

From: [VISHAL MODI](#)
To: [SLegislation](#)
Subject: SUPPORT - S2344, S2522 - COMMERCE
Date: Saturday, March 21, 2026 10:39:08 AM

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S2344, S2522 - SUPPORT

Chairman Britto and Members of the Committee,

I am writing to express my strong support for S2344 & S2522.

Like many small businesses in Rhode Island, we operate on thin margins while facing rising costs for goods, labor, rent, insurance, and utilities. The vast majority of our customers pay with credit cards. As a result, swipe fees are one of our fastest-growing and largest operating expenses.

Currently, swipe fees are charged on the entire transaction amount, which for my business includes sales taxes that we are required to collect and remit to the state.

These funds are not revenue to our business; we do not keep sales tax. Yet we pay percentage-based interchange and assessment fees on those amounts as if they were part of our sales. To put it in perspective, for every \$100 charged on a credit card, a retailer only collects roughly \$97. However, when the tax bill is due to the State, a retailer must remit the entire amount of \$100, costing Rhode Island's small businesses roughly 3%.

S2344 & S2522 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 separately, so this reform aligns with existing business practices. For small, family-owned and operated businesses, the savings from this change would be meaningful and could be reinvested in wages, infrastructure improvements, and price savings for our customers.

I respectfully urge you to support S2344 & S2522.

Vishal Modi