

Senate Bill 126

By: Senators Hickman of the 4th, Gooch of the 51st, Goodman of the 8th, Halpern of the 39th, Albers of the 56th and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling
2 and other trade practices, so as to provide for a limitation on interchange fees charged by
3 payment card networks for credit or debit card transactions at retailers; to provide
4 requirements for payment card networks in relation to such interchange fees; to provide for
5 a civil penalty; to provide for definitions; to provide for a short title; to provide for an
6 effective date; to provide for related matters; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 This Act shall be known and may be cited as the "Consumer Inflation Reduction and Tax
11 Fairness Act."

12 **SECTION 2.**

13 Chapter 1 of Title 10 of the Official Code of Georgia Annotated, relating to selling and other
14 trade practices, is amended by adding a new Code section to read as follows:

15 "10-1-393.18.

16 (a) As used in this Code section, the term:

17 (1) 'Goods and services consumer purchase price' means the retail price paid by a
18 consumer for the actual goods or services provided by a retailer, excluding the taxes.

19 (2) 'Interchange fee' means a fee established, charged, or received by a payment card
20 network for the purpose of compensating the payment card issuer or payment card
21 network for its involvement in a credit or debit card transaction.

22 (3) 'Payment card issuer' means a person or entity that issues a credit or debit card or
23 such issuer's agent.

24 (4) 'Payment card network' means an entity that directly, or through licensed members,
25 third party processors, or agents, provides the proprietary services, infrastructure, and
26 software to conduct credit or debit card transaction authorization, clearance, or
27 settlement.

28 (5) 'Retailer' means any person, business, or entity that sells, supplies, or offers goods or
29 services for sale directly to consumers and accepts a credit or debit card for payment in
30 this state.

31 (6) 'Taxes' means the amount of any state and local sales and use and excise taxes
32 applicable to a sale of goods or services provided by a retailer in this state.

33 (b) No payment card network shall apply an interchange fee to a retailer based on an
34 amount greater than the goods and services consumer purchase price.

35 (c) A payment card network shall either exclude the amount of any taxes from the
36 calculation of interchange fees specific to each payment card transaction or refund an
37 amount of interchange fee proportionate to the amount attributable to the taxes at the time
38 of settlement with the retailer.

39 (d) If a retailer is unable to capture and transmit the applicable taxes at the time of sale, the
40 payment card network shall accept proof of taxes collected on sales subject to an

41 interchange fee upon the submission of sales data by the retailer and promptly credit the
42 retailer's settlement account.

43 (e) A payment card network that violates this Code section shall be subject to a civil
44 penalty of a minimum of \$1,000.00 per violation, payable to the retailer, and shall also
45 refund any interchange fees paid by the retailer on the taxes for the goods or services
46 provided by such retailer.

47 (f) It shall be unlawful to alter or manipulate the computation and imposition of
48 interchange fees by increasing the rate or amount of the fees applicable to or imposed upon
49 the portion of a credit or debit card transaction not attributable to taxes or other fees
50 charged to the retailer to circumvent the effect of this Code section."

51 **SECTION 3.**

52 This Act shall become effective on January 1, 2024.

53 **SECTION 4.**

54 All laws and parts of laws in conflict with this Act are repealed.