

119TH CONGRESS
1ST SESSION

S. 2002

To amend the Internal Revenue Code of 1986 to establish a tax on remittance transfers.

IN THE SENATE OF THE UNITED STATES

JUNE 10, 2025

Mr. SCHMITT introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to establish a tax on remittance transfers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Requiring Excise for
5 Migrant Income Transfers Act” or the “REMIT Act”.

6 **SEC. 2. EXCISE TAX ON REMITTANCE TRANSFERS.**

7 (a) IN GENERAL.—Chapter 36 of the Internal Rev-
8 enue Code of 1986 is amended by inserting after sub-
9 chapter B the following new subchapter:

1 **“Subchapter C—Remittance Transfers**

“Sec. 4475. Imposition of tax.

2 **“SEC. 4475. IMPOSITION OF TAX.**

3 “(a) IN GENERAL.—There is hereby imposed on any
4 remittance transfer a tax equal to 15 percent of the
5 amount of such transfer.

6 “(b) PAYMENT OF TAX.—

7 “(1) IN GENERAL.—The tax imposed by this
8 section with respect to any remittance transfer shall
9 be paid by the sender with respect to such transfer.

10 “(2) COLLECTION.—The remittance transfer
11 provider with respect to any remittance transfer
12 shall collect the amount of the tax imposed under
13 subsection (a) with respect to such transfer from the
14 sender and remit such tax quarterly to the Secretary
15 at such time and in such manner as provided by the
16 Secretary.

17 “(3) SECONDARY LIABILITY.—Where any tax
18 imposed by subsection (a) is not paid at the time the
19 transfer is made, then to the extent that such tax
20 is not collected, such tax shall be paid by the remit-
21 tance transfer provider.

22 “(c) EXCEPTION FOR REMITTANCE TRANSFERS
23 SENT BY CITIZENS AND NATIONALS OF THE UNITED
24 STATES THROUGH CERTAIN PROVIDERS.—

1 “(1) IN GENERAL.—Subsection (a) shall not
2 apply to any remittance transfer with respect to
3 which the remittance transfer provider is a qualified
4 remittance transfer provider and the sender is a
5 verified United States sender.

6 “(2) QUALIFIED REMITTANCE TRANSFER PRO-
7 VIDER.—For purposes of this subsection, the term
8 ‘qualified remittance transfer provider’ means any
9 remittance transfer provider which enters into a
10 written agreement with the Secretary pursuant to
11 which such provider agrees to verify the status of
12 senders as citizens or nationals of the United States
13 in such manner, and in accordance with such proce-
14 dures, as the Secretary may specify.

15 “(3) VERIFIED UNITED STATES SENDER.—For
16 purposes of this subsection, the term ‘verified United
17 States sender’ means any sender who is verified by
18 a qualified remittance transfer provider as being a
19 citizen or national of the United States pursuant to
20 an agreement described in paragraph (2).

21 “(d) DEFINITIONS.—For purposes of this section, the
22 terms ‘remittance transfer’, ‘remittance transfer provider’,
23 ‘designated recipient’, and ‘sender’ shall each have the re-
24 spective meanings given such terms by section 920(g) of

1 the Electronic Fund Transfer Act (15 U.S.C. 1693o-1; re-
 2 lating to ‘Remittance Transfers’).

3 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For
 4 purposes of section 7701(l) with respect to any multiple-
 5 party arrangements involving the sender, a remittance
 6 transfer shall be treated as a financing transaction.”.

7 (b) REFUNDABLE INCOME TAX CREDIT ALLOWED
 8 TO CITIZENS AND NATIONALS OF THE UNITED STATES
 9 FOR EXCISE TAX ON REMITTANCE TRANSFERS.—Subpart
 10 C of part IV of subchapter A of chapter 1 of the Internal
 11 Revenue Code of 1986 is amended by inserting after sec-
 12 tion 36B the following new section:

13 **“SEC. 36C. CREDIT FOR EXCISE TAX ON REMITTANCE**
 14 **TRANSFERS OF CITIZENS AND NATIONALS OF**
 15 **THE UNITED STATES.**

16 “(a) IN GENERAL.—In the case of any individual,
 17 there shall be allowed as a credit against the tax imposed
 18 by this subtitle for any taxable year an amount equal to
 19 the aggregate amount of taxes paid by such individual
 20 under section 4475 during such taxable year.

21 “(b) SOCIAL SECURITY NUMBER REQUIREMENT.—

22 “(1) IN GENERAL.—No credit shall be allowed
 23 under this section unless the taxpayer includes on
 24 the return of tax for the taxable year—

1 “(A) the individual’s social security num-
2 ber, and

3 “(B) if the individual is married, the social
4 security number of such individuals’s spouse.

5 “(2) SOCIAL SECURITY NUMBER.—For pur-
6 poses of this subsection, the term ‘social security
7 number’ has the meaning given such term in section
8 24(h)(7).

9 “(3) MARRIED INDIVIDUALS.—Rules similar to
10 the rules of section 32(d) shall apply to this section.

11 “(c) SUBSTANTIATION REQUIREMENTS.—No credit
12 shall be allowed under this section unless the taxpayer
13 demonstrates to the satisfaction of the Secretary that the
14 tax under section 4475 with respect to which such credit
15 is determined—

16 “(1) was paid by the taxpayer, and

17 “(2) is with respect to a remittance transfer
18 with respect to which the taxpayer provided to the
19 remittance transfer provider the certification and in-
20 formation referred to in section 6050BB(a)(2).

21 “(d) DEFINITIONS.—Any term used in this section
22 which is also used in section 4475 shall have the meaning
23 given such term in section 4475.

24 “(e) APPLICATION OF ANTI-CONDUIT RULES.—For
25 rules providing for the application of the anti-conduit rules

1 of section 7701(l) to remittance transfers, see section
2 4475(e).”.

3 (c) REPORTING BY REMITTANCE TRANSFER PRO-
4 VIDERS.—

5 (1) IN GENERAL.—Subpart B of part III of
6 subchapter A of chapter 61 of the Internal Revenue
7 Code of 1986 is amended by adding at the end the
8 following new section:

9 **“SEC. 6050AA. RETURNS RELATING TO REMITTANCE**
10 **TRANSFERS.**

11 “(a) IN GENERAL.—Each remittance transfer pro-
12 vider shall make a return at such time as the Secretary
13 may provide setting forth—

14 “(1) in the case of a qualified remittance trans-
15 fer provider with respect to remittance transfers to
16 which section 4475(a) does not apply by reason of
17 section 4475(c), the aggregate number and value of
18 such transfers,

19 “(2) in the case of any remittance transfer not
20 described in paragraph (1) and with respect to
21 which the sender certifies to the remittance transfer
22 provider an intent to claim the credit under section
23 36C and provides the information described in para-
24 graph (1)—

1 “(A) the name, address, and social security
2 number of the sender,

3 “(B) the amount of tax paid by the sender
4 under section 4475(b)(1), and

5 “(C) the amount of tax remitted by the re-
6 mittance transfer provider under section
7 4475(b)(2), and

8 “(3) in the case of any remittance transfer not
9 included under paragraph (1) or (2)—

10 “(A) the aggregate amount of tax paid
11 under section 4475(b)(1) with respect to such
12 transfers, and

13 “(B) the aggregate amount of tax remitted
14 under section 4475(b)(2) with respect to such
15 transfers.

16 “(b) STATEMENT TO BE FURNISHED TO NAMED
17 PERSONS.—Every person required to make a return under
18 subsection (a) shall furnish, at such time as the Secretary
19 may provide, to each person whose name is required to
20 be set forth in such return a written statement showing—

21 “(1) the name and address of the information
22 contact of the required reporting person, and

23 “(2) the information described in subsection
24 (a)(2) which relates to such person.

1 “(c) DEFINITIONS.—Any term used in this section
2 which is also used in section 4475 shall have the meaning
3 given such term in such section.”.

4 (2) PENALTIES.—Section 6724(d) of the Inter-
5 nal Revenue Code of 1986 is amended—

6 (A) in paragraph (1)(B), by striking “or”
7 at the end of clause (xxvii), by striking “and”
8 at the end of clause (xxviii) and inserting “or”,
9 and by adding at the end the following new
10 clause:

11 “(xxix) section 6050BB(a) (relating
12 to returns relating to remittance trans-
13 fers),”, and

14 (B) in paragraph (2), by striking “or” at
15 the end of subparagraph (KK), by striking the
16 period at the end of subparagraph (LL) and in-
17 serting “, or”, and by inserting after subpara-
18 graph (LL) the following new subparagraph:

19 “(MM) section 6050BB(b) (relating to
20 statements relating to remittance transfers).”.

21 (d) CONFORMING AMENDMENTS.—

22 (1) Section 6211(b)(4)(A) of the Internal Rev-
23 enue Code of 1986 is amended by inserting “36C,”
24 after “36B,”.

7 “(W) an omission of a correct social secu-
8 rity number under section 36C(b) to be in-
9 cluded on a return.”.

(3) Section 1324(b)(2) of title 31, United States Code, is amended by inserting “36C,” after “36B,”.

(4) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 36B the following new item:

“Sec. 36C. Credit for excise tax on remittance transfers of citizens and nationals of the United States.”.

(5) The table of sections for subpart B of part III of subchapter A of chapter 61 of such Code is amended by adding at the end the following new item:

“Sec. 6050AA. Returns relating to remittance transfers.”.

1 (6) The table of subchapters for chapter 36 of
2 such Code is amended by inserting after the item re-
3 lating to subchapter B the following new item:

 “SUBCHAPTER C—REMITTANCE TRANSFERS”.

4 (e) EFFECTIVE DATE.—

5 (1) IN GENERAL.—Except as otherwise pro-
6 vided in this subsection, the amendments made by
7 this section shall apply to transfers made after De-
8 cember 31, 2025.

9 (2) TAX CREDIT.—The amendments made by
10 subsection (b), and paragraphs (1) through (4) of
11 subsection (d), shall apply to taxable years ending
12 after December 31, 2025.

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