



March 24, 2026

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

Chairman and Members of the Committee,

My name is Bob Bacon, and I am the Owner of Gregg's Restaurants and Taverns in Warwick, East Providence, Providence and North Kingstown. I am writing to express my strong support for 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, and gratuities are passed directly to our staff. Yet 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.



The savings from this measure would be approximately \$150,000 for my company. This would help to offset the many increases in our cost of doing business. Wages, energy costs, healthcare insurance and property taxes are just a partial list of specific costs that continue to rise every year. Offsetting these costs would have a direct effect on our ability to continue to offer our goods and services at prices that the people in the communities we serve can afford.

I respectfully urge you to support S 2344.

Sincerely,

A handwritten signature in dark ink, appearing to read "Bob Bacon", is written below the word "Sincerely,".

Bob Bacon
Gregg's Restaurants and Taverns Owner