

**HOUSE . . . . . No. 3896**

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The Commonwealth of Massachusetts

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**In the Year Two Thousand Nine**  
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An Act relative to merchant credit card fees..

*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 255D of the General Laws is hereby amended by inserting, after  
2 the definition of “Installment seller”, the following definition:-

3 “Interchange fee”, the fee a merchant’s financial institution pays to a cardholder’s  
4 financial institution when a cardholder uses a credit card or debit card as payment during a retail  
5 transaction.

6 SECTION 2. Said chapter 255D of the General Laws is hereby further amended by  
7 adding the following section:-

8 Section 33. Financial institutions may not charge interchange fees or transaction fees on  
9 the sales tax portion of credit or debit card charges where the fee or charge is a percentage of the  
10 gross dollar amount of the transaction.

11 Any merchant whose rights under this section have been violated may maintain a civil  
12 action for damages or equitable relief. Any person who violates this section shall be subject to a  
13 civil penalty of \$5,000 per violation.

14           SECTION 3. Notwithstanding any general or special law to the contrary, the meals tax  
15 and sales tax portion of a sale shall not be included in the total amount charged to the merchant  
16 by the credit card company.