



TESTIMONY | Center for Homeland Security & Innovation

WITHHOLDING ILLEGAL REVENUE

ENTERING DRUG MARKETS ACT (HB 451)

The Honorable Steve Yates | May 7, 2024

WRITTEN TESTIMONY OF THE AMERICA FIRST POLICY INSTITUTE

To the Ohio House Committee on Ways and Means:

Thank you for the opportunity to submit testimony on the importance of states taking action in the face of the Biden Administration's failure to end the ongoing humanitarian and security crisis at the southern border. Every state is a border state as a result, and I am encouraged by your desire, as representatives entrusted with the well-being of Ohioans, to address this crisis head-on by enacting policies that protect your citizens and communities.

Under the Biden Administration, more than 7.5 million illegal aliens have been apprehended nationwide. At least 2 million more illegal aliens have crossed the border undetected and are living in communities across the country. These numbers are orders of magnitude higher than any other president in American history—and all states are feeling the impacts of fentanyl, human trafficking, and other safety risks.

Illegal aliens and drug trafficking networks exploit international wire transfers as a preferred method to send money out of the country. These networks thrive on the perceived anonymity and lack of oversight provided by non-U.S. financial institutions, enabling them to evade detection and continue their illicit behavior. Ohio has an opportunity to crack down on this illegal activity while simultaneously providing more funding for law enforcement by passing HB 451.

This bill would impose a 7% fee on all international wire transfers, also called remittances, coming out of Ohio into a foreign nation. When law-abiding Ohioans do their taxes each April, they will receive a tax credit for the full amount they paid the previous year in international wire transfer fees. Those in this country illegally would not have their expenses reimbursed—since they do not file tax returns—and the funds would go directly toward law enforcement and public safety efforts in Ohio. In other words, the only individuals who lose money under HB 451 are those here illegally. This policy also allows the state to recoup losses from untaxed income being paid to illegal aliens.

Ohio has an opportunity to lead boldly on this issue. Just one other state, Oklahoma, currently imposes this remittance fee, which stands at just 1%. HB 451's proposal of a 7% fee would send a strong message that illegal businesses and behavior are unwelcome in Ohio. It would also generate significant revenue for law enforcement to help address the continued effects of the border crisis in Ohio. With an illegal alien population of roughly 90,000, Oklahoma's 1% fee generates approximately \$13 million in revenue for the state each year. Ohio currently has an estimated illegal alien population of roughly 143,000. Using Oklahoma's rate of international wire transfers, Ohio's 7% fee would generate around \$141 million in annual revenue without raising taxes on law-abiding citizens. All of these funds would be directed toward critical public safety efforts.

Critics may argue that this bill would only push illegal activity to neighboring states. To that, I would say well done, Ohio legislature, for protecting your residents and keeping illegal activity from occurring in your state on your watch. The America First Policy Institute encourages every state to adopt this policy as one way to combat the impacts of illegal immigration in their states.

The Honorable Steve Yates
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