

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6901

BILL NUMBER: HB 1229

NOTE PREPARED: Jan 2, 2026

BILL AMENDED:

SUBJECT: International Money Wiring Fee.

FIRST AUTHOR: Rep. Greene

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill requires a money transmitter (entities licensed under the Money Transmission Modernization Act) to collect and remit an international money wiring fee from senders of a money transmission to a location outside of the United States. It allows a money transmitter to retain a collection allowance from the fee amounts remitted.

The bill provides an income tax credit to individuals who are a citizen or national of the United States, or an alien who has lawful permanent resident status or conditional permanent resident status, and paid an international money wiring fee during the taxable year.

The bill renames the Community Services Quality Assurance Fund to the Community Based Services Fund (fund). It requires 20% of the revenue from the international money wiring fee to be deposited in the state General Fund and 80% of the revenue to be deposited in the fund to be used to fund the family supports Medicaid waiver and community integration habilitation Medicaid waiver programs, including applied behavior analysis, in order to reduce the wait list and make additional waiver slots available under these two programs. It also provides that, of the money in the fund for that purpose, 50% is subject to review by the budget committee before being expended and the remaining 50% may be used any time following the deposit of the money in the fund.

Effective Date: January 1, 2026 (retroactive); July 1, 2026.

Explanation of State Expenditures: *Community Based Services Fund:* The bill would increase workload for the Office of Medicaid Policy and Planning to rename the Community Services Quality Assistance Fund to Community Based Services Fund and apply the funds from the international money wiring fee per the bill's provisions. This workload increase should be done within current resources.

Department of Financial Institutions (DFI): The DFI will have an increase in workload to carry out the bill's provisions related to the fee. The workload increase would be done within current resources.

Department of State Revenue (DOR): Establishing a new income tax credit will increase workload and

expenses for the DOR. The DOR should be able to put the bill's changes in place within current resource levels.

Explanation of State Revenues: Summary - The international money wiring fee could increase state revenue by an estimated \$19.5 M to \$59.0 M beginning in FY 2027. Actual revenue amounts will depend on the amount of money transmitted per transaction. The state General Fund will receive 20% of the fee revenue, while 80% will be deposited in the Community Based Services Fund.

Beginning in FY 2027, the income tax credit for the international money wiring fee will reduce state General Fund revenue. The revenue loss from the credit will be an indeterminable portion of the fee revenue.

Additional Information -

International Money Wiring Fee: The fee is equal to \$5 for transactions under \$500. For transactions greater than \$500, the fee is \$5 plus 3% of the amount that exceeds \$500. According to the World Bank, there were \$98.4 B in transfers from the U.S. to other countries in CY 2024. If Indiana represents 2% of that amount, then transfers from Indiana could amount to \$1.97 B. Based on this amount, the international money wiring fee could range from \$19.7 M to \$59.0 M annually. The upper limit estimate assumes that all transactions are greater than \$500. The lower limit estimate assumes that all transactions are \$500 or less. If the fee is timely remitted, licensees can retain a collection allowance equal to 0.73% of the fee.

Income Tax Credit: The bill establishes a nonrefundable income tax credit equal to the amount of international money wiring fees paid during the taxable year. U.S. citizens, nationals, or those with lawful or conditional resident status may claim the credit. The credit may not be carried forward, carried back, or refunded.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Financial Institutions; Office of Medicaid Policy and Planning, Family and Social Services Administration; Department of State Revenue.

Local Agencies Affected:

Information Sources: Personal Remittances, paid (current US\$), data.worldbank.org/indicator/BM.TRF.PWKR.CD.DT.
Oklahoma FY2024 Revenue & Apportionment Report, oklahoma.gov/content/dam/ok/en/tax/documents/resources/reports/annual-reports/otc/AR-2024.pdf.

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