

March 24, 2026

Senator Robert Britto, Chair  
Senate Committee on Commerce  
State House  
Providence, RI 02903

***RE: Senate Bill 2344 & 2522 – Related to Interchange Fees – NECSEMA Supports  
Senate Bill 2643 – Digital Coupons – NECSEMA Opposes***

Dear Members of the Senate Committee on Commerce:

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience stores and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. NECSEMA members own, operate and/or supply the majority of the 550 convenience stores in Rhode Island. Our members are a significant contributor to Rhode Island's economy, employing over 8,800 people and remitting over \$750 million to the state's tax coffers annually. We play a crucial role in the state's commercial landscape, providing essential goods and services to residents, generating employment opportunities, and contributing to the overall prosperity of local communities.

*Senate Bill 2344 & 2522 – Related to Interchange Fees – NECSEMA Supports*

Credit and debit card swipe fees are generally our members' highest operating cost after labor. These fees, which hit a new record of \$187.2 billion last year, are far too high to absorb—especially for small businesses—and drive up consumer prices by nearly \$1,200 a year for the average family. Small businesses in Rhode Island are already struggling with continued inflation, record energy costs, and federal tariffs that are driving costs even higher. Many businesses are operating on razor-thin margins and are struggling to stay afloat.

Inflation is terrible for consumers and for our businesses, but it is beneficial for credit card companies, particularly Visa and Mastercard, because the largest portion of swipe fees are charged as a percentage of the total transaction amount. That calculation becomes especially problematic when applied to portions of a transaction that do not belong to the merchant—specifically sales taxes and gratuities.

These bills address this inequity by prohibiting the assessment of interchange fees on the portion of a transaction attributable to taxes and gratuities. When our stores collect sales tax, those funds are held in trust for the State of Rhode Island. Likewise, gratuities belong to the employees who earned them. In neither case does the retailer retain those funds as revenue. Yet under the current system, credit card companies take a percentage of those amounts before the business can remit them to the state or distribute them to employees.

Our members should not be forced to pay swipe fees on money they never keep. Nor should tipped employees see a portion of their earnings diverted to multinational card networks. This legislation provides a common-sense correction to this distortion in the marketplace.

While this legislation will not solve all the problems inherent in the swipe fee system, it represents a meaningful step toward fairness and transparency. By eliminating interchange fees on taxes and gratuities, the General Assembly can:

- Reduce unnecessary operating costs for Rhode Island's small businesses;
- Protect the full value of tips earned by service workers;
- Ensure that 100 percent of sales tax collected is remitted without penalty; and
- Help mitigate upward pressure on consumer prices.

For these reasons, NECSEMA respectfully requests that the Senate Committee on Commerce give Senate Bills 2344 & 2522 a favorable recommendation.

*Senate Bill 2643 – Digital Coupons – NECSEMA Opposes*

While we appreciate the intent of S. 2643 to improve consumer access to discounts, the legislation imposes significant operational, technological, and financial burdens on retailers without fully accounting for the realities of modern retail systems and pricing structures.

S. 2643 would require retailers offering digital coupons to provide equivalent discounts through alternative in-store methods, such as paper coupons, kiosks, or manual application at the point of sale. While this may appear straightforward, in practice it introduces substantial complexity.

Retailers, particularly small convenience stores, rely on integrated digital systems that are often managed at the corporate or supplier level. Requiring parallel systems for every digital promotion would necessitate new hardware, employee training, store redesign, and ongoing administrative oversight. These are costs that many small businesses simply cannot absorb.

For these reasons, NECSEMA respectfully urges the Committee to oppose S. 2643. While well-intentioned, the bill would create unintended consequences that harm both retailers and consumers by increasing costs, reducing available discounts, and complicating in-store operations.

Please do not hesitate to contact me if you have any questions or would like additional information. Thank you for your consideration.

Sincerely,



Peter A. Brennan, Esq