



No Swipe on Sales Tax Legislation

Grocery retailers accept many forms of payment, including credit cards. As credit and debit card usage has increased, so have swipe fees, also known as interchange fees, which are charged to grocers by the card companies. Many grocers say that credit card swipe fees are the second highest operating cost, after labor. Significantly, swipe fees are also charged on the sales tax portion of a receipt. Here is a resource that shows the interchange paid on sales tax in each state: [How much interchange was paid on sales tax in the US in 2023? \(cmspi.com\)](https://www.cmspi.com) Read an FMI issue paper [here](#).

Current as of 4.14.25

Alaska HB 171	Taxes and gratuity	4/9/25: (H) Hearing Scheduled - Labor & Commerce (H) -- Public Testimony -- (H) Labor & Commerce at 03:15 PM
Arizona HB 2629 Rep. Weninger	Taxes	Passed House Commerce Committee 7-3 on 2/4. 025-02-24 - <i>House</i> - House Rules Committee Action (C&P) (Y: 7 N: 0 NV: 0 Abs: 1) [PASS]. Sent to Judiciary.
California AB 1065	Taxes	Hearing Scheduled - Judiciary 4/2/25 - From committee chair, with author's amendments: Amend, and re-refer to Com. on JUD. Read second time and amended. Hearing 4.21.25. "Tax" means any state or local tax or fee that is calculated based on an electronic payment transaction amount and is listed separately on the payment invoice or other demand for payment. "Tax" includes, but is not limited to, the following: sales and use tax, state and local; motor vehicle tax; use fuel tax law; Cigarette and Tobacco Products Tax Law; Alcoholic Beverage Tax Law; Cannabis Tax Law; Diesel Fuel Tax Law.
Colorado HB25-1282	Taxes (sales, use, occupation or excise, state and local) and gratuity	Colorado HB 1282 has passed the House! It removes the interchange fee from taxes and tips. Passed House. Referred to Senate Judiciary – hearing scheduled for 4.14.25.
Connecticut HB 5990	Taxes	Introduced; Rep. Perillo (R)



Connecticut SB 1460	Taxes	In Finance, Revenue and Bonding Committee
Georgia HB 431	Taxes	2.18.25 – House Second Read
Indiana SB 412	Tax and gratuity	Introduced by Sen. Pol (D) – minority party 1/13/25: Referred to Committee on Insurance and Financial Institutions
Iowa HB 324	Taxes	4/1/25, Subcommittee: Lundgren, Gjerde and Wills, J. H.J. 877. Introduced, referred to Ways and Means. H.J. 876. Tax is defined to include hotel and motel, automobile, equipment, water and excise taxes including gas, cigarette and tobacco.
Kansas HB 2089	Tax and gratuity	1.23.25 referred to Committee on Financial Institutions and Pensions
Maryland HB 29	Tax and gratuity	Heard on 1.21.25 in House Economic Matters Committee.
Maryland SB 917	Tax and gratuity	Introduced by Sen. Kramer (D). 3/10/25 (S) Withdrawn by Sponsor
Massachusetts H 1259	Tax and gratuity	2/27/25 - (S) Senate concurred (H) Referred to the committee on Financial Services
Massachusetts HD 1926	Tax and gratuity	Introduced
Massachusetts SD 762	Tax and gratuity	Introduced
Massachusetts S 688	Tax and gratuity	2/27/25 - (H) House concurred (S) Referred to the Committee on Financial Services
Missouri HB 1274	Tax	Introduced by Rep. Ben Baker (R). On Joint Committee on Tax Policy. 2/27/25 - (H) Referred: Financial Institutions(H)
New Mexico HB 476	Tax	State and local taxes. 2/20/25 - sent to Commerce & Economic Development Committee - Referrals: Commerce & Economic Development Committee/Judiciary.
New York A. 4017	Tax, hotel/motel gas, rental vehicle taxes gratuities	In Assembly Consumer Affairs and Protection Committee.

New York A 6603	Tax and gratuity	3/6/25 - referred to Consumer Protection.
New York S. 5558	Tax and gratuity	2/25/25 – referred to Consumer Protection.
New York S 5587 (= A 4017)	State and local tax	2/25/25 – referred to Consumer Protection.
Oklahoma SB 1095	Tax and gratuity cc charitable donations to nonprofits	Introduced on 2.4.25 and referred to Economic Development, Workforce and Tourism.
Rhode Island HB 5554	Tax and gratuity	2/26/25 Introduced, referred to House Corporations. 3/7/25 Committee transferred to House Small Business. Scheduled for hearing and/or consideration (04/03/2025)
Tennessee HB 967 and SB 370	Sales and Use Taxes, Hotel occupancy taxes, alcoholic beverage taxes and rental vehicle surcharge taxes	2/11/25: (H) Assigned to s/c Banking & Consumer Affairs Subcommittee 2/12/25: (S) Assigned to Senate Commerce & Labor Committee
Tennessee SB 1081 / HB 714	Time value of money	4/8/25 - (S 1081) Assigned to General Subcommittee of Senate Finance, Ways & Means Committee (H 714) 2/10/25: Assigned to s/c Finance, Ways, and Means Subcommittee
Texas HB 4124 and SB 2026	Tax and gratuity	SB 2026: 3/17/25 (S) Read first time, (S) Referred to Business & Commerce. 4/3/25 - (S) Hearing Scheduled - Business & Commerce <hr/> HB 4124: 3/27/25 - (H) Read first time, (H) Referred to Pensions, Investments & Financial Services

		<p>4/14/25 - (H) Hearing Scheduled</p> <hr/> <p>Also pending is SB 2056 which would add some much needed transparency to the "credit card fee" system.</p>
<p>Texas SB 2056 (= HB 4061)</p>	<p>swipe fee bill on competition and transparency</p>	<p>The Senate Committee on Business & Commerce voted out SB 2056 by Sen. Hancock with a total vote count of 10-0 on 4/8/25.</p> <hr/> <p>HB 4061 scheduled for hearing on 4.14.25 in the House Committee on Pensions, Investments & Financial Services</p>
<p>Vermont H. 317</p>	<p>Tax and gratuity</p>	<p>2/25/25: Introduced. Sponsors include: Rep. Conor Casey (D-Montpelier). 4/4/25 - (H) Hearing Scheduled - Commerce & Economic Development</p>
<p>Vermont SB 135</p>	<p>Tax and gratuity</p>	<p>4/9/25 (S) Hearing held – Finance. 4/17/25 - (S) Hearing Scheduled - Finance</p>
<p>Washington HB 1623</p>	<p>Gratuity only</p>	<p>An employer that permits customers to pay tips or gratuities by credit card shall pay the employees the full amount of the tip or gratuity that the customer indicated on the credit card slip, without any deductions for any credit card payment processing fees or transaction costs that may be charged to the employer by the credit card company.</p> <p>2/25/25 (H) Hearing Scheduled - Appropriations (H) Executive action taken in the House Committee on Appropriations at 1:30 PM</p>
<p>District of Columbia Announcement B26-0138 - Fair Swipe Act of 2025</p>	<p>Tax and gratuity</p>	<p>DC Councilmember Charles Allen and the Restaurant Association of Metropolitan Washington, announce the Fair Swipe Act of 2025 – a bill that would prohibit banks and large credit card companies from including sales tax and gratuities when collecting swipe fees.</p>