

House Bill 431

By: Representatives Jones of the 25<sup>th</sup>, Powell of the 33<sup>rd</sup>, Ridley of the 6<sup>th</sup>, Hatchett of the 155<sup>th</sup>, Corbett of the 174<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 2 of Article 15 of Chapter 1 of Title 10 of the Official Code of Georgia  
2 Annotated, the "Fair Business Practices Act of 1975," so as to provide for a limitation on  
3 interchange fees charged by payment card networks for credit or debit card transactions at  
4 retailers; to provide requirements for payment card networks in relation to such interchange  
5 fees; to provide for a civil penalty; to provide for definitions; to provide for a short title; to  
6 provide for related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

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

11 **SECTION 2.**

12 Part 2 of Article 15 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, the  
13 "Fair Business Practices Act of 1975," is amended by adding a new Code section to read as  
14 follows:

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15 "10-1-393.20.

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

17 (1) 'Credit or debit card transaction' means a purchase of goods or services by a  
18 consumer at a retailer in this state, an online purchase shipped to an address in this state,  
19 or a purchase made at a location in this state made using a credit or debit card.

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

22 (3) 'Interchange fee' means a fee established, charged, or received by a payment card  
23 network for the purpose of compensating the payment card issuer or payment card  
24 network for its involvement in a credit or debit card transaction.

25 (4) 'Payment card issuer' means a person or entity that issues a credit or debit card or  
26 such issuer's agent.

27 (5) 'Payment card network' means an entity that directly or through licensed members,  
28 third-party processors, or agents provides the proprietary services, infrastructure, and  
29 software that route information and data to conduct credit or debit card transaction  
30 authorization, clearance, and settlement. Such term includes the system a person uses in  
31 order to accept as a form of payment a brand of debit card, credit card, or other device  
32 that may be used to carry out credit or debit card transactions.

33 (6) 'Retailer' means any person, business, or entity that operates a physical or digital  
34 location in this state or that sells, supplies, or offers goods or services for sale directly to  
35 consumers and accepts credit or debit card transactions in this state.

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

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

40 (c) A payment card network shall either exclude the amount of any taxes from the  
41 calculation of interchange fees specific to each credit or debit card transaction or, on no

42 later than a quarterly basis, refund the amount of interchange fees proportionate to the  
43 amount attributable to the taxes. Nothing in this Code section obligates a payment card  
44 network to verify the accuracy or completeness of the applicable taxes at the time of sale  
45 before calculating the interchange fee specific to each credit or debit card transaction.

46 (d) If a retailer is unable or chooses not to capture and transmit the applicable taxes at the  
47 time of sale, the payment card network is not obligated to exclude taxes from the  
48 calculation of interchange fees for such retailer's credit or debit card transactions at the time  
49 of sale, and, upon receipt of proof of taxes collected by such retailer, the payment card  
50 network shall provide the refund on a quarterly basis consistent with subsection (c) of this  
51 Code section.

52 (e) A payment card network that willfully violates this Code section shall be subject to a  
53 civil penalty of any interchange fees paid by the retailer on the taxes for the goods or  
54 services provided by such retailer in a calendar year plus 10 percent.

55 (f) It shall be unlawful to alter or manipulate an interchange fee:

56 (1) By increasing the interchange fee rate that is imposed upon the portion of a credit or  
57 debit card transaction;

58 (2) That is not attributable to taxes; and

59 (3) That is imposed to circumvent the effect of this Code section."

60 **SECTION 3.**

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