

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

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***Paul McMurtry***

*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to price-fixing prohibition, consumer transparency & tax fairness.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	<i>1/15/2025</i>

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

[Pin Slip]

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Fourth General Court  
(2025-2026)**

An Act relative to price-fixing prohibition, consumer transparency & tax fairness.

*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. Definitions. As used in this Act:

2 "Acquirer bank" means a member of a payment card network that contracts with a  
3 merchant for the settlement of electronic payment transactions. An acquirer bank may contract  
4 directly with merchants or indirectly through a processor to process electronic payment  
5 transactions.

6 "Authorization" means the process through which a merchant requests approval for an  
7 electronic payment transaction from the issuer.

8 "Clearance" means the process of transmitting final transaction data from a merchant to  
9 an issuer for posting to the cardholder's account and the calculation of fees and charges,  
10 including interchange fees, that apply to the issuer and the merchant.

11           “Consumer” means any person who has been issued a credit card or debit card or who  
12 purchases goods or services using an electronic payment transaction or another method of  
13 payment.

14           "Covered credit card issuer" means a credit card issuer that, together with any affiliates,  
15 had consolidated worldwide banking and nonbanking assets, including assets of affiliates, other  
16 than trust assets under management, of more than \$85,000,000,000 at any point during the  
17 previous calendar year.

18           "Credit card" means a card, plate, coupon book, or other credit device existing for the  
19 purpose of obtaining money, property, labor, or services on credit.

20           "Debit card" means a card or other payment code or device issued or approved for use  
21 through a payment card network to debit an asset account, regardless of the purpose for which  
22 the account is established, whether authorization is based on a signature, a personal identification  
23 number, or other means.

24           "Debit card" includes a general use prepaid card, as defined in 15 U.S.C. 16931-1. "Debit  
25 card" does not include paper checks.

26           "Electronic payment transaction" means a transaction in which a person uses a debit card,  
27 a credit card, or other payment code or device issued or approved through a payment card  
28 network to debit a deposit account or use a line of credit, whether authorization is based on a  
29 signature, a personal identification number, or other means.

30 "Fee schedule" means any schedule, list, table, chart, or similar document or agreement,  
31 whether publicly disclosed or not, that sets forth or fixes the amount, or the formula for  
32 determining the amount, of one or more fee rates.

33 "Gratuity" means a voluntary monetary contribution to an employee from a guest, patron,  
34 or customer in connection with services rendered.

35 "Interchange fee" means a fee established, charged, or received by a payment card  
36 network for the purpose of compensating the issuer for its involvement in an electronic payment  
37 transaction.

38 "Issuer" means a person issuing a debit card or credit card or the issuer's agent.

39 "Merchant" means a person that accepts electronic payment transactions and collects and  
40 remits a tax.

41 "Payment card network" means an entity that:

42 directly or through licensed members, processors, or agents, provides the proprietary  
43 services, infrastructure, and software to route information and data for the purpose of  
44 conducting electronic payment transaction authorization, clearance, and settlement; and

45 a merchant uses to accept as a form of payment a brand of debit card, credit card, or other  
46 device that may be used to carry out electronic payment transactions.

47 "Person" means any individual, firm, public or private corporation, government,  
48 partnership, association, or any other organization or entity.

49 "Processor" means an entity that facilitates, services, processes, or manages the debit or  
50 credit authorization, billing, transfer, payment procedures, or settlement with respect to any  
51 electronic payment transaction.

52 "Settlement" means the process of transmitting sales information to the issuing bank for  
53 collection and reimbursement of funds to the merchant and calculating and reporting the net  
54 transaction amount to the issuer and merchant for an electronic payment transaction that is  
55 cleared.

56 "Tax" means any use and occupation tax or excise tax imposed by the State or a unit of  
57 local government in the State.

58 "Tax documentation" means documentation sufficient for the payment card network to  
59 determine the total amount of the electronic payment transaction and the tax or gratuity amount  
60 of the transaction. Tax documentation may be related to a single electronic payment transaction  
61 or multiple electronic payment transactions aggregated over a period of time. Examples of tax  
62 documentation include, but are not limited to, invoices, receipts, journals, ledgers, and tax  
63 returns filed with the Department of Revenue or local taxing authorities.

64

65 Section 2. Prohibition on network interchange price-fixing on behalf of covered credit  
66 card issuers and other unfair credit card practices.

67 It is unlawful for any payment card network to, directly or indirectly through any agent,  
68 processor, contract, requirement, condition, penalty, technological specification, inducement, or  
69 otherwise

70 (1) fix or conspire to fix an interchange fee with, or on behalf of, another covered credit  
71 card issuer or payment card network;

72 (2) require any person to accept as payment any credit card issued by a covered credit  
73 card issuer if such person accepts as payment other credit cards that are enabled for processing  
74 over such payment card network;

75 (3) charge a consumer or a merchant a fee or assessment due to a disputed credit card  
76 transaction unless and until a finding of fact concludes that the consumer or merchant is  
77 responsible for the disputed transaction and the consumer or merchant is provided written  
78 notification of the finding of fact; or

79 (4) impose a penalty on a merchant based upon the way that merchant lawfully sets prices  
80 for goods or services.

81 It is unlawful for any covered credit card issuer to, directly or indirectly through any  
82 agent, processor, contract, requirement, condition, penalty, inducement, technological  
83 specification, or otherwise,

84 1. fix or conspire to fix an interchange fee with, or on behalf of, another covered credit  
85 card issuer or payment card network;

86 2. receive or charge any interchange fee with respect to a credit card transaction in an  
87 amount that is included on or determined by a fee schedule that:

88 (i) has been fixed, established, or put forward by a payment card network; or

89 (ii) the covered credit card issuer knows, or reasonably should know, is being used in the  
90 same calendar year by any other covered card issuer to determine the amount any interchange fee

91 with respect to a credit card transaction that such other covered credit card issuer receives or  
92 charges;

93 3. on or after the date that is 180 days after the enactment of this Act, issue a monthly  
94 statement to a consumer who has been issued a credit card by the covered credit card issuer  
95 without disclosing in a clear and conspicuous manner for each credit card transaction listed in the  
96 monthly statement,

97 (i) whether any interchange fees were charged on the credit card transaction; and

98 (ii) the amount charged for each such interchange fee charged on each credit card  
99 transaction.

100 (4) charge a consumer or a merchant any fee or assessment due to a disputed

101 credit card transaction unless and until a finding of fact concludes that the consumer or  
102 merchant is responsible for the disputed transaction and the consumer or merchant is provided  
103 written notification of the finding of fact; or

104 (5) prohibit or penalize a merchant based upon the way the merchant lawfully sets prices  
105 for goods or services.

106 Section 4. Interchange fees on taxes and gratuities prohibited.

107 An issuer, a payment card network, an acquirer bank, or a processor may not receive or  
108 charge a merchant any interchange fee on the tax amount or gratuity of an electronic payment  
109 transaction if the merchant informs the acquirer bank or its designee of the tax or gratuity amount  
110 as part of the authorization or settlement process for the electronic payment transaction. The  
111 merchant must transmit the tax or gratuity amount data as part of the authorization or settlement

112 process to avoid being charged interchange fees on the tax or gratuity amount of an electronic  
113 payment transaction.

114 A merchant that does not transmit the tax or gratuity amount data in accordance with this  
115 Section may submit documentation for the electronic payment transaction to the acquirer bank or  
116 its designee no later than 180 days after the date of the electronic payment transaction, and,  
117 within 30 days after the merchant submits the necessary documentation, the issuer must credit to  
118 the merchant the amount of interchange fees charged on the tax or gratuity amount of the  
119 electronic payment transaction.

120 This Section does not create liability for a payment card network regarding the accuracy  
121 of the tax or gratuity data reported by the merchant.

122 It shall be unlawful for an issuer, a payment card network, an acquirer bank, or a  
123 processor to alter or manipulate the computation and imposition of interchange fees by  
124 increasing the rate or amount of the fees applicable to or imposed upon the portion of a credit or  
125 debit card transaction not attributable to taxes or gratuities to circumvent the effect of this  
126 Section.

127 Section 5. Penalties.

128 The attorney general of [the state] may file suit to seek injunctive relief and, if  
129 appropriate, to collect a civil penalty from any covered credit card issuer or payment card  
130 network whom the attorney general believes has violated any of the prohibitions in Section 3 of  
131 this Act.



132           An issuer, a payment card network, an acquirer bank, a processor, or other designated  
133 entity that has received the tax or gratuity amount data and violates Section 4 is subject to a civil  
134 penalty of \$1,000 per electronic payment transaction conducted in violation of this Act, and the  
135 issuer must refund the merchant the interchange fee calculated on the tax or gratuity amount  
136 relative to the electronic payment transaction.

137           An entity, other than the merchant, involved in facilitating or processing an electronic  
138 payment transaction, including, but not limited to, an issuer, a payment card network, an acquirer  
139 bank, a processor, or other designated entity, may not distribute, exchange, transfer, disseminate,  
140 or use the electronic payment transaction data except to facilitate or process the electronic  
141 payment transaction; to monitor for, detect, or prevent fraud; to support loyalty, rewards or  
142 promotional offerings; to tailor products and services to serve customer needs; or as required by  
143 law. A violation of this subsection constitutes a violation of the [insert state consumer protection  
144 or UDAP law].

145           Section 6. Severability.

146           If any of the provisions of this Act are held invalid, the remainder shall not be affected as  
147 a result; nor shall the application of the provision held invalid to persons or circumstances other  
148 than those as to which it is held invalid be affected as a result.