

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

**LS 6868**

**BILL NUMBER:** SB 202

**NOTE PREPARED:** Jan 1, 2026

**BILL AMENDED:**

**SUBJECT:** Taxation of Remittances.

**FIRST AUTHOR:** Sen. Tomes

**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 transaction to a location outside of the United States.

It provides an income tax credit to an individual who is 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.

It requires the revenue from the international money wiring fee to be deposited in the state General Fund.

It also includes the international money wiring fee under the definition of "listed taxes" that the Department of State Revenue is required to collect and administer.

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

**Explanation of State Expenditures:** *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.

*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.

*Enforcement Assistance:* The Attorney General and Indiana State Police may have an increase in workload to assist in conducting audits and prosecuting violations of the bill. The workload increase should be done within current resources.

**Explanation of State Revenues:** The international money wiring fee could increase state General Fund revenue by an estimated \$19.7 M beginning in FY 2027. Actual revenue amounts will depend on the amount of money transmitted per transaction.

Beginning in FY 2028, 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 1% 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 be \$19.7 M annually.

*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; Department of State Revenue; Attorney General; Indiana State Police.

**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.

**Fiscal Analyst:** Nate Bodnar, 317-234-9476; Camille Tesch, 317-232-5293.