



Dear Members of the Utah Legislature:

On behalf of a broad coalition of industry, financial services associations, and public policy organizations, we urge you not to advance **Utah House Bill 141, International Money Transmission Amendments**. Our organizations' collective memberships encompass hundreds of companies engaging in money services and payments activity throughout the United States, including in Utah.

While we share your objective of combating illicit finance, this proposal would not advance that goal and would instead push transactions into unregulated channels, reducing transparency and weakening law-enforcement visibility into cross-border transactions. By imposing a new tax on cross-border transfers, effectively duplicating the federal remittance tax, policymakers risk stacking a regressive tax on law-abiding taxpayers as well as creating conflicting requirements and operational burdens for regulated providers, sole proprietorships, and small businesses.

Licensed remittance providers **already operate under one of the most stringent compliance frameworks** in the financial system. They are licensed, examined, and supervised at the state level, and at the federal level they are subject to the Remittance Transfer Rule, which mandates detailed disclosures and error-resolution procedures, as well as U.S. sanctions requirements and the Bank Secrecy Act (BSA), which requires extensive Anti-Money Laundering (AML), Countering the Financing of Terrorism (CFT), recordkeeping and reporting requirements, including Know Your Customer (KYC) requirements. Providers invest heavily in these programs and work closely with law-enforcement agencies to detect and disrupt illicit finance. Imposing a second tax regime on top of these obligations would create conflicting compliance requirements, confuse consumers, and increase the likelihood that customers seek out unregulated channels that fall entirely outside BSA oversight.

The proposal also **raises unnecessary privacy and data-security risks**. Licensed providers already collect and secure the information regulators need to monitor cross-border transactions. Creating a separate state-level tax-reporting system would duplicate existing processes and expand the number of entities handling sensitive financial data, increasing exposure to cyber threats without improving enforcement. Privacy advocates have warned that such frameworks resemble government-mandated registries of lawful remitters creating risks of secondary use or misuse without clear consumer consent or law-enforcement benefit.

Rather than deterring illicit activity, higher costs will push customers into unregulated channels. As economist Stephen Moore cautioned during debate on the One Big Beautiful Bill Act, *"A tax on the legal transactions isn't the solution. This measure will only drive more financial transactions underground. It may therefore end up costing more money than it raises."*¹ When formal remittances become more expensive, many respond by turning to informal or unregulated alternatives, where there is little or no oversight. Once activity leaves the regulated system, law enforcement visibility is lost.

¹ Moore, Stephen. "Congress Should Just Say No To A Remittance Tax." Daily Caller, June 17, 2025. <https://dailycaller.com/2025/06/17/opinion-congress-should-just-say-no-to-a-remittance-tax-stephen-moore/>

Licensed money transmitters provide law enforcement with audit trails and BSA reports including suspicious activity reports (SARs). Informal networks provide none of these. Mandates that push users away from licensed providers directly reduce law enforcement visibility. The U.S. Government Accountability Office (GAO)² found that similar legislation in Oklahoma led providers to experience lower transaction volumes and highlighted that such measures risk pushing transfers into “unregulated transfer methods” — directly undermining their intended purpose. The Financial Action Task Force (FATF) has likewise warned that informal networks are far more vulnerable to money laundering, sanctions evasion, and terrorist financing.

The bill would also harm small businesses and consumers. Many licensed money transmitters offer services through a network of retail agent locations such as grocery stores, pharmacies, and other small businesses, which would be required to collect the tax, post mandated notices, maintain records, and remit payments, adding cost and liability to already thin operating margins. By subjecting these transactions to Utah’s general tax enforcement framework, H.B. 141 increases audit and penalty risk for even inadvertent errors, incentivizing some retailers to stop offering cross-border payments services altogether. Reduced access would lower foot traffic and ancillary sales, ultimately reducing income and sales tax revenue for the state. Additionally, small businesses, notably sole proprietorships, could be disproportionately impacted by this legislation as it would apply to instances where they remit money on behalf of their businesses for goods or services.

Importantly, **H.B. 141 applies to all senders** using regulated channels for legitimate, everyday reasons: military families supporting loved ones abroad; missionaries and faith-based workers; parents paying tuition or medical expenses; grandparents assisting relatives overseas. Refund mechanisms, like those included in H.B. 141, are complex and rarely used, making the tax a permanent surcharge on working families and seniors.

For these reasons, we urge you not to advance **H.B. 141**. We would be happy, however, to continue facilitating discussions with key stakeholders involved in the money transmission industry, including small businesses and cross-border payment providers, to help reach a shared understanding of the importance of this industry, the harmful effects of a new tax, and the objective of a safe and secure American payments system.

Sincerely,

The concerned organizations listed above.

² U.S. Government Accountability Office, “International Remittances: Actions Needed to Address Unreliable Official U.S. Estimate,” GAO-16-60 (Washington, D.C.: January 2016), <https://www.gao.gov/products/GAO-16-60>