

March 23, 2026

The Honorable Robert Britto
Chair, Senate Commerce Committee
82 Smith Street
Providence, RI 02903

Chairman and Members of the Committee,

My name is Kevin Durfee, the owner of George's of Galilee restaurant located in Narragansett. I strongly support S 2344. Like many hospitality businesses in Rhode Island, we operate on thin margins while facing rising costs for food, labor, rent, insurance, and utilities. At the same time, most of our customers now pay with credit cards. As a result, swipe fees are one of our fastest-growing operating expenses.

Currently, swipe fees are charged on the **entire transaction amount**, including:

- State and local sales taxes that we are required to collect and remit to the state; and
- Gratuities that guests voluntarily leave for our employees.

These funds are not revenue to our business. We do not keep sales tax or gratuities. Sales tax is remitted to the state, and gratuities are given directly to our service staff but we pay percentage-based interchange and assessment fees on those amounts as if they were part of our sales.

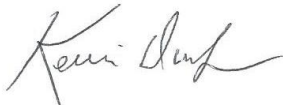
S 2344 would simply require that separately listed taxes and gratuities be excluded from the swipe fee calculation. It does not cap interchange rates or regulate overall pricing. It ensures that businesses are not charged fees on money that does not belong to them.

Our point-of-sale systems already itemize taxes and gratuities separately, so this reform aligns with existing business practices.

For small hospitality operators, the savings from this change would be meaningful and could be reinvested in wages, improvements, and price stability for our guests.

I respectfully urge you to support S 2344.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin Durfee". The signature is fluid and cursive, written over a white background.

Kevin Durfee
401 559 6272