

Legislators Go After Remittance Monies

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Targeting the \$20 billion-plus dollars in remittances that flow from the United States to Mexico, state legislators in Arizona and Texas are considering taxing electronic money transfers to pay for what they contend are immigration-related border security and social service costs.

In Arizona, a House appropriations committee approved a resolution last week that would slap an 8 percent state tax on electronic money transfers abroad. The tax will be used to pay for a double and triple-walled border fence between Arizona and Mexico. The proposed wall is in addition to the one envisioned in HR 4437, the Sensenbrenner immigration bill, passed by the US House of Representatives late last year.

Arizona State Representative Russell Pearce (R-Mesa) defended HCR 2037 as a necessary tool to stop illegal immigration. Pearce said remittances should be subject to taxation because undocumented workers are "paid under the table" or maximize tax withholdings on their paychecks. Pearce estimated the remittance tax would generate \$80 million dollars every year. US citizens and legal residents of Arizona also would be required to pay the tax when sending money abroad.

Opposed by Democratic Governor Janet Napolitano, HCR 2037 must now work its way through both houses of the Republican-controlled Arizona state legislature. The resolution will also appear as a ballot initiative in next November's state election.

Although Mexican media so far haven't given the same amount of attention to HCR 2037 as they did to the Sensenbrenner bill last year, sharp reaction to a remittance tax is already coming from some quarters.

Lauro Lopez Sanchez, an assistant secretary in the federal Interior Ministry, called HB a "completely irrational measure." Lopez insisted that Mexican workers in the United States pay taxes from which they do not fully benefit. "(HCR 2037) is not going to prosper," Lopez predicted.

In Texas, meanwhile, a bill that taxes remittance monies is under consideration by state legislators. Sponsored by legislators Royce West of Dallas and Vilma Luna of Corpus Christi, HB 2345 would use money from a remittance tax to pay for emergency hospital costs. A similar measure died last year in the Texas state legislature. Spokesmen for Texas state Senator Eliot Shapleigh (D-El Paso), slammed HB 2345 as another "attack on the rights of immigrants."

Sources: El Diario de Juarez, February 18, 2006. Article by Lorena Figueroa. La Jornada, February 18, 2006. Article by Fabiola Martinez. El Financiero, February 17, 2006. Arizona Daily Star, February 16, 2006.

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