



135986

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/17/2023	.	
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The Committee on Banking and Insurance (Hutson) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

Section 1. Section 501.0119, Florida Statutes, is created  
to read:

501.0119 Interchange fees on taxes prohibited.—

(1) As used in this section, the term:

(a) "Acquirer bank" means a member of a payment card



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10 network which contracts with a merchant for the settlement of  
11 electronic payment transactions. An acquirer bank may contract  
12 directly with merchants or indirectly through a processor to  
13 process electronic payment transactions.

14 (b) "Clearance" means the process of transmitting final  
15 transaction data from a merchant to an issuer for posting to the  
16 cardholder's account and the calculation of fees and charges,  
17 including interchange fees, which apply to the issuer and  
18 merchant.

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

22 (d) "Debit card":

23 1. Means a card, or other payment code or device, issued or  
24 approved for use through a payment card network to debit an  
25 asset account, regardless of the purpose for which the account  
26 is established, whether authorization is based on a signature, a  
27 personal identification number, or other means;

28 2. Includes a general-use prepaid card, as defined in 15  
29 U.S.C. s. 16931-1; and

30 3. Excludes paper checks.

31 (e) "Electronic payment transaction" means a transaction in  
32 which a person uses a debit card, credit card, or other payment  
33 code or device issued or approved through a payment card network  
34 to debit a deposit account or use a line of credit, whether  
35 authorization is based on a signature, a personal identification  
36 number, or other means.

37 (f) "Interchange fee" means a fee established, charged, or  
38 received by a payment card network for the purpose of



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39 compensating the issuer for its involvement in an electronic  
40 payment transaction.

41 (g) "Issuer" means a person issuing a debit card or credit  
42 card or the issuer's agent.

43 (h) "Merchant" has the same meaning as the term "dealer" in  
44 s. 212.06(2).

45 (i) "Payment card network" means an entity:

46 1. That directly or through licensed members, processors,  
47 or agents provides the proprietary services, infrastructure, and  
48 software that routes information and data to conduct electronic  
49 payment transaction authorization, clearance, and settlement;  
50 and

51 2. That a merchant uses to accept as a form of payment a  
52 brand of debit card, credit card, or other device that may be  
53 used to carry out electronic payment transactions.

54 (j) "Processor" means an entity that facilitates, services,  
55 processes, or manages the debit or credit authorization,  
56 billing, transfer, payment procedures, or settlement with  
57 respect to any electronic payment transaction.

58 (k) "Settlement" means the process of transmitting sales  
59 information to the issuing bank for collection and reimbursement  
60 of funds to the merchant and calculating and reporting the net  
61 transaction amount to the issuer and merchant for an electronic  
62 payment transaction that is cleared.

63 (l) "Tax" means all taxes and fees levied under chapter 212  
64 and s. 125.0104.

65 (m) "Tax documentation" means documentation sufficient for  
66 the payment card network to determine the total amount of the  
67 electronic payment transaction and the tax amount of such



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68 transaction. Tax documentation may be related to a single  
69 electronic payment transaction or multiple electronic payment  
70 transactions aggregated over a period of time. Examples of tax  
71 documentation include, but are not limited to, invoices,  
72 receipts, journals, ledgers, and tax returns filed with the  
73 Department of Revenue or local taxing authorities.

74 (2) This section does not apply to an electronic payment  
75 transaction in which the tax amount is not separately stated on  
76 the consumer's payment invoice, sales slip, or other evidence of  
77 sale as required under s. 212.07(2).

78 (3) Except as provided in subsection (2), an issuer, a  
79 payment card network, an acquirer bank, or a processor may not  
80 receive or charge the merchant any interchange fees on the tax  
81 amount of an electronic payment transaction if the merchant  
82 informs the acquirer bank, its designee, or any other entity as  
83 provided in the payment card network's terms and conditions of  
84 service of such tax amount as part of the clearance process for  
85 the electronic payment transaction. A merchant must transmit the  
86 tax amount data as part of the clearance process to avoid being  
87 charged interchange fees on the tax amount of an electronic  
88 payment transaction.

89 (4) A merchant that does not transmit the tax amount data  
90 in accordance with subsection (3) may submit tax documentation  
91 for the electronic payment transaction to the acquirer bank, its  
92 designee, or any other entity as provided in the payment card  
93 network's terms and conditions of service no later than 180 days  
94 after the date of the electronic payment transaction, and within  
95 30 days, the issuer must credit to the merchant the amount of  
96 interchange fees charged on the tax amount of the electronic



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97 payment transaction.

98 (5) An issuer, a payment card network, an acquirer bank, a  
99 processor, or other designated entity that has received the tax  
100 amount data and violates this section is subject to a civil  
101 penalty of \$1,000 per electronic payment transaction, and the  
102 issuer must refund the merchant the interchange fee calculated  
103 on the tax amount relative to the electronic payment  
104 transaction.

105 Section 2. This act shall take effect October 1, 2023.

106

107 ===== T I T L E A M E N D M E N T =====

108 And the title is amended as follows:

109 Delete everything before the enacting clause  
110 and insert:

111 A bill to be entitled  
112 An act relating to interchange fees on taxes; creating  
113 s. 501.0119, F.S.; defining terms; providing  
114 applicability; prohibiting issuers, payment card  
115 networks, acquirer banks, and processors from  
116 receiving or charging merchants interchange fees on  
117 the tax amount of electronic payment transactions if  
118 the merchant provides certain information in a  
119 specified manner; requiring an issuer to credit a  
120 merchant the amount of interchange fees on taxes  
121 within a certain timeframe if the merchant meets  
122 certain conditions; providing a civil penalty;  
123 providing an effective date.