

## Senate Resolution 677

By: Senators Dixon of the 45th, Goodman of the 8th, Halpern of the 39th, Gooch of the 51st, Echols of the 49th and others

## A RESOLUTION

1 Creating the Senate Credit Card Fees on State Sales and Excise Tax and Their Impact on  
2 Georgia Merchants and Consumers Study Committee; 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 SENATE:

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

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

45 (A) Four members of the Senate, designating one such member as chairperson. Two  
46 of the members shall include the chairperson of the Senate Banking and Financial  
47 Institutions Committee and the chairperson of the Agriculture and Consumer Affairs  
48 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 Senate; except that funds for the reimbursement of the  
80 expenses of state officials, other than legislative members, and state employees shall  
81 come from funds appropriated to or otherwise available to their respective agencies.

82 **(6) Report.**

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

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

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

94 (D) In the absence of an approved report, the chairperson may file with the Secretary  
95 of the Senate copies of the minutes of the meetings of the committee in lieu thereof.

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