

# HB192 INTRODUCED



1 HB192  
2 7D7YEVV-1  
3 By Representative Shirey  
4 RFD: Ways and Means Education  
5 First Read: 05-Feb-25



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SYNOPSIS:

Under existing law, money transmission businesses, which include businesses that conduct electronic wire transfers, must be licensed by the Alabama Securities Commission.

This bill would require money transmission businesses to collect on outgoing international electronic wire transfers a fee equal to two percent of the total amount of the wire transfer and would provide that the fees collected be periodically deposited into the Education Trust Fund to be used exclusively to hire English Language Learner (ELL) instructors.

This bill would allow taxpayers to be granted a tax credit against income taxes in the amount of all international electronic wire transfer fees paid by the customer.

This bill would require the Department of Revenue to establish a notice to customers who initiate international electronic wire transfers of the ability to be granted a tax credit for outgoing international wire transfer fees paid by a taxpayer.

This bill would also authorize the Alabama Securities Commission and the Alabama Department of Revenue to administer this act.



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to wire transfers; to require money transmission businesses to collect fees on outgoing international wire transfers and provide for distribution of fee proceeds for hiring ESL teachers; to authorize an income tax credit equal to the amount of fees paid by taxpayers for outgoing international wire transfers; and to authorize the Alabama Securities Commission and the Alabama Department of Revenue to administer this act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. For the purpose of this act, the following terms have the following meanings:

- (1) COMMISSION. The Alabama Securities Commission.
- (2) DEPARTMENT. The Alabama Department of Revenue.
- (3) ELECTRONIC WIRE TRANSFER. An electronic transfer of money via a network. The term does not include a transaction where money debited is from an account held by the requester of a transfer of a banking institution authorized to do business in this state or any business entity authorized by law to do business in this state.
- (4) MONEY TRANSMISSION BUSINESS. Any person required to obtain a license pursuant to Chapter 7A of Title 8, Code of Alabama 1975.

Section 2. (a) (1) On and after January 1, 2026, each



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57 money transmission business shall collect a fee on every  
58 outgoing international electronic wire transfer equal to two  
59 percent of the amount of the international electronic wire  
60 transfer.

61 (2) A money transmission business shall provide to each  
62 customer a receipt for each international electronic wire  
63 transfer which clearly delineates the fee incurred pursuant to  
64 this subsection.

65 (b) Not later than the 45 days following the close of  
66 each calendar quarter, a money transmission business shall  
67 remit the fees collected under subsection (a) to the  
68 commission by means established by rule of the commission. The  
69 commission shall transfer monies collected pursuant to this  
70 subsection to the Comptroller for deposit into the Education  
71 Trust Fund to be used exclusively for the purpose of hiring  
72 English Language Learner instructors by local boards of  
73 education.

74 (c) Each money transmission business shall report to  
75 the commission the number of international electronic wire  
76 transfers made during a calendar quarter along with the  
77 monetary amount of each transfer and any additional  
78 information required by the commission, by rule, at the time  
79 the fees are remitted pursuant to subsection (b).

80 (d) Each money transmission business shall post the  
81 notice established pursuant to Section 3(e) in an area  
82 accessed by the public where electronic wire transfers are  
83 conducted.

84 (e) Except as provided in this act, Chapter 7A of Title



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85 8, Code of Alabama 1975, shall apply.

86 (f) The commission shall adopt rules to administer this  
87 section.

88 Section 3. (a) (1) For tax years beginning on and after  
89 January 1, 2026, a credit is allowed against income taxes  
90 imposed by Chapter 18 of Title 40, Code of Alabama 1975, in  
91 the amount of all international electronic wire transfer fees  
92 paid by any taxpayer under Section 2 or five thousand dollars  
93 (\$5,000), whichever is less. The credit must be claimed on the  
94 tax return that corresponds with the tax year during which the  
95 fees were paid.

96 (2) To qualify for the income tax credit, a taxpayer  
97 shall submit to the department in a manner prescribed by the  
98 department, by rule, the receipts received under Section  
99 2(a) (2).

100 (b) The tax credit shall not be allowed to decrease a  
101 taxpayer's liability to less than zero. The credit is not  
102 refundable and may not be carried forward. The credit shall be  
103 available on a pro-rata basis to entities taxed under 26  
104 U.S.C. Subtitle A, Chapter 1, Subchapter S or Subchapter K.

105 (c) The department shall not be required under this  
106 section to disclose confidential information subject to  
107 Section 40-2A-10, Code of Alabama 1975. However, the  
108 department may share information with the commission upon  
109 written request in order to aid or assist with any  
110 investigation or other action authorized by Chapter 7A of  
111 Title 8, Code of Alabama 1975. Additionally, the commission  
112 may share information with the department to enforce this act.



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113 The information shared shall be limited to what is necessary  
114 to administer this act and shall not be considered public  
115 records for purposes of Article 3 of Chapter 12 of Title 36,  
116 Code of Alabama 1975. Upon receipt of information from the  
117 department, Section 40-2A-10, Code of Alabama 1975, shall  
118 apply to the commission and its employees with respect to the  
119 use, dissemination, or other handling of the information. The  
120 department shall comply with Section 8-7A-21(b), Code of  
121 Alabama 1975, as to any information shared by the commission.

122 (d) The department, by rule, may require a money  
123 transmission business to provide certifying documents and  
124 other information necessary to determine or confirm the tax  
125 credit amounts referenced in this section.

126 (e) The department shall establish a standard form to  
127 be posted by money transmission businesses which notifies  
128 customers that upon filing an Alabama income tax return with  
129 either a valid Social Security number or a valid taxpayer  
130 identification number, the customer may be entitled to an  
131 income tax credit equal to the amount of the electronic wire  
132 transfer fees paid by the customer for the international  
133 electronic wire transfer.

134 (f) The department shall adopt rules to implement this  
135 section.

136 Section 4. This act shall become effective on July 1,  
137 2025.