STATE OF OKLAHOMA

2nd Session of the 60th Legislature (2026)

COMMITTEE SUBSTITUTE
FOR
SENATE BILL 1940 By: Thompson of the Senate

and

Hilbert of the House

COMMITTEE SUBSTITUTE

An Act relating to credit card transactions; defining terms; excluding certain amounts from total amount from which certain interchange fees are charged; requiring certain payment card network to deduct certain amounts from certain calculations; requiring certain payment card network to rebate certain merchant; requiring certain deduction or rebate to occur at certain time; requiring payment card network to accept certain proof and provide rebate in certain time frame; construing provisions; authorizing promulgation of rules by Attorney General; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2-711 of Title 14A, unless there is created a duplication in numbering, reads as follows:

A. As used in this section:

1. “Assessment fee” means a fee paid to the payment card network for allowing a merchant to use a payment card or other payment code or device in an electronic payment transaction;

2. “Electronic payment transaction” means a transaction in which a person uses a payment card or other payment code or device issued or approved through a payment card network to debit a deposit account or use a line of credit, whether authorization is based on a signature, personal identification number, or other means;

3. “Exempted payment card issuer” means a payment card issuer that has not held consolidated worldwide banking and nonbanking assets including assets under management of more than Fifty Billion Dollars ($50,000,000,000.00) in the preceding calendar year;

4. “Gratuity” means a voluntary monetary contribution to an employee from a guest, patron, or customer in connection with services rendered;

5. “Interchange fee” means a fee established, charged, put forward, or received by a payment card network for the purpose of compensating the payment card issuer for such issuer’s involvement in an electronic payment transaction;

6. “Merchant” means a person or entity that accepts electronic payment transactions and collects and remits a state or local tax;

7. “Payment card” means a credit card, debit card, check card, or other card, code, or device that is issued to an authorized user

to purchase or obtain goods, services, money, or any other thing of value;

8. “Payment card issuer” means a person issuing a payment card or the person’s agent;

9. “Payment card network” means an entity that directly, or through a licensed member, processor, or agent, provides the proprietary services, infrastructure, and software that route information and data to conduct payment card transaction authorization, clearance, and settlement, and that an entity uses in order to accept as a form of payment a brand of payment card that may be used to carry out debit or credit transactions;

10. “State or local tax” includes a tax imposed by this state or a unit of local government of this state; or

11. “Swipe fee” means the interchange fee and, if applicable, the assessment fee.

B. A payment card network shall not establish, charge, put forward, or receive an interchange fee, whether directly or through an agent, licensed member, processor, contract, requirement, condition, penalty, technological specification, inducement, or otherwise, if:

1. The interchange fee is or includes a percentage multiplied by the gross dollar amount of a transaction conducted with a payment card; and

2. The interchange fee does not exclude from the gross dollar amount of the transaction any amount attributable to a state or local tax or gratuity.

C. A payment card network shall with respect to each form or type of electronic payment transaction:

1. Deduct the amount of state or local tax imposed and gratuity from the calculation of interchange fees attributable to the transaction at the time of settlement; or

2. Rebate the merchant an amount equal to the amount of interchange fees attributable to the state or local tax imposed and gratuity on the transaction.

D. A deduction or rebate under this section shall occur at the time of settlement when the merchant is able to capture and transmit state or local tax amounts and gratuity relevant to the sale at the time of sale as part of the transaction finalization. If a merchant does not capture and transmit state or local tax or gratuity amounts relevant to the sale at the time of sale, then the merchant may submit to the payment card network documentation of state or local tax amounts and gratuity amounts collected on sales within one hundred eighty (180) days after the transaction finalization, and the payment card network shall accept such documentation and provide the rebate within thirty (30) days after the merchant submits the documentation.

E. Subsections B, C, and D of this section shall not be construed to apply to an interchange fee that a payment card network establishes, charges, puts forward, or receives solely for use by exempted payment card issuers.

F. Nothing in this section shall be construed to create liability for a payment card network regarding the accuracy of the tax or gratuity data reported by the merchant.

G. It shall constitute a violation of this section for a payment card issuer or a payment card network to alter or manipulate the computation and imposition of swipe fees by increasing the rate or amount of the fees applicable to or imposed upon the portion of an electronic payment transaction not attributable to state or local taxes or gratuities to circumvent this section.

H. The Attorney General may promulgate any rules necessary for the implementation of this section.

SECTION 2. This act shall become effective November 1, 2026.

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