OCG Bill Review — H.B. 1042 (WIRED Act: Fee on Money Transfers Abroad)

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Bill Review No. 012 · RL-2026-053 · 11/17/26 · Version 1.0

Bottom line: H.B. 1042 would charge a 3 percent fee on money sent from Ohio to another country through a money transmitter such as a wire-transfer or remittance company. Transfers between bank accounts and transfers paid with a bank-issued debit or credit card are exempt, so the fee falls mainly on transfers paid in cash. The money would fund state grants to local police and sheriffs for drug and human trafficking investigations. Ohio income taxpayers could get the fee back as a refundable tax credit of up to $300 a year.

The bill's title says the fee applies to "customers who are not United States citizens or nationals." The text does not. Nothing in the operative sections asks about citizenship; the fee applies to every covered transfer abroad, by anyone. Who ends up paying depends on who files an Ohio income tax return and claims the credit. The bill was introduced November 16, 2026. Its text appeared on the bill page November 17, after the 9:00 a.m. deadline for written testimony, and its informal hearing is November 18 in the committee chaired by the sponsor. It is the third WIRED Act bill Rep. King has sponsored; her 2025 version, H.B. 149, applied a 3 percent fee to all transfers, domestic and international, and has not moved out of committee. Section 7 identifies eight drafting issues; three are rated Medium.

Item	Detail
Bill	H.B. 1042, 136th General Assembly — "to levy a transfer fee on certain money transmissions by customers who are not United States citizens or nationals, to authorize an income tax credit based on the amount of the transfer fees paid, and to name this act Ohio's Withholding Illegal Revenue Entering Drug Markets (WIRED) Act"
Sponsor	Rep. Angela N. King (R-84th District), chair of House Local Government
Status	Introduced Nov. 16, 2026. House Local Government, informal hearing, sponsor testimony, Wednesday, Nov. 18, 2026, 9:00 a.m., Room 018. The original notice listed it as "H.B. No. XXX"; the 1st revision lists H.B. 1042. No committee referral shown
Version reviewed	As Introduced (10 pages). No LSC bill analysis or LBO fiscal note available
Lame-duck flag	Yes. The General Assembly ends Dec. 31, 2026
Catalog no.	Bill Review No. 012 · RL-2026-053

1. What the bill does, in plain language

1. **Charges a 3 percent fee on money sent abroad.** Licensed money transmitters and their agents owe 3 percent of each transfer from a customer in Ohio to any location outside the United States. They may pass the fee to the customer as a separate line on the receipt (new R.C. 1315.131).
2. **Exempts bank and card transfers.** No fee applies when the transfer moves through a bank funds-transfer system (an automated clearing house transfer qualifies only if it is between accounts at financial institutions) or is paid with a debit or credit card issued by a financial institution. Cash, money orders and other funding are covered.
3. **Funds local police.** Fees go to a new Withholding Illegal Revenue Entering Drug Markets Fund. The Department of Public Safety awards grants from it to county, city and township police and sheriffs for investigating drug and human trafficking, distributed "equitably" across the state (new R.C. 5502.80).
4. **Refunds Ohio taxpayers.** A taxpayer who paid the fee can claim a refundable income tax credit equal to the fee, up to $300 a year. At 3 percent, $300 covers $10,000 of transfers. Because the credit is refundable, a person with no Ohio tax due can still get it back, but only by filing an Ohio return. Owners of a business that paid the fee can claim their share. Each July the state moves money equal to the credits claimed from the fund back to the general revenue fund (new R.C. 5747.88).
5. **Posts a notice.** Transmitters must post a sign telling customers about the credit.

The fee starts January 1 of the year after the bill takes effect. Transmitters report and pay quarterly to the superintendent of financial institutions and keep 0.75 percent of the fee for paying on time.

2. Provision by provision

Statute	Topic	Current law	H.B. 1042
1315.131(A) (new)	Fee	No state fee on money transmissions	3% of each transmission from a customer in Ohio to a location outside the U.S., imposed on the licensee or authorized delegate
1315.131(A)(4) (new)	Exemptions	—	Transfers through a funds-transfer system (R.C. 1304.51), with ACH exempt only between financial-institution accounts; transfers funded by a financial-institution debit or credit card
1315.131(B) (new)	Passing on the fee	—	Transmitter may bill the customer; fee must appear as a separate line on an itemized receipt
1315.131(C) (new)	Collection	—	Quarterly report and payment to the superintendent of financial institutions; 0.75% discount for timely payment
1315.131(D) (new)	Fund	—	Creates the Withholding Illegal Revenue Entering Drug Markets Fund; used for tax-credit reimbursements and police grants
1315.131(E) (new)	Notice	—	Transmitters post a notice of the tax credit
5502.80 (new)	Grants	—	Department of Public Safety grants to county, municipal and township law enforcement for drug and human trafficking investigations; equitable distribution; joint applications and drug task forces allowed; rules under R.C. Chapter 119
5747.88 (new)	Tax credit	—	Refundable credit equal to fees billed to and paid by the taxpayer, capped at $300 per year; owners of a pass-through entity that paid the fee may claim their proportionate share on their own returns; proof of payment may be required; annual transfer from the fund to the general revenue fund equal to credits claimed
5747.98	Order of credits	Lists credits in claiming order	Adds the new credit at the end
Sections 3, 4 (uncodified)	Start dates	—	Credit for taxable years and fee for transactions beginning January 1 after the effective date

3. Context

Who the fee reaches. The title describes a fee on noncitizens. The operative text, R.C. 1315.131, applies to any customer in Ohio who sends covered money abroad. A citizen paying cash at a remittance counter owes the fee the same as anyone else. The difference comes later: a person who files an Ohio income tax return can claim the fee back, up to $300 a year. A person who does not file, whether a citizen, a lawful resident or someone without legal status, does not.

The Oklahoma model. Oklahoma has charged a similar fee since 2009: $5 on the first $500 and 1 percent above that, with an income tax credit for customers who file a return.[1] A national policy group has promoted the design to other states as the "Oklahoma model," describing the credit as reimbursing law-abiding taxpayers.[2] At the time Oklahoma enacted it, a state policy group noted that people with incomes too low to be required to file would be unlikely to claim the credit.[3] H.B. 1042's rate, 3 percent with no flat charge, is lower than Oklahoma's on small transfers and higher on larger ones: on $100, Ohio's fee would be $3 and Oklahoma's $5; on $1,000, Ohio's would be $30 and Oklahoma's $10. The two are equal at about $167.

The federal remittance tax. Since January 1, 2026, a 1 percent federal excise tax has applied to remittances from the United States funded with cash, money orders, cashier's checks or similar physical instruments; bank-account and card-funded transfers are exempt.[4] The federal tax applies regardless of immigration status. A cash transfer from Ohio would carry both: 1 percent federal and 3 percent state. The two laws are built differently. The federal tax reaches only transfers funded with cash or a similar physical instrument. H.B. 1042 reaches every covered transfer abroad and then exempts bank transfers and financial-institution cards. A transfer funded from a digital wallet or app balance, for example, is outside the federal tax but inside H.B. 1042 unless it falls within one of the two named exemptions.

Earlier versions. H.B. 1042 is the third WIRED Act bill Rep. King has sponsored: H.B. 451 in the 135th General Assembly (with Rep. Wiggam) and H.B. 149 earlier in this one (with Rep. K. Miller).

	H.B. 451 (135th G.A., Mar. 2024)	H.B. 149 (136th G.A., 2025)	H.B. 1042 (136th G.A., 2026)
Rate	7%	3%	3%
Transfers covered	From a customer in Ohio to a person outside the U.S.	All transmissions from a customer in Ohio, domestic and international	From a customer in Ohio to any location outside the U.S.
Bank and card exemptions	Banks and similar institutions are not money transmitters	None stated	Funds-transfer systems; financial-institution debit and credit cards
Citizenship in title	—	No	Yes ("customers who are not United States citizens or nationals")
Credit	Refundable income tax credit	Refundable, capped at $300	Refundable, capped at $300
Committee	House Ways and Means	House Financial Institutions	House Local Government (chaired by the sponsor)

[1] Oklahoma House of Representatives, "HB 2250 Conference Committee Substitute Bill Summary," 2009; Okla. Stat. tit. 63, § 2-503.1j (added by Laws 2009, c. 442, § 11, eff. July 1, 2009).

[2] Rob Law and Kristen Ziccarelli, "State Legislative Priority: International Wire Transfer Fees," America First Policy Institute, Dec. 7, 2022, https://americafirstpolicy.com/latest/state-legislative-priority-international-wire-transfer-fees2.

[3] Oklahoma Policy Institute, "New Remittance Law Shows Why Transparency Might Be a Good Idea," 2009, https://okpolicy.org/new-remittance-law-shows-why-transparency-might-be-a-good-idea/.

[4] 26 U.S.C. § 4475, enacted by Pub. L. No. 119-21 (2025), effective for transfers after Dec. 31, 2025.

Sources: LSC analyses of H.B. 451 and H.B. 149; H.B. 149 and H.B. 1042 As Introduced.[5]

When H.B. 149 was introduced in March 2025, the sponsor's office described it as requiring a 3 percent fee on domestic and international remittances and creating a tax credit for citizens who wire money out of Ohio.[6] H.B. 149 was assigned to House Financial Institutions and remains in committee. For H.B. 451's 7 percent version, the Legislative Budget Office estimated the credit could reduce state income tax receipts by $105 million to $246 million a year, assuming all fees were refunded.[7] That estimate does not apply directly to H.B. 1042's lower rate and narrower coverage, and no estimate exists for H.B. 1042. H.B. 1042 narrows the fee to international transfers, adds the bank and card exemptions, adds the noncitizen language to the title, and goes to a different committee.

Process. The original committee notice listed the bill as "H.B. No. XXX." The bill was introduced November 16. Its text was not on the bill's page the morning of November 17, according to OCG's review of the legislature's website, and appeared later that day. The committee notice sets a deadline of 24 hours before the meeting for written testimony, which for a 9:00 a.m. Wednesday hearing was 9:00 a.m. Tuesday. The sponsor chairs the committee holding the hearing.

When	Event
Jul 1, 2009	Oklahoma's wire transfer fee takes effect
Mar 20, 2024	H.B. 451 (135th G.A.), 7% WIRED Act, introduced; referred to House Ways and Means
Mar 4, 2025	H.B. 149 (136th G.A.), 3% WIRED Act, introduced; assigned to House Financial Institutions
Jan 1, 2026	Federal 1% remittance excise tax takes effect
Nov 2026	House Local Government notices an informal hearing on "H.B. No. XXX" (King)
Nov 16, 2026	H.B. 1042 introduced
Nov 17, 2026	9:00 a.m. testimony deadline; bill text appears on the bill page later that day
Nov 18, 2026	House Local Government, informal sponsor hearing, 9:00 a.m. (scheduled)
Dec 31, 2026	136th General Assembly ends

4. Who is for and against, and why

No testimony has been posted and no organization has stated a public position on H.B. 1042 as of this review.

Affected parties were not contacted for comment before this release. Positions reflect the public record as of November 17, 2026. Responses received later will be added in a revised version.

[5] Ohio Legislative Service Commission, *H.B. 451 Bill Analysis* (135th G.A., 2024) and *H.B. 149 Bill Analysis* (136th G.A., Oct. 3, 2025), https://www.legislature.ohio.gov; H.B. 149, As Introduced, https://search-prod.lis.state.oh.us/api/v2/general_assembly_136/legislation/hb149/00_IN/pdf.

[6] Ohio House Republican Caucus, "King Introduces WIRED Act," Mar. 6, 2025, https://ohiohouse.gov/news/republican/king-introduces-wired-act-128529.

[7] Ohio Legislative Budget Office, *H.B. 451 Fiscal Note & Local Impact Statement* (135th G.A., May 3, 2024), https://www.legislature.ohio.gov/download?key=22528.

On the record

Witness	Hearing	Position	Stated reasons
Rep. Angela N. King, sponsor	House Local Government, informal hearing (scheduled Nov 18, 2026)	Sponsor	Testimony not yet available

Affected interests with no public position found

Interest	Provision affecting them
Licensed money transmitters and their agents (grocery stores, check cashers, convenience stores)	Collect, report and pay the fee; post notices; itemize receipts
People in Ohio who send cash abroad, citizens and noncitizens	Pay 3% on covered transfers
Ohio income tax filers who send money abroad	Can recover up to $300 a year through the credit
Non-filers, including low-income residents	Pay the fee with no practical way to recover it
County, municipal and township law enforcement	Eligible for grants
Department of Public Safety; Division of Financial Institutions; Department of Taxation	Run the grant program, collect the fee, process the credit
Ohio's immigrant communities and their families abroad	Cost of cash remittances rises

5. Pros and cons by lens

These are the arguments each camp would likely make, not documented positions and not OCG positions.

	Conservative lens	Liberal lens
Pros	Puts a cost on cash moving out of the country, a channel used to launder drug and trafficking money. Sends the revenue to local police, not the general fund. Law-abiding taxpayers get their money back.	Funds investigation of human trafficking. Exempts ordinary bank and card transfers, which most people use.
Cons	A new 3% charge that also hits citizens who use cash. More paperwork for small businesses that act as transfer agents. Creates a state record of who sends money where. The title promises something the text does not do.	Falls hardest on low-income and unbanked people, citizens and immigrants alike, who use cash and may not file taxes. Raises the cost of support sent to families abroad. Stacks on top of the federal 1% tax.
Likely split	Immigration-enforcement conservatives vs. tax-skeptic and small-business conservatives	Anti-trafficking advocates vs. immigrant and anti-poverty advocates

Common ground in the record: both camps would likely agree that trafficking investigations need funding.
Points either lens could raise: how much the fee would raise, how much would come back through credits, and whether cash-based money laundering would simply shift to exempt channels.

6. Process record

Metric	H.B. 1042
Introduced	Nov. 16, 2026
Bill text available	Nov. 17, 2026, after the 9:00 a.m. testimony deadline (per OCG review of the bill page)
First hearing	Nov. 18, 2026, informal sponsor hearing; no committee referral shown
Committee chair	The sponsor
Original notice	Listed as "H.B. No. XXX"
Bill analysis and fiscal note	Not posted as of Nov. 17, 2026

Metric	H.B. 1042
Length	10 pages; amends 1 section, enacts 3
Cosponsors	None
Days left in General Assembly	43 calendar days from Nov. 18 to Dec. 31, 2026
Lame-duck or omnibus	Lame duck: yes. Omnibus: no
Comment requests	None sent before release (2026 lame-duck reviews; see section 4)

7. Drafting issues and implementation risks

Sections 3 and 7 reflect OCG's reading of the bill text and current law. They have not been reviewed by an attorney and are not legal advice.

The text raises eight drafting questions: three rated Medium, three Low–Medium and two Low. An issue describes what the text does or leaves open, not anyone's intent.

#	Issue (R.C.)	Type	What the text does	Interests affected	Severity
1	**Title and text do not match.** Title; 1315.131	Textual	The title says the fee applies to "customers who are not United States citizens or nationals." The operative section applies to every covered transfer from a customer in Ohio. No provision tests or records citizenship. Ohio's Constitution requires a bill's subject to be clearly expressed in its title (Art. II, Sec. 15(D)); whether this mismatch would affect the law's validity is a separate legal question the text does not settle.	All senders; legislators voting on the title	Medium
2	**Foreign-commerce question.** 1315.131(A)(3)	Legal question	The fee applies only to transfers leaving the United States. A state charge that applies only to foreign-bound transactions raises a question under the U.S. Constitution's Foreign Commerce Clause. The text does not settle how a court would apply it.	Transmitters; senders	Medium
3	**Who bears the fee, and the credit.** 1315.131(A)(1), (B); 5747.88(B)	Textual	The fee is "imposed on" the transmitter, which "may" bill the customer. The credit covers only fees "billed or invoiced to, and paid by" the taxpayer. If a transmitter absorbs the fee or folds it into its own price, the customer cannot claim the credit.	Senders; transmitters	Medium
4	**Narrower exemptions than federal law.** 1315.131(A)(4)	Implementation	Exempts funds-transfer systems and financial-institution cards only. Digital wallets, app balances, prepaid cards not issued by a financial institution, and similar methods are covered unless they fit one of the two exemptions; the federal tax does not reach non-cash funding at all. Transmitters would apply two different tests to the same transaction.	Transmitters; senders	Low–Medium
5	**Credit reimbursement can outrun the fund.** 5747.88(D); 1315.131(D)	Implementation	Each July the state must move money equal to all credits claimed from the fund to the general revenue fund. The bill does not say what happens if credits exceed the fund balance, or how grants are protected.	DPS; law enforcement grantees	Low–Medium

#	Issue (R.C.)	Type	What the text does	Interests affected	Severity
6	**No express enforcement terms.** 1315.131(C)	Implementation	The new section sets no penalty, interest, audit authority or assessment procedure for a transmitter that does not report or pay, and does not say whether the superintendent's existing powers over licensees under Chapter 1315 reach the fee.	Division of Financial Institutions	Low–Medium
7	**Grant standards.** 5502.80(C)	Implementation	Requires "equitable" distribution among jurisdictions and agency sizes but sets no formula, reporting or outcome measures; left to DPS rules.	Law enforcement agencies	Low
8	**"Customer in this state" undefined.** 1315.131(A)(1), (C)	Textual	Does not say whether the test is the customer's physical location, residence, or the transmitter's location, which matters for online and app-based transfers.	Transmitters	Low

Type: *Textual* = confirmed in the bill's text or official documents. *Implementation* = depends on rules or practice not yet written. *Legal question* = depends on how a court would apply other law. **Severity:** *High* = a demonstrated conflict affecting public property, statutory rights or public money at scale. *Medium* = fraud, accountability, liability or coordination exposure the text leaves open. *Low* = administrative.

8. Open questions

1. **Is the title or the text the intended policy?** The sponsor's testimony may say whether the bill is meant to reach only noncitizens.
2. **How much would it raise, and how much would come back?** No fiscal note has been posted. Net grant money depends on how many payers claim the credit.
3. **How much Ohio money laundering moves through cash remittances?** The bill does not cite data linking remittances to drug or trafficking proceeds.
4. **What has Oklahoma's fee produced?** Seventeen years of Oklahoma revenue and credit data would show how much of such a fee is reclaimed and how much reaches law enforcement.
5. **Why was the text posted after the testimony deadline?** The public had no bill text to respond to before the deadline for written testimony.
6. **Why a new bill?** H.B. 149, the sponsor's earlier version, remains in House Financial Institutions. H.B. 1042 changes the coverage, adds exemptions and the title language, and goes to the sponsor's own committee.
7. **Would the fee shift transfers rather than stop them?** Senders could move to exempt bank or card channels; the bill does not address whether that reduces illicit transfers or only changes their route.

About this review

What this is. OCG Bill Reviews are Research Center publications. They describe what a bill does, who has taken a position on it, and how it has moved through the General Assembly. Ohio Common Ground does not endorse or oppose legislation, candidates or parties. Nothing in this review is a recommendation to vote for or against this bill.

Version and date. This review covers H.B. 1042 As Introduced, as of November 17, 2026. Bills change through substitutes and amendments, so a later version may differ. Updates are posted at ohiocommonground.com.

Sources. Statements of law come from primary government sources: bill text, the Ohio Revised Code, committee notices and records, and the federal and Oklahoma statutes cited. No LSC analysis, fiscal note or testimony existed for this bill at the time of review. Policy-group statements are labeled and attributed. A figure that cannot be traced to a source is left out.

Method. Each review follows the OCG Legislative Review Standard:

1. Plain-language summary and provision-by-provision comparison against current law.
2. Context: earlier versions, related bills, recent law and litigation.
3. Positions on the record, from committee testimony and public statements. Interests affected by a provision are listed separately; being affected is not treated as support or opposition.
4. Lens analysis: the arguments conservative and liberal observers would likely make. These are hypothetical, attributed arguments, not documented positions and not OCG positions.
5. Process record: measurable facts about hearings, testimony, timing and sponsorship.
6. Drafting issues: places where the text is ambiguous, incomplete or leaves discretion unchecked, each tied to a section of the Revised Code and labeled by type. An issue describes what the text does or leaves open, not anyone's intent.
7. Open questions the public record does not yet answer.

Not legal advice. This review is not legal advice. Anyone with a legal question should contact an attorney.

Corrections. Report errors through ohiocommonground.com. Corrections made before release are logged in the working draft. Substantive changes after release are issued as a new version.

Sources

Primary

- H.B. 1042, 136th General Assembly, As Introduced; legislature.ohio.gov summary, status and committee pages, accessed Nov. 17, 2026
- House Local Government Committee notices for Nov. 18, 2026 (original and 1st revision)
- H.B. 149 (136th G.A.), As Introduced, and LSC bill analysis (Oct. 3, 2025); H.B. 451 (135th G.A.) LSC bill analysis and LBO fiscal note (May 3, 2024)
- 26 U.S.C. § 4475; Okla. Stat. tit. 63, § 2-503.1j
- Ohio House Republican Caucus, "King Introduces WIRED Act," Mar. 6, 2025

Secondary

- America First Policy Institute, "State Legislative Priority: International Wire Transfer Fees," Dec. 7, 2022
- Oklahoma Policy Institute, "New Remittance Law Shows Why Transparency Might Be a Good Idea," 2009

Revision history

Version	Date	Change
1.0	11/17/26	Initial release.