



General Assembly

January Session, 2025

***Raised Bill No. 1460***

LCO No. 4523



Referred to Committee on FINANCE, REVENUE AND  
BONDING

Introduced by:  
(FIN)

***AN ACT CONCERNING INTERCHANGE FEES ON ELECTRONIC  
PAYMENT TRANSACTIONS.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1      Section 1. (NEW) *(Effective October 1, 2026, and applicable to sales*  
2      *occurring on or after October 1, 2026)* (a) As used in this section:

3      (1) "Credit card" has the same meaning as provided in section 53a-  
4      128a of the general statutes;

5      (2) "Debit card" means any card, code, device or other means of  
6      access, or any combination thereof, that is issued or authorized for use  
7      to debit an asset account held directly or indirectly by a financial  
8      institution and that may be used by the cardholder to obtain money,  
9      goods, services or anything else of value, regardless of whether the card,  
10     code, device or other means of access, or any combination thereof, is  
11     known as a debit card. "Debit card" includes a general-use prepaid card,  
12     as defined in 15 USC 1693l-1, as amended from time to time;

13     (3) "Electronic payment transaction" means a transaction in which a

14 purchaser uses a payment card or other payment code or device issued  
15 or approved through a payment card network to debit an asset account  
16 or use a line of credit, whether authorization is based on a signature,  
17 personal identification number or other means;

18 (4) "Interchange fee" means a fee charged to a retailer, as defined in  
19 section 12-407 of the general statutes, for the purpose of compensating  
20 the financial institution or other entity that issued the payment card for  
21 such institution's or entity's involvement in the electronic payment  
22 transaction;

23 (5) "Payment card" means a credit card, debit card or other card, code,  
24 device or other means of access that is issued to an authorized user to  
25 obtain money, goods, services or anything else of value;

26 (6) "Payment card network" means an entity that (A) directly or  
27 through licensed members, processors or agents provides the  
28 proprietary services, infrastructure and software that routes  
29 information and data to conduct payment card transaction  
30 authorizations, clearance and settlements, and (B) is used by a retailer  
31 to accept as a form of payment a brand of payment card that may be  
32 used to carry out electronic payment transactions; and

33 (7) "Settlement" means the transfer of funds from a purchaser's  
34 account to a retailer upon electronic submission of finalized sales  
35 transactions to the payment card network.

36 (b) (1) Each payment card network shall exclude from the amount on  
37 which an interchange fee is charged the amount of tax imposed under  
38 chapter 219 of the general statutes on a transaction that is an electronic  
39 payment transaction.

40 (2) Each payment card network shall (A) deduct the amount of such  
41 tax from the calculation of interchange fees specific to each electronic  
42 payment transaction at the time of settlement, or (B) rebate an amount  
43 of interchange fee proportionate to the amount attributable to such tax.

44 If the retailer is able to capture and transmit the amount of tax relevant  
45 to the sale at the time of sale as part of the transaction finalization, such  
46 deduction or rebate shall occur at the time of settlement. If the retailer is  
47 unable to capture and transmit such information at the time of sale, the  
48 retailer may submit to the payment card network, and the payment card  
49 network shall accept as proof, sales data showing the amount of such  
50 tax collected on sales subject to an interchange fee, and the payment card  
51 network shall promptly credit the retailer's settlement account.

52 (c) If a payment card network violates any provision of this section,  
53 the Attorney General may bring an action against such payment card  
54 network in the superior court for the judicial district of Hartford,  
55 seeking (1) imposition and recovery of a civil penalty of not more than  
56 one thousand dollars for each violation, and (2) a refund to retailers of  
57 the amount of any interchange fees imposed in violation of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2026, and applicable to sales occurring on or after October 1, 2026</i>	New section

***Statement of Purpose:***

To prohibit payment card networks from including sales and use taxes in the amount on which interchange fees are imposed.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*