



RHODE ISLAND LIQUOR OPERATORS COLLABORATIVE

REPRESENTING RHODE ISLAND'S INDEPENDENT LIQUOR RETAILERS

S2344, S2522 - SUPPORT

24 March 2026

Dear Chairman Britto and Committee Members:

The Rhode Island Liquor Operators Collaborative supports Senate Bills 2344 and 2522.

Over the last two decades, credit card processing fees have grown to become one of the costliest expenses to retailers across the United States. This problem impacts anyone who processes credit cards; from your local bookstore, to your single-practitioner chiropractor, to your favorite wine shop, and even your large big box retailers like Walmart. Credit card companies, year in and year out, increase interchange fees to retailers, which, in turn, increases prices to consumers. Credit card companies in the United States charge fees in excess of 3% to small retailers, whereas in Europe swipe fees are capped at 0.3%. **It is 10 times costlier for a retailer in the United States to accept credit cards than our counterparts in Europe.**

In Washington, Senators Dick Durbin (D-IL) and Roger Marshall (R-KS) have championed the bipartisan Credit Card Competition Act, which addresses these rising costs. Senator Durbin held a Senate Judiciary hearing in November 2024, which featured witnesses from Visa and Mastercard, as well as individuals from the retail community. Co-sponsors Josh Hawley (R-MS) and Pete Welch (D-VT) contributed impassioned remarks during the hearing, attacking the predatory behavior of credit card companies. Senator Jack Reed (D-RI) was also a co-sponsor on the legislation. The Credit Card Competition Act was re-introduced in January 2026 and has received bipartisan support in Congress, as well as from the Executive branch.

While we patiently push for reform in Washington, we support legislation that addresses our immediate needs here and now. When a retailer collects sales tax on behalf of the State of Rhode Island and a consumer uses a credit card for payment, swipe fees are incurred on the retailer. 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%. As consumers now rely more heavily on credit card use in lieu of using cash, this results in higher shelf prices or surcharges to consumers, in an effort for retailers in all sectors to make ends meet.

The enactment of this legislation is at a zero cost to the State of Rhode Island; it simply disallows credit card networks from charging interchange fees on sales tax collection and tips. Retailers can then act as a true pass-through entity when collecting these funds on behalf of the State of Rhode Island, creating less burden on Rhode Island's small business community.

Sincerely,

Nicholas A. Fede, Jr.

Executive Director

Rhode Island Liquor Operators Collaborative