

April 3, 2025

Rhode Island General Assembly  
House Committee on Small Business  
Room 135, State House  
Providence, RI 02903

**RE: House Bills 5554/5582 – Related to Interchange Fees – NECSEMA Supports**

Dear Members of the House Committee on Small Business:

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience stores and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. NECSEMA members own, operate and/or supply the majority of the 550 convenience stores in Rhode Island. Our members are a significant contributor to Rhode Island's economy, employing over 8,800 people and remitting over \$750 million to the state's tax coffers annually. We play a crucial role in the state's commercial landscape, providing essential goods and services to residents, generating employment opportunities, and contributing to the overall prosperity of local communities.

Credit and debit card swipe fees are generally our members' highest operating cost after labor. These fees, which hit a new record of \$187.2 Billion last year, are far too high to absorb, especially for small businesses, and drive up consumer prices by nearly \$1,200 a year for the average family. Small businesses in Rhode Island are already struggling with continued inflation, record energy costs, and now federal tariffs which seem certain to drive up costs ever further. Many businesses are struggling to stay afloat.

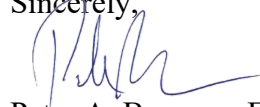
Inflation is terrible for consumers and for our businesses, but it is great for credit card companies, particularly Visa and Mastercard, because the largest part of swipe fees are charged as a percentage of the transaction amount. This calculation is especially problematic for the portions of transactions that merchants do not keep – taxes and tips. For both taxes and tips, our stores are not keeping any portion of those funds, we are remitting it to either the state/local government or the tipped worker. However, a portion of the collected tip/tax money has already been skimmed off the top by the credit card companies during the transaction. Our stores cannot afford to go into their pockets to make the government or their employees whole.

House Bills 5554 and 5582 both seek to address this injustice with common sense solutions, and we would respectfully request that the Committee on Small Business give these

bills a favorable recommendation. While this legislation won't solve all the problems inherent in the swipe fee market, it will at least mitigate some of the harm done to retailers on each transaction, which will ultimately drive prices down for your constituents.

Please don't hesitate to contact me if you have any questions or concerns. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Brennan', with a stylized flourish extending to the right.

Peter A. Brennan, Esq