

Bill Summary
2nd Session of the 60th Legislature

Bill No.:	SB 1940
Version:	INT
Request No.	2484
Author:	Sen. Thompson
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Bill Analysis

SB 1940 requires the amount of state and local sales tax calculated at the point of sale as well as the gratuity that is listed separately on a payment invoice or other demand for payment to be excluded from the total amount on which a swipe fee is charged for that transaction. The measure directs each payment card network to deduct such amounts from the transaction and rebate the merchant an amount equal to the amount of swipe fees attributable to the state or local tax imposed and gratuity on the transaction. Such deduction shall take place when merchant is able to capture and transmit state or local tax or fee amounts and gratuity relevant to the sale at the time of sale as part of the transaction finalization. The merchant may also provide proof of taxes paid and gratuity collected to the network. The network shall rebate the merchant within 30 days of receiving such proof.

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