

HOUSE No. 1025

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

An Act relative to credit card transaction fees on the tax portion of a transaction..

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Chapter 93 of the General Laws, as appearing in the 2006 Official Edition,
2 is hereby amended by inserting after section 114, the following:-

3 SECTION 115. Definitions

4 "Credit card" (a) Any instrument or device, whether known as a credit card, charge card,
5 credit plate, courtesy card r identification card or by any other name, issued with or without a fee
6 by an issuer for the use of the cardholder in obtaining money, goods, services or anything else of
7 value, either on credit or in the possession or in consideration of an undertaking or guaranty by
8 the issuer of the payment of a check drawn by the cardholder on a promise to pay in part or in
9 full at a future time, whether or not all or any part of the indebtedness represented by this
10 promise to make deferred payment is secured or unsecured; (b) the number assigned to an
11 instrument or device described in subdivision (a) of this paragraph even if the physical
12 instrument or device is not used or presented

13 “Debit card” (a) Any instrument or device whether known as a debit card, electronic
14 benefit transfer card r any other access instrument or device, other than a check, that is signed by
15 the holder or other authorized signatory on the deposit account that draws monies from a deposit
16 account in order to obtain money, goods, services, or anything else of value; (b) any stored value
17 card, smart card or other instrument or device that enables a person to obtain goods, services, or
18 anything else of value through the use of value stored on the instrument or device; (c) the
19 number assigned to an instrument or device described in subdivision (a) or (b), of this paragraph
20 even if the physical instrument or device is not used or presented.

21 SECTION 116. Limit on Certain Fees

22 Discount rates, transaction charges, interchange rates, or any other charges or fees
23 charged to merchants or deducted from credit card or debit card sales for processing credit card
24 or debit card transactions shall not be applied to the tax portion of any credit card or debit card
25 sales.

26 SECTION 117. Penalties

27 Any person who violates this section will be subject to a civil penalty of \$5,000 per
28 violation.

29 Any merchant whose rights under this act have been violated may maintain a civil action
30 for damages or equitable relief as provided for in this section; and

31 The attorney general shall have the power to maintain an action to enforce the penalties
32 provided for in this section.