

House Resolution 1135

By: Representatives Jones of the 25th, Hatchett of the 155th, Jasperse of the 11th, Anulewicz of the 42nd, Powell of the 33rd, and others

A RESOLUTION

1 Creating the House Study Committee on Credit Card Fees on State Sales and Excise Tax and
2 Their Impact on Georgia Merchants and Consumers; and for other purposes.

3 WHEREAS, the Georgia General Assembly recognizes that since the pandemic, the use of
4 credit cards and debit cards by consumers has dramatically increased; and

5 WHEREAS, each time a consumer uses a card to make a transaction, merchants are charged,
6 on average, between 2 and 4 percent of the total transaction in interchange or "swipe" fees
7 set by credit card networks; and

8 WHEREAS, merchants are required under Georgia law to collect state and local sales and
9 excise taxes; and

10 WHEREAS, merchants are charged swipe fees, not only on the base price of a transaction,
11 but also on the sales and excise tax they are required to collect under Georgia law when the
12 consumer uses credit or debit to pay for a transaction; and

13 WHEREAS, according to CMS Payment Intelligence, Georgia merchants paid more than
14 \$216 million in interchange fees on sales tax in 2022 and more than \$20 million in swipe fees
15 on motor fuel and alcohol excise taxes in 2021; and

16 WHEREAS, data from the National Retail Federation reveals that the combined credit and
17 debit card swipe fees cost merchants and their customers more than \$160 billion a year; and

18 WHEREAS, because swipe fees are applied to millions of transactions each day, swipe fees
19 are most merchants' highest operating cost after labor, driving up consumer prices by more
20 than \$1,000.00 a year for the average household; and

21 WHEREAS, VISA and Mastercard recently increased swipe fees on merchants in October,
22 2023, and plan to again in April, 2024, resulting in merchants paying an additional
23 \$502 million annually in fees swipe fees, and

24 WHEREAS, a bipartisan duo of United States Senators, Senator Dick Durbin (D-Illinois) and
25 Senator Roger Marshall (R-Kansas) strongly urged VISA and Mastercard to call off their
26 plans to increase credit card swipe fees, arguing that the move would hurt small businesses
27 and consumers; and

28 WHEREAS, a study is needed to assess the impact of swipe fees on both Georgia merchants
29 and consumers, with a specific focus on determining whether swipe fees should be imposed
30 on the state tax portion of a transaction and the impact that swipe fees on tax portions of
31 transactions have on the businesses that collect taxes on behalf of Georgia and ultimately the
32 impact on consumers. The study will also explore various subjects, including the purpose
33 and breakdown of credit card swipe fees, the role of merchants in addressing fraudulent
34 transactions, the volume of fraud liability imposed upon merchants through chargebacks, the

35 impact of swipe fees on low-income consumers, the anticompetitive nature of the payment
36 card marketplace, and the ability of merchants to communicate tax amounts based on the
37 information already provided as part of the transaction, and other relevant topics to be
38 determined by the chairperson.

39 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

40 (1) **Creation of House study committee.** There is created the House Study Committee
41 on Credit Card Fees on State Sales and Excise Tax and Their Impact on Georgia
42 Merchants and Consumers.

43 (2) **Members and officers.** The committee shall be composed of ten members,
44 appointed by the Speaker of the House of Representatives as follows:

45 (A) Four members of the House of Representatives, designating one such member as
46 chairperson. Two of the members shall include the chairperson of the House Banks and
47 Banking Committee and the chairperson of the House Technology and Infrastructure
48 Innovation Committee; and

49 (B) Six nonlegislative members:

50 (i) One retail payments expert from a motor fuel or general retailer;

51 (ii) One banking industry expert; and

52 (iii) One consumer member or consumer advocate;

53 (iv) One payment-processing expert from a processing company;

54 (v) One restaurant owner operator or representative from the restaurant industry; and

55 (vi) One small business owner or operator or a small business representative.

56 (3) **Powers and duties.** The committee shall undertake a study of the conditions, needs,
57 issues, and problems mentioned above or related thereto and recommend any action or
58 legislation which the committee deems necessary or appropriate.

59 (4) **Meetings.** The chairperson shall call all meetings of the committee. The committee
60 may conduct such meetings at such places and at such times as it may deem necessary or

61 convenient to enable it to exercise fully and effectively its powers, perform its duties, and
62 accomplish the objectives and purposes of this resolution.

63 **(5) Allowances, expenses, and funding.**

64 (A) The legislative members of the committee shall receive the allowances provided
65 for in Code Section 28-1-8 of the Official Code of Georgia Annotated.

66 (B) Members of the committee who are state officials, other than legislative members,
67 or state employees shall receive no compensation for their services on the committee,
68 but they may be reimbursed for expenses incurred by them in the performance of their
69 duties as members of the committee in the same manner as they are reimbursed for
70 expenses in their capacities as state officials or employees;

71 (C) Members of the committee who are not legislators, state officials, or state
72 employees shall receive a daily expense allowance in an amount the same as that
73 specified in subsection (b) of Code Section 45-7-21 of the Official Code of Georgia
74 Annotated, as well as the mileage or transportation allowance authorized for state
75 employees.

76 (D) The allowances and expenses authorized by this resolution shall not be received
77 by any member of the committee for more than five days unless additional days are
78 authorized. Funds necessary to carry out the provisions of this resolution shall come
79 from funds appropriated to the House of Representatives; except that funds for the
80 reimbursement of the expenses of state officials, other than legislative members, and
81 state employees shall come from funds appropriated to or otherwise available to their
82 respective agencies.

83 **(6) Report.**

84 (A) In the event the committee adopts any specific findings or recommendations that
85 include suggestions for proposed legislation, the chairperson shall file a report of the
86 same prior to the date of abolishment specified in this resolution, subject to
87 subparagraph (C) of this paragraph.

88 (B) In the event the committee adopts a report that does not include suggestions for
89 proposed legislation, the chairperson shall file the report, subject to subparagraph (C)
90 of this paragraph.

91 (C) No report shall be filed unless the same has been approved prior to the date of
92 abolishment specified in this resolution by majority vote of a quorum of the committee.
93 A report so approved shall be signed by the chairperson of the committee and filed with
94 the Clerk of the House of Representatives.

95 (D) In the absence of an approved report, the chairperson may file with the Clerk of the
96 House of Representatives copies of the minutes of the meetings of the committee in lieu
97 thereof.

98 (7) **Abolishment.** The committee shall stand abolished on December 1, 2024.