

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1174

Introduced by Kauth, 31.

Read first time January 21, 2026

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Nebraska Money Transmitters Act; to
2 amend sections 8-2701 and 8-2718, Revised Statutes Supplement, 2025;
3 to change provisions related to reports of condition; to provide for
4 a remittance transfer tax; to harmonize provisions; to provide an
5 operative date; to repeal the original sections; and to declare an
6 emergency.

7 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 8-2701, Revised Statutes Supplement, 2025, is
2 amended to read:

3 8-2701 Sections 8-2701 to 8-2742 and section 3 of this act shall be
4 known and may be cited as the Nebraska Money Transmitters Act.

5 **Sec. 2.** Section 8-2718, Revised Statutes Supplement, 2025, is
6 amended to read:

7 8-2718 (1) Each licensee shall submit a report of condition within
8 forty-five days after the end of a calendar quarter, or within any
9 extended time as the director may prescribe.

10 (2) The report of condition shall include:

11 (a) Financial information at the licensee level;

12 (b) Nationwide and state-specific money transmission transaction
13 information in every jurisdiction in the United States where the licensee
14 is licensed to engage in money transmission;

15 (c) A permissible investments report of the licensee;

16 (d) Transaction destination country reporting for money received for
17 transmission, if applicable including: ; ~~and~~

18 (i) The amount of transactions to all foreign countries that are not
19 foreign adversary countries as defined in section 3 of this act and the
20 estimated amount of the remittance transfer tax imposed under section 3
21 of this act collected for such transactions; and

22 (ii) The amount of transactions to all foreign adversary countries
23 as defined in section 3 of this act and the estimated amount of the
24 remittance transfer tax imposed under section 3 of this act collected on
25 such transactions; and

26 (e) Any other information the director reasonably requires with
27 respect to the licensee.

28 (3) The director is authorized to utilize the Nationwide Mortgage
29 Licensing System and Registry for the submission of the report required
30 by this section and is authorized to update as necessary the requirements
31 of this section to carry out the purposes of the Nebraska Money

1 Transmitters Act and maintain consistency with Nationwide Mortgage
2 Licensing System and Registry reporting.

3 ~~(4) The information required by subdivision (2)(d) of this section~~
4 ~~shall only be included in a report of condition submitted within forty-~~
5 ~~five days after the end of the fourth calendar quarter.~~

6 **Sec. 3. (1) For purposes of this section:**

7 (a) Active duty member of the armed forces means a person who is a
8 member of the armed forces of the United States on active duty as defined
9 in 10 U.S.C. 101(d)(1), as such section existed on January 1, 2026, or a
10 member of the Nebraska National Guard in active service of the state;

11 (b) Dependent means a spouse or any other person for whom an active
12 duty member of the armed forces provided more than one-half of that
13 person's support during the previous calendar year;

14 (c) Designated recipient has the same meaning as in section 919 of
15 the Electronic Fund Transfer Act, 15 U.S.C. 16930-1, as such section
16 existed on January 1, 2026;

17 (d) Foreign adversary country means any country listed in 15 C.F.R.
18 791.4, as such regulation existed on January 1, 2026;

19 (e) Remittance transfer has the same meaning as in section 919 of
20 the Electronic Fund Transfer Act, 15 U.S.C. 16930-1, as such section
21 existed on January 1, 2026;

22 (f) Remittance transfer provider has the same meaning as in section
23 919 of the Electronic Fund Transfer Act, 15 U.S.C. 16930-1, as such
24 section existed on January 1, 2026; and

25 (g) Sender has the same meaning as in section 919 of the Electronic
26 Fund Transfer Act, 15 U.S.C. 16930-1, as such section existed on January
27 1, 2026.

28 (2)(a) Except as provided in subdivision (2)(b) of this section,
29 there is hereby imposed an excise tax of two percent on any remittance
30 transfer by a licensee or authorized delegate.

31 (b) There is hereby imposed an excise tax of twenty percent on any

1 remittance transfer by a licensee or authorized delegate to a resident of
2 a foreign adversary country.

3 (c) The tax imposed in subdivisions (2)(a) and (b) of this section
4 shall not apply to any remittance transfer if the sender or designated
5 recipient is an active duty member of the armed forces or a dependent of
6 such member.

7 (d) To qualify for the exemption under subdivision (2)(c) of this
8 section, the sender or designated recipient shall present a valid United
9 States Department of Defense Common Access Card or other valid military
10 identification to the remittance transfer provider at the time of the
11 transaction.

12 (3)(a) The sender of a remittance transfer shall pay the tax imposed
13 by this section on such transfer.

14 (b) If any tax imposed by this section is not paid at the time a
15 transfer is made, then to the extent that such tax is not paid, the
16 remittance transfer provider of such transfer shall pay the tax.

17 (c) The remittance transfer provider of a remittance transfer shall
18 collect the amount of the tax imposed by this section on such transfer
19 from the sender and remit such tax to the Department of Revenue
20 quarterly.

21 (4) Sections 77-2707 to 77-2711 shall apply to the tax imposed by
22 this section as if such tax were a sales or use tax imposed by the
23 Nebraska Revenue Act of 1967.

24 (5) The Department of Revenue may share any information related to
25 the tax imposed by this section with the Department of Banking and
26 Finance.

27 (6)(a) No refund of the tax imposed by this section shall be allowed
28 unless a claim for such refund is filed within the required period for a
29 refund of sales taxes.

30 (b) The Department of Revenue shall establish an expedited refund
31 process for any active duty member of the armed forces or dependent who

1 was charged the tax in error.

2 (c) To be eligible for the expedited refund process described in
3 subdivision (6)(b) of this section, an active duty member of the armed
4 forces or dependent who was charged in error shall submit proof of
5 military status to the Department of Revenue.

6 (7) The Department of Revenue may adopt and promulgate rules and
7 regulations to prescribe any and all forms and supporting documentation
8 necessary for the payment, collection, and reporting of the tax imposed
9 by this section to establish the expedited refund process described in
10 subdivision (6)(b) of this section.

11 (8) The Department of Revenue may use electronic funds transfer to
12 collect the tax imposed by this section or to pay any refund of such tax.

13 (9) The use of any electronic filing of documents or electronic
14 funds transfer shall not alter the rights of any party from the rights of
15 such party if a different method of filing or payment was used.

16 (10) All taxes received by the Department of Revenue pursuant to
17 this section shall be remitted to the State Treasurer for credit to the
18 General Fund.

19 (11) Upon request from the Department of Revenue, the Department of
20 Banking and Finance may make a claim against the surety bond of a
21 licensee for payment of any tax imposed under this section on such
22 licensee.

23 **Sec. 4.** This act becomes operative on July 1, 2026.

24 **Sec. 5.** Original sections 8-2701 and 8-2718, Revised Statutes
25 Supplement, 2025, are repealed.

26 **Sec. 6.** Since an emergency exists, this act takes effect when
27 passed and approved according to law.