

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

H

1

HOUSE BILL 598

Short Title: Tax on Illegal Immigrant Wire Transfers. (Public)

Sponsors: Representatives Cleveland; Current, Dockham, Folwell, Gulley, Hilton, Killian, Kiser, Langdon, McGee, Pate, Setzer, Starnes, and Wiley.

Referred to: Judiciary II, if favorable, Finance.

March 13, 2007

A BILL TO BE ENTITLED
AN ACT TO IMPOSE A TAX ON TRANSFERS OF MONEY BY WIRE MADE BY
ILLEGAL IMMIGRANTS.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 105 of the General Statutes is amended by adding a new Article to read:

"Article 5G.

"Illegal Immigrant Wire Transfer Tax.

"§ 105-187.60. Tax imposed.

(a) Tax. – An excise tax is imposed on all transfers of money by wire originating in this State where the transferor is an unauthorized alien. The rate of tax is five percent (5%) of the amount of the wire transfer. This tax is in addition to all other taxes. For the purposes of this Article, an 'unauthorized alien' has the same meaning as in 8 U.S.C. § 1324a(h)(3).

(b) Exemption. – A transfer of money by wire through a person exempt from licensure under Article 16A of Chapter 53 of the General Statutes is not subject to the tax imposed by this Article.

"§ 105-187.61. Administration of tax.

(a) In General. – The tax imposed by this Article shall be administered in the same manner as the sales and use taxes imposed under Article 5 of this Chapter. For the purposes of administering this Article, a person in the business of transferring money by wire is a retailer as that term is defined in G.S. 105-164.3.

(b) Legal Status. – A retailer shall collect the tax imposed under this Article from all persons transferring money by wire unless the person can provide adequate evidence that the person is not an unauthorized alien. For purposes of this Article, adequate evidence of the person's legal status is the same as the evidence required by the United States Department of Homeland Security to establish eligibility for employment within the United States.

1 (c) Receipt. – A retailer who collects a tax under this Article shall provide a
2 receipt to the taxpayer which states the amount of the wire transfer and the amount of
3 the tax collected.

4 **"§ 105-187.62. Penalties.**

5 The penalties authorized under Article 9 of this Chapter apply to this Article. In
6 addition, it is a Class 1 misdemeanor for any person to transfer money by wire on behalf
7 of another person in order to avoid the tax levied under this Article."

8 **SECTION 2.** This act becomes effective July 1, 2007, and applies to
9 transfers of money by wire made on or after that date.