

# Statement of Estimated Revenue Impact

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**Date:** March 31, 2011

**Bill Number:** S.20

**Author:** Grooms, McConnell, Thomas, Alexander, Leatherman, *et.al*

**Committee Requesting Impact:** House Judiciary

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## Bill Summary


TO AMEND CHAPTER 1, TITLE 23 OF THE 1976 CODE, BY ADDING SECTION 23-1-250 TO PROVIDE THAT WHERE A LAW ENFORCEMENT OFFICER HAS REASONABLE SUSPICION THAT A PERSON STOPPED, DETAINED, OR ARRESTED BY LAW ENFORCEMENT IS AN ALIEN UNLAWFULLY IN THE UNITED STATES, THE OFFICER OR HIS AGENCY MUST FOLLOW CERTAIN PROCEDURES TO VERIFY HIS IMMIGRATION STATUS; AND TO AMEND ARTICLE 5, CHAPTER 9, TITLE 16, BY ADDING SECTION 16-9-480 TO PROVIDE THAT IT IS UNLAWFUL FOR A PERSON UNLAWFULLY IN THE UNITED STATES TO SOLICIT OR ATTEMPT TO SOLICIT WORK, AND TO PROVIDE PROCEDURES FOR VERIFYING IMMIGRATION STATUS.

## REVENUE IMPACT <sup>1/</sup>

This bill is expected to increase other funds allocated to the Department of Public Safety to support the activities of the Illegal Immigration Enforcement Unit by \$1,951,041 in FY 2013-14.

## Explanation

Section 9 of this bill levies a fee on money transmission or wire transfers of money by a transmitter located in this state to a location outside of the United States. The proposed fee is five dollars for wire transfers of less than five hundred dollars or a fee of one percent of the amount transferred for wire transfers over five hundred dollars. This fee would take effect on January 1, 2012 with collections being remitted to the Department of Revenue beginning in February. We expect that money transmitters' would remit \$3,902,082 for the five months of collections in FY 2011-12. This estimate is based on Oklahoma's experience with their wire transmitter fee which is very similar to the proposed South Carolina fee. We expect that 50% of the fee, or \$1,951,041, will be claimed as refundable income tax credits on returns filed during 2013. Processing of the April and extended returns will continue through 2013. We anticipate that the Department of Revenue will not finalize accounting for the income tax credits taken until early in FY 2013-14. The DOR will at that time transfer the estimated net fee collections of \$1,951,041 to the Department of Public Safety to support the activities of the Illegal Immigration Enforcement Unit. When this bill is fully implemented over an entire state fiscal year, we expect that fees remitted will total \$9,365,000 with \$4,682,500 being claimed as income tax credits. Over an entire fiscal year this would increase other funds allocated to the Department of Public Safety to support the activities of the Illegal Immigration Enforcement Unit by \$4,682,500. Any Sections of the bill not specifically addressed above are not expected to have an impact on state or local revenues.

  
William C. Gillespie, Ph.D.  
Chief Economist

**Analyst:** Shuford

<sup>1/</sup> This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact, or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.