

1 STATE OF OKLAHOMA

2 2nd Session of the 60th Legislature (2026)

3 COMMITTEE SUBSTITUTE
4 FOR
5 SENATE BILL NO. 1940

By: Thompson of the Senate

and

Hilbert of the House

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9 COMMITTEE SUBSTITUTE

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

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

23 SECTION 1. NEW LAW A new section of law to be codified
24 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 1. "Assessment fee" means a fee paid to the payment card
2 network for allowing a merchant to use a payment card or other
3 payment code or device in an electronic payment transaction;

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

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

13 4. "Gratuity" means a voluntary monetary contribution to an
14 employee from a guest, patron, or customer in connection with
15 services rendered;

16 5. "Interchange fee" means a fee established, charged, put
17 forward, or received by a payment card network for the purpose of
18 compensating the payment card issuer for such issuer's involvement
19 in an electronic payment transaction;

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

22 7. "Payment card" means a credit card, debit card, check card,
23 or other card, code, or device that is issued to an authorized user
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1 to purchase or obtain goods, services, money, or any other thing of
2 value;

3 8. "Payment card issuer" means a person issuing a payment card
4 or the person's agent;

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

12 10. "State or local tax" includes a tax imposed by this state
13 or a unit of local government of this state; or

14 11. "Swipe fee" means the interchange fee and, if applicable,
15 the assessment fee.

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

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

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

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

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

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

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

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

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

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

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

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

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