

STATEMENT OF PURPOSE

RS32039 / S1055

This legislation relates to interchange fees (also called swipe fees) charged to merchants on credit and debit card transactions. It excludes state and local sales taxes and gratuities from the calculation of the amount on which an interchange fee is charged for an electronic payment transaction, such as the use of a debit or credit card. It requires a payment card network to either deduct the amount of any tax and/or gratuity imposed from the calculation of interchange fees on purchases, or rebate an amount of interchange fees imposed on the state or local tax portion or gratuities portion of purchases.

FISCAL NOTE

This legislation will have no negative impact on the General Fund or local units of government. If the state or local governments have instances where they charge a sales tax on an item and it's paid for with an electronic payment, the fiscal impact will be a positive amount (for example, the Idaho State Liquor Division account will be positively impacted from the savings of sales made in the state-run liquor stores).

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).