as required by section 5747.87 of the Revised 40
Code and for the purposes described in section 5502.80 of the 41
Revised Code. 42

(E) Every licensee and authorized delegate that transfers 43
money from customers in this state shall conspicuously post a 44
notice in the licensee's or authorized delegate's place of 45
business, in a form prescribed by the superintendent, that 46
informs customers of the tax credit authorized by section 47

5747.87 of the Revised Code for transfer fees imposed by this 48
section that are billed or invoiced to the customer. 49

Sec. 5502.80. (A) As used in this section, "law 50
enforcement agency" means an organized police department, 51
sheriff's office, or marshal's office of any county, municipal 52
corporation, or township. 53

(B) The department of public safety shall use moneys 54
deposited to the withholding illegal revenue entering drug 55
markets fund, under section 1315.131 of the Revised Code, to 56
award grants to law enforcement agencies to defray costs 57
incurred by those agencies for investigation of human 58
trafficking and drug trafficking, and enforcement of related 59
laws. 60

(C) The director of public safety, in administering the 61
grants, shall do both of the following: 62

(1) Ensure that funds are distributed equitably to 63
jurisdictions throughout the state and among law enforcement 64
agencies of varying sizes. 65

(2) Allow more than one law enforcement agency to apply 66
collectively for a grant to fund cooperative efforts to 67
investigate human trafficking and drug trafficking and enforce 68
related laws, including efforts conducted through a drug task 69
force, as defined in section 5502.68 of the Revised Code. 70

(D) The director of public safety, in consultation with 71
the superintendent of financial institutions, shall adopt rules 72
under Chapter 119. of the Revised Code to establish guidelines 73
for the grant program and for administering the fund and to 74
establish application procedures for law enforcement agencies 75
seeking a grant under this section. 76

Sec. 5747.87. (A) As used in this section, "authorized 77
delegate," "licensee," and "transmit money" have the same 78
meanings as in section 1315.01 of the Revised Code. 79

(B) A refundable credit is allowed against a taxpayer's 80
aggregate tax liability under section 5747.02 of the Revised 81
Code. The credit shall equal the amount of transfer fees imposed 82
by section 1315.131 of the Revised Code that are billed or 83
invoiced to, and paid by, a taxpayer in the taxable year, but 84
the amount of credit allowed shall not exceed, for any taxable 85
year, three hundred dollars, including any credit amounts 86
apportioned or allocated to the taxpayer by a pass-through 87
entity. The credit applies only to transfer fees paid for 88
transactions in which the taxpayer is the customer of a licensee 89
or authorized delegate. The credit is not available for transfer 90
fees paid by a taxpayer acting as a licensee or authorized 91
delegate by transmitting money on behalf of another customer. 92

The credit shall be claimed in the order required under 93
section 5747.98 of the Revised Code. If the amount of the credit 94
under this section exceeds the aggregate amount of tax otherwise 95
due under section 5747.02 of the Revised Code after deduction of 96
all other credits in that order, the taxpayer is entitled to a 97
refund of the excess. 98

If the taxpayer is a direct or indirect investor in a 99
pass-through entity that paid transfer fees under section 100
1315.131 of the Revised Code during the taxpayer's taxable year 101
that would have qualified the entity for the credit if the 102
entity was a taxpayer, the taxpayer may claim its proportionate 103
or distributive share of the credit allowed under this section. 104

(C) The tax commissioner may require the taxpayer to 105
furnish proof of payment of transfer fees under section 1315.131 106

of the Revised Code as a condition of obtaining the credit 107
authorized under this section. 108

(D) On or before the thirtieth day of July of each year, 109
the tax commissioner shall certify to the superintendent of the 110
division of financial institutions and the director of budget 111
and management the amount of tax credits claimed under this 112
section in the preceding fiscal year. Within fifteen days after 113
receipt of this certification, the director of budget and 114
management shall transfer money equal to the certified amount to 115
the general revenue fund from the withholding illegal revenue 116
entering drug markets fund created in section 1315.131 of the 117
Revised Code. 118

Sec. 5747.98. (A) To provide a uniform procedure for 119
calculating a taxpayer's aggregate tax liability under section 120
5747.02 of the Revised Code, a taxpayer shall claim any credits 121
to which the taxpayer is entitled in the following order: 122

Either the retirement income credit under division (B) of 123
section 5747.055 of the Revised Code or the lump sum retirement 124
income credits under divisions (C), (D), and (E) of that 125
section; 126

Either the senior citizen credit under division (F) of 127
section 5747.055 of the Revised Code or the lump sum 128
distribution credit under division (G) of that section; 129

The dependent care credit under section 5747.054 of the 130
Revised Code; 131

The credit for displaced workers who pay for job training 132
under section 5747.27 of the Revised Code; 133

The campaign contribution credit under section 5747.29 of 134
the Revised Code; 135

The twenty-dollar personal exemption credit under section	136
5747.022 of the Revised Code;	137
The joint filing credit under division (G) <u>(E)</u> of section	138
5747.05 of the Revised Code;	139
The earned income credit under section 5747.71 of the	140
Revised Code;	141
The nonrefundable credit for education expenses under	142
section 5747.72 of the Revised Code;	143
The nonrefundable credit for donations to scholarship	144
granting organizations under section 5747.73 of the Revised	145
Code;	146
The nonrefundable credit for tuition paid to a	147
nonchartered nonpublic school under section 5747.75 of the	148
Revised Code;	149
The nonrefundable vocational job credit under section	150
5747.057 of the Revised Code;	151
The nonrefundable job retention credit under division (B)	152
of section 5747.058 of the Revised Code;	153
The enterprise zone credit under section 5709.66 of the	154
Revised Code;	155
The credit for beginning farmers who participate in a	156
financial management program under division (B) of section	157
5747.77 of the Revised Code;	158
The credit for commercial vehicle operator training	159
expenses under section 5747.82 of the Revised Code;	160
The nonrefundable welcome home Ohio (WHO) program credit	161
under section 122.633 of the Revised Code;	162

The credit for selling or renting agricultural assets to beginning farmers under division (A) of section 5747.77 of the Revised Code;	163 164 165
The credit for purchases of qualifying grape production property under section 5747.28 of the Revised Code;	166 167
The small business investment credit under section 5747.81 of the Revised Code;	168 169
The nonrefundable lead abatement credit under section 5747.26 of the Revised Code;	170 171
The opportunity zone investment credit under section 122.84 of the Revised Code;	172 173
The enterprise zone credits under section 5709.65 of the Revised Code;	174 175
The research and development credit under section 5747.331 of the Revised Code;	176 177
The credit for rehabilitating a historic building under section 5747.76 of the Revised Code;	178 179
The nonrefundable Ohio low-income housing tax credit under section 5747.83 of the Revised Code;	180 181
The nonrefundable affordable single-family home credit under section 5747.84 of the Revised Code;	182 183
The nonresident credit under division (A) of section 5747.05 of the Revised Code;	184 185
The credit for a resident's out-of-state income under division (B) of section 5747.05 of the Revised Code;	186 187
The refundable motion picture and Broadway theatrical production credit under section 5747.66 of the Revised Code;	188 189

The refundable credit for film and theater capital	190
improvement projects under section 5747.67 of the Revised Code;	191
The refundable jobs creation credit or job retention	192
credit under division (A) of section 5747.058 of the Revised	193
Code;	194
The refundable credit for taxes paid by a qualifying	195
entity granted under section 5747.059 of the Revised Code;	196
The refundable credits for taxes paid by a qualifying	197
pass-through entity granted under division (I) of section	198
5747.08 of the Revised Code;	199
The refundable credit under section 5747.80 of the Revised	200
Code for losses on loans made to the Ohio venture capital	201
program under sections 150.01 to 150.10 of the Revised Code;	202
The refundable credit for rehabilitating a historic	203
building under section 5747.76 of the Revised Code;	204
The refundable credit under section 5747.39 of the Revised	205
Code for taxes levied under section 5747.38 of the Revised Code	206
paid by an electing pass-through entity—;	207
<u>The refundable credit under section 5747.87 of the Revised</u>	208
<u>Code for the transfer fees paid under section 1315.131 of the</u>	209
<u>Revised Code.</u>	210
(B) For any credit, except the refundable credits	211
enumerated in this section and the credit granted under division	212
(H) of section 5747.08 of the Revised Code, the amount of the	213
credit for a taxable year shall not exceed the taxpayer's	214
aggregate amount of tax due under section 5747.02 of the Revised	215
Code, after allowing for any other credit that precedes it in	216
the order required under this section. Any excess amount of a	217

particular credit may be carried forward if authorized under the 218
section creating that credit. Nothing in this chapter shall be 219
construed to allow a taxpayer to claim, directly or indirectly, 220
a credit more than once for a taxable year. 221

Section 2. That existing section 5747.98 of the Revised 222
Code is hereby repealed. 223

Section 3. The enactment by this act of section 5747.87 of 224
the Revised Code applies to taxable years ending on or after the 225
effective date of this section. 226

Section 4. The transfer fee imposed by section 1315.131 of 227
the Revised Code, as enacted by this act, applies to 228
transactions on and after the first day of the first month that 229
begins after the effective date of this section. 230

Section 5. This act shall be known as Ohio's Withholding 231
Illegal Revenue Entering Drug Markets (WIRED) Act. 232