

House File 2168 - Introduced

HOUSE FILE 2168
BY DIEKEN

A BILL FOR

- 1 An Act creating a state remittance tax and including
- 2 applicability provisions.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **423H.1 Definitions.**

2 As used in this chapter:

3 1. "Department" means the department of revenue.

4 2. "Director" means the director of revenue.

5 3. "Financial institution" means the same as defined in
6 section 422.61.

7 4. "Remittance transfer" means the same as defined in 15
8 U.S.C. §1693o-1(g).

9 5. "Remittance transfer provider" means any person or
10 financial institution that provides remittance transfers for
11 a consumer in the normal course of business, whether or not
12 the consumer holds an account with such a person or financial
13 institution.

14 6. "Sender" means the consumer who requests a remittance
15 provider to send a remittance transfer for the consumer to a
16 designated recipient.

17 Sec. 2. NEW SECTION. **423H.2 Imposition of remittance**
18 **transfer tax.**

19 1. A tax shall be imposed equal to fifty percent of any gross
20 remittance transfer amount made by a sender in this state.

21 2. The tax imposed under this chapter applies only to any
22 remittance transfer for which the sender provides cash, a
23 money order, a cashier's check, or any other similar physical
24 instrument to the remittance transfer provider. The tax shall
25 not be imposed on any remittance transfer for which the funds
26 being transferred are withdrawn from an account held in or by a
27 financial institution.

28 3. The tax imposed by this section shall be in addition to
29 any other taxes imposed and shall be paid by the sender.

30 4. The remittance transfer provider shall collect the tax
31 and transfer the tax on a monthly basis as specified by the
32 department pursuant to section 423H.3.

33 5. Where any tax imposed by subsection 1 is not paid at
34 the time the remittance transfer is made, then to the extent
35 that such tax is not collected, the tax shall be paid by the

1 remittance transfer provider.

2 Sec. 3. NEW SECTION. **423H.3 Administration by director.**

3 1. The director of revenue shall administer the remittance
4 transfer tax as nearly as possible in conjunction with the
5 administration of the state sales and use tax law, except that
6 portion of the law that implements the streamlined sales and
7 use tax agreement. The director shall provide appropriate
8 forms, or provide on the regular state tax forms, for reporting
9 remittance transfer tax liability, and for ease of administration
10 may require remittance transfer tax liability to be identified,
11 reported, and remitted to the department as sales and use tax
12 liability, provided the department has the ability to properly
13 identify such amounts as remittance transfer tax revenues upon
14 receipt.

15 2. The director may require all remittance transfer providers
16 to register with the department. The director may also require a
17 tax permit applicable only to this chapter for any remittance tax
18 provider not collecting taxes under chapter 423.

19 3. Section 422.25, subsection 4, sections 422.30, 422.67, and
20 422.68, section 422.69, subsection 1, sections 422.70, 422.71,
21 422.72, 422.74, and 422.75, section 423.14, subsection 1, and
22 sections 423.23, 423.24, 423.25, 423.31 through 423.35, 423.37
23 through 423.42, and 423.47, consistent with the provisions of
24 this chapter, shall apply with respect to the tax authorized
25 under this chapter, in the same manner and with the same effect
26 as if the taxes on the remittance transfers were retail sales
27 taxes within the meaning of those statutes. Notwithstanding
28 this subsection, the director shall provide for monthly filing
29 of returns and for other than monthly filing of returns both as
30 prescribed in section 423.31. All taxes collected under this
31 chapter by a remittance transfer provider are deemed to be held
32 in trust for the state of Iowa.

33 Sec. 4. NEW SECTION. **423H.4 Revenues.**

34 All revenues derived from the tax shall be deposited into the
35 general fund of the state.

1 tax agreement.

2 The bill directs all revenues derived from the remittance
3 transfer tax to be deposited into the general fund of the state.

4 The tax applies to remittance transfers occurring on or after
5 July 1, 2026.

unofficial