

2025 Regular Session

HOUSE BILL NO. 417

BY REPRESENTATIVE HILFERTY

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CREDIT/CARDS: Provides relative to preventing credit card companies from assessing a fee on tax and tip

1 AN ACT

2 To enact Chapter 6 of Title 10 of the Louisiana Revised Statutes of 1950, to be comprised
3 of R.S. 10:6-101 through 6-103, relative to credit card swipe fees; to provide for
4 definitions; to provide for the exclusion of state or local taxes and gratuity from
5 swipe fees; to provide for merchant deduction or rebate; provides for the authority
6 of the attorney general; to provide for civil penalties; to provide for an effective date;
7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 6 of Title 10 of the Louisiana Revised Statutes of 1950, comprised
10 of R.S. 10:6-101 through 6-103, is hereby enacted to read as follows:

11 CHAPTER 6. CHARGING OF SWIPE FEES

12 §6-101. Definitions

13 (a) As used in this Chapter:

14 (1) "Assessment fee" means a fee paid to the payment card network for
15 allowing a merchant to use a payment card or other payment code or device in an
16 electronic payment transaction.

17 (2) "Electronic payment transaction" means a transaction in which a person
18 uses a payment card or other payment code or device issued or approved through a
19 payment card network to debit a deposit account or use a line of credit, whether
20 authorization is based on a signature, personal identification number, or other means.

1 (3) "Gratuity" means a voluntary monetary contribution to an employee from
2 a guest, patron, or customer in connection with services rendered.

3 (4) "Interchange fee" means a fee charged to a merchant for the purpose of
4 compensating the payment card issuer for the issuer's involvement in an electronic
5 payment transaction.

6 (5) "Payment card" means a credit card, debit card, check card, or other card
7 that is issued to an authorized user to purchase or obtain goods, services, money, or
8 any other thing of value.

9 (6) "Payment card issuer" means a lender, including a financial institution,
10 or a merchant that receives applications and issues payment cards to individuals.

11 (7) "Payment card network" means an entity that directly, or through a
12 licensed member, processor, or agent, provides the proprietary services,
13 infrastructure, and software that route information and data to conduct debit card or
14 credit card transaction authorization, clearance, and settlement, and that an entity
15 uses in order to accept as a form of payment a brand of debit card, credit card, or
16 other device that may be used to carry out debit or credit transactions.

17 (8) "State or local tax" includes a tax imposed by this state or a unit of local
18 government of this state, including the sales, excise, and use tax, motor fuels tax,
19 hotel occupancy tax, and tax imposed on the rental of a motor vehicle, other than a
20 tax returned to a taxpayer in the form of a deduction or discount.

21 (9) "Swipe fee" means the interchange fee and, if applicable, the assessment
22 fee.

23 §6-102. Exclusion of state or local taxes and gratuity from swipe fees; merchant
24 deduction or rebate

25 (a) The amount of state or local tax that is calculated as a percentage of the
26 amount of an electronic payment transaction made in this state and gratuity that is
27 listed separately on a payment invoice or other demand for payment shall be
28 excluded from the total amount on which a swipe fee is charged for that transaction.

1 (b) A payment card network shall with respect to each form or type of
2 electronic payment transaction do either of the following:

3 (1) Deduct the amount of state or local tax imposed and gratuity from the
4 calculation of swipe fees attributable to the transaction at the time of settlement.

5 (2) Rebate the merchant an amount equal to the amount of swipe fees
6 attributable to the state or local tax imposed and gratuity on the transaction.

7 (c) A deduction or rebate pursuant to this Section shall occur at the time of
8 settlement when the merchant is able to capture and transmit state or local tax or fee
9 amounts and gratuity relevant to the sale at the time of sale as part of the transaction
10 finalization. If a merchant is unable to capture and transmit tax or fee and gratuity
11 amounts relevant to the sale at the time of sale, then the payment card network shall
12 accept proof of tax or fee amounts and gratuity collected on sales subject to a swipe
13 fee on the submission of sales data by the merchant and provide the rebate no later
14 than one hundred eighty days after the date of the electronic payment transaction,
15 and, within thirty days after the merchant submits the sales data.

16 (d) This Section does not create liability for a payment card network
17 regarding the accuracy of the tax or gratuity data reported by the merchant.

18 (e) It shall be unlawful for a payment card issuer or a payment card network
19 to alter or manipulate the computation and imposition of swipe fees by increasing the
20 rate or amount of the fees applicable to or imposed upon the portion of an electronic
21 payment transaction not attributable to taxes or gratuities to circumvent the effect of
22 this Section.

23 §6-103. Civil penalty; restitution

24 (a) A person who violates this Chapter is liable to this state for a civil penalty
25 in an amount not to exceed one thousand dollars for each violation.

26 (b) The attorney general may bring an action to either of the following:

27 (1) Recover the civil penalty imposed pursuant to this Section.

28 (2) Obtain a temporary or permanent injunction to restrain the violation.

1 (c) An action pursuant to this Section may be brought in a district court of
2 the parish in which any part of the violation occurs.

3 (d) The attorney general shall deposit a civil penalty collected in accordance
4 with this Section in the state treasury to the credit of the general revenue fund.

5 (e) A person who violates this Chapter shall refund a merchant any swipe
6 fees charged in violation of this Chapter.

7 Section 2. If any provision of this Act or the application thereof is held invalid, such
8 invalidity shall not affect other provisions or applications of this Act which can be given
9 effect without the invalid provisions or applications, and to this end the provisions of this
10 Act are hereby declared severable.

11 Section 3. This Act shall become effective upon signature by the governor or, if not
12 signed by the governor, upon expiration of the time for bills to become law without signature
13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
14 vetoed by the governor and subsequently approved by the legislature, this Act shall become
15 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 417 Original

2025 Regular Session

Hilferty

Abstract: Provides relative to credit card swipe fees.

Proposed law defines "assessment fee", "electronic payment transaction", "gratuity", "interchange fee", "payment card", "payment card issuer", "payment card network", "state or local tax", and "swipe fee".

Proposed law requires that the amount of state or local tax that is calculated as a percentage of the amount of an electronic payment transaction made in this state and gratuity that is listed separately on a payment invoice or other demand for payment to be excluded from the total amount on which a swipe fee is charged for that transaction.

Proposed law provides that a payment card network shall either deduct the amount of state or local tax imposed and gratuity from the calculation of swipe fees attributable to the transaction at the time of settlement or rebate the merchant an amount equal to the amount of swipe fees attributable to the state or local tax imposed and gratuity on the transaction.

Proposed law provides relative to a deduction or rebate under proposed law.

Proposed law provides for if a merchant is unable to capture and transmit tax or fee and gratuity amounts relevant to the sale at the time of sale.

Proposed law provides for liability and the authority of the attorney general.

Proposed law provides for what actions are unlawful.

Proposed law provides for civil penalties for the violations of proposed law.

Proposed law provides for severability.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 10:6-101-6-103)