

By Senator Hutson

7-01566-23

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1 A bill to be entitled  
 2 An act relating to interchange fees on taxes; creating  
 3 s. 655.969, F.S.; defining terms; requiring that  
 4 certain taxes listed on evidences of sales must be  
 5 excluded from the amount on which an interchange fee  
 6 is charged for that electronic payment transaction;  
 7 specifying requirements for payment card networks in  
 8 deducting taxes or rebating amounts; specifying  
 9 requirements for payment card networks if a merchant  
 10 or seller is unable to capture and transmit tax  
 11 amounts relevant to the sale at the time of sale;  
 12 providing a penalty; providing an effective date.

14 Be It Enacted by the Legislature of the State of Florida:

16 Section 1. Section 655.969, Florida Statutes, is created to  
 17 read:

18 655.969 Interchange fees on taxes prohibited.—

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

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

23 (b) "Debit card":

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

29 2. Includes a general-use prepaid card as defined in 15

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30 U.S.C. s. 16931-1; and

31 3. Excludes paper checks.

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

38 (d) "Interchange fee" means a fee established, charged, or  
39 received by a payment card network for the purpose of  
40 compensating the issuer for its involvement in an electronic  
41 payment transaction.

42 (e) "Issuer" means a person, or the person's agent, issuing  
43 a debit card or credit card.

44 (f) "Payment card network" means an entity that:

45 1. Directly or through licensed members, processors, or  
46 agents, provides the proprietary services, infrastructure, and  
47 software that routes information and data to conduct debit card  
48 or credit card transaction authorization, clearance, and  
49 settlement; and

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

53 (g) "Settlement" means the transfer of funds from a  
54 customer's account to a seller or merchant upon electronic  
55 submission of finalized sales transactions to the payment card  
56 network.

57 (h) "Tax" means all taxes and fees levied under chapters  
58 125 and 212.

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59       (2) The amount of tax listed separately on the payment  
60 invoice, sales slip, or other evidence of sale must be excluded  
61 from the amount on which an interchange fee is charged for that  
62 electronic payment transaction.

63       (3) A payment card network shall either:

64       (a) Deduct the amount of tax imposed from the calculation  
65 of interchange fees specific to each form or type of electronic  
66 payment transaction; or

67       (b) Rebate an amount of interchange fees proportionate to  
68 the amount attributable to the tax.

69       (4) The deduction or rebate must occur at the time of  
70 settlement when the merchant or seller is able to capture and  
71 transmit tax amounts relevant to the sale at the time of sale as  
72 part of the transaction finalization.

73       (5) If a merchant or seller is unable to capture and  
74 transmit tax amounts relevant to the sale at the time of sale,  
75 the payment card network must accept proof of tax amounts  
76 collected on sales subject to an interchange fee upon the  
77 submission of sales data by the merchant or seller, and promptly  
78 credit the merchant or seller's settlement account.

79       (6) A payment card network that violates this section is  
80 subject to a civil penalty of up to \$1,000 per violation and  
81 shall refund the surcharge to each merchant or seller.

82       Section 2. This act shall take effect July 1, 2023.