

_____ offers the following
 substitute to HB 66:

A BILL TO BE ENTITLED
 AN ACT

1 To amend Article 4 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,
 2 relating to sale of payment instruments, so as to provide for the imposition of certain fees
 3 upon money transmission transactions completed by licensees or authorized agents for
 4 individuals; to provide for definitions; to provide for rules and regulations; to provide for
 5 compensation to licensees or authorized agents for reporting and paying fees; to require a
 6 receipt and a notice be given with each transaction; to amend Article 2 of Chapter 7 of Title
 7 48 of the Official Code of Georgia Annotated, relating to imposition, rate, computation, and
 8 exemptions, so as to provide for a tax credit for taxpayers in the amount of certain assessed
 9 money transmission transaction fees paid by such taxpayers; to provide for related matters;
 10 to provide for an effective date and applicability; to repeal conflicting laws; and for other
 11 purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 SECTION 1.

14 Article 4 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to sale
 15 of payment instruments, is amended by adding a new Code section to read as follows:

16 "7-1-699.

17 (a) As used in this Code section, the term:

18 (1) 'Corporation' means any entity formed or incorporated under or subject to the
 19 provisions of Title 14.

20 (2) 'Third-party payment' means a service where a licensee or authorized agent transmits
 21 funds on behalf of a payee to a recipient solely to satisfy a bill for the provision of goods
 22 or services and the licensee or authorized agent has a preexisting contractual relationship
 23 with the recipient, credit card or debit card transfers or prepayment, or use of prepaid
 24 debit or stored value cards, including, but not limited to, Internet and telephone transfers
 25 conducted through a debit card, credit card, or automated clearing house transfer and the
 26 sale and servicing of prepaid debit cards and stored value cards.

27 (b) Licensees and authorized agents shall collect a fee on each money transmission
 28 transaction completed for an individual; provided, however, that no such fee shall be
 29 collected on money transmission transactions that are:

30 (1) Initiated on behalf of a corporation;

31 (2) Initiated in this state and received or retrieved at a physical location in this state;

32 (3) Solely related to a third-party payment;

33 (4) Sale of money order checks;

34 (5) Check cashing transactions;

35 (6) Initiated by a member or retired member of the armed forces of the United States or
 36 a member of a state's National Guard upon presentment of official identification of such
 37 armed forces or National Guard in such form as determined by the Department of
 38 Revenue;

39 (7) Initiated by an individual upon presentment of his or her H-2A visa issued by the
 40 United States; or

41 (8) Initiated by a law firm, real estate broker, settling agent, or tenant transmitting or
 42 disbursing the proceeds of a real estate sales transaction or lease.

43 (c) The fee provided for in subsection (b) of this Code section shall be:

44 (1) Ten dollars for each money transmission transaction that is not in excess of \$500.00;
 45 and

46 (2) Two percent of the monetary amount of the money transmission transaction for each
 47 money transmission transaction that is in excess of \$500.00.

48 (d) The fee provided for in subsection (b) of this Code section shall be paid into the state
 49 treasury.

50 (e)(1) The Department of Revenue shall be authorized to promulgate any rules and
 51 regulations necessary for the collection and payment of the fee into the state treasury as
 52 provided for under this Code section.

53 (2) For compensation for reporting and paying the fees provided for under this Code
 54 section, each licensee or authorized agent shall be allowed to deduct and retain 5 percent
 55 of the combined total amount of all fees reported due on a return for the collection and
 56 payment of fees provided for under paragraph (1) of this subsection, provided that such
 57 return is timely filed and the amount due is not delinquent at the time of payment.

58 (f)(1) To be entitled to an income tax credit for the amount of the money transmission
 59 transaction pursuant to Code Section 48-7-29.21, the individual who initiates a money
 60 transmission transaction shall provide his or her tax identification number to the licensee
 61 or authorized agent in such form as determined by the Department of Revenue at the time
 62 he or she initiates the money transmission transaction; provided, however, that such

63 individual may complete such money transmission transaction without providing such tax
 64 identification number but shall not be entitled to the income tax credit.

65 (2) The individual who initiates a money transmission transaction shall be provided a
 66 receipt by the licensee or authorized agent contemporaneous with the transaction
 67 evidencing the fee that has been assessed pursuant to this Code section with his or her tax
 68 identification number recorded thereon if provided pursuant to paragraph (1) of this
 69 subsection.

70 (3) The individual who initiates a money transmission transaction shall be provided a
 71 notice with the receipt provided for under paragraph (2) of this subsection. Such notice
 72 shall state that such individual may be entitled to an income tax credit for the amount of
 73 the money transmission transaction pursuant to Code Section 48-7-29.21, information on
 74 how such individual may obtain such credit, and that the receipt should be retained for
 75 the individual's Georgia income tax records. The notice shall be as provided for by rules
 76 and regulations of the Department of Revenue and consistent with the purposes of this
 77 paragraph."

78 **SECTION 2.**

79 Article 2 of Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to
 80 imposition, rate, computation, and exemptions, is amended by adding a new Code section
 81 to read as follows:

82 "48-7-29.21.

83 (a)(1) A taxpayer shall be allowed a credit against the tax imposed by Code Section
 84 48-7-20 for the fee paid by and collected from such taxpayer for a money transmission
 85 transaction under Code Section 7-1-699. The amount of such credit shall be the amount
 86 of such fee paid.

87 (2) The total amount of the tax credit under this Code section for a taxable year may
 88 exceed the taxpayer's income tax liability. No such tax credit shall be allowed the
 89 taxpayer against prior years' tax liability.

90 (b) The commissioner shall be authorized to promulgate any rules and regulations
 91 necessary to implement and administer this Code section."

92 **SECTION 3.**

93 This Act shall become effective upon its approval by the Governor or upon its becoming law
 94 without such approval and shall be applicable to taxable years beginning on or after
 95 January 1, 2017.

