

HOUSE No. 3896

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

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.