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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 4341

03/16/2026 Authored by Harder
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; imposing a tax on certain remittance transfers; proposing
1.3 coding for new law in Minnesota Statutes, chapter 295.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. 295.90 REMITTANCE TRANSFERS.

1.6 Subdivision 1. Definitions. For purposes of this section, the following terms have the
1.7 meanings given:

1.8 (1) "remittance transfer" has the meaning provided in United States Code, title 15, section
1.9 1693o-1(g)(2);

1.10 (2) "remittance transfer provider" has the meaning provided in United States Code, title
1.11 15, section 1693o-1(g)(3); and

1.12 (3) "sender" has the meaning provided in United States Code, title 15, section
1.13 1693o-1(g)(4).

1.14 Subd. 2. Tax imposed. A tax is imposed on remittance transfers sent from this state.
1.15 The tax is equal to one percent of the amount of the transfer.

1.16 Subd. 3. Tax limited to cash and similar instruments. The tax imposed under this
1.17 section applies only to a remittance transfer for which the sender provides cash, a money
1.18 order, a cashier's check, or any other similar physical instrument, as determined by the
1.19 commissioner, to the remittance transfer provider.

1.20 Subd. 4. Nonapplication to certain noncash remittance transfers. The tax under this
1.21 section does not apply to any remittance transfer for which the money being transferred is:

2.1 (1) withdrawn from an account held in or by a financial institution:

2.2 (i) that is described in subparagraphs (A) to (H) of United States Code, title 31, section  
2.3 5312(a)(2); and

2.4 (ii) that is subject to the requirements under United States Code, title 31, subchapter II;  
2.5 or

2.6 (2) funded with a debit card or a credit card that is issued in the United States.

2.7 Subd. 5. **Collection.** A remittance transfer provider must collect the tax imposed in  
2.8 subdivision 2 from the sender of the remittance transfer and remit the tax collected to the  
2.9 commissioner in the manner provided for taxes imposed under chapter 297A.

2.10 Subd. 6. **Administration.** The audit, assessment, refund, penalty, interest, enforcement,  
2.11 collection remedies, appeal, and administrative provisions of chapters 270C and 289A that  
2.12 are applicable to taxes imposed under chapter 297A apply to the tax imposed under this  
2.13 section.

2.14 Subd. 7. **Returns; payment of tax.** (a) A remittance transfer provider must report the  
2.15 tax on a return prescribed by the commissioner and must remit the tax in a form and manner  
2.16 prescribed by the commissioner. The return and the tax must be filed and paid using the  
2.17 filing cycle and due dates provided for taxes imposed under section 289A.20, subdivision  
2.18 4, and chapter 297A.

2.19 (b) Interest must be paid on an overpayment refunded or credited to the taxpayer from  
2.20 the date of payment of the tax until the date the refund is paid or credited. For purposes of  
2.21 this subdivision, the date of payment is the due date of the return or the date of actual  
2.22 payment of the tax, whichever is later.

2.23 Subd. 8. **Personal debt.** The tax imposed under this section, and interest and penalties  
2.24 imposed with respect to the tax, are a personal debt of the person required to file a return  
2.25 from the time the liability for that tax arises, irrespective of when the liability is to be paid.  
2.26 The debt must, in the case of the executor or administrator of the estate of a decedent and  
2.27 in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity  
2.28 only, unless the person has voluntarily distributed the assets held in that capacity without  
2.29 reserving sufficient assets to pay the tax, interest, and penalties, in which event the person  
2.30 is personally liable for any deficiency.

2.31 **EFFECTIVE DATE.** This section is effective for transfers made after June 30, 2026.