

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 Zach Pierce, and I am the General Manager of Perro Salado in Rhode Island. 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. 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,
Zach Pierce
General Manager
Perro Salado
Newport, RI