

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 Damian Santoro, and I am the owner of We Sell Restaurants, specializing in restaurant sales and valuations here in Rhode Island. Through my work, I regularly work with restaurant owners across the state and have a front-row view into the financial realities they are facing. I am writing to express my strong support for S 2344.

Rhode Island's restaurant industry is under significant pressure. Operators across the state are dealing with persistently thin margins while facing rising costs for food, labor, rent, insurance, and utilities. These challenges are not isolated, they are consistent across nearly every restaurant I evaluate or bring to market. Increasingly, one of the most overlooked but rapidly growing expenses is credit card swipe fees.

Because the vast majority of transactions today are cashless, these fees have become a significant and unavoidable cost. Importantly, swipe fees are currently charged on the entire transaction amount, including:

- State and local sales taxes that businesses are required to collect and remit; and
- Gratuities that customers voluntarily leave for employees.

From my vantage point, working with buyers and sellers, this is a consistent pain point. These funds are not revenue to the business. Sales tax is passed directly to the state, and gratuities go to employees. Yet operators are still paying percentage-based fees on those amounts as if they were income.

S 2344 offers a straightforward and practical fix. By excluding separately stated taxes and gratuities from swipe fee calculations, the bill ensures that restaurants are not charged fees on money that does not belong to them. It does not regulate interchange rates or pricing, it simply corrects how those fees are applied.

This change would have a meaningful impact across the industry. In my work valuing and selling restaurants, even small improvements in cost structure can be the difference between a business surviving, reinvesting, or closing its doors. This reform would help stabilize operators and make Rhode Island restaurants more financially viable.

I respectfully urge you to support S 2344.

Sincerely,
Damian Santoro
Owner
We Sell Restaurants
Lincoln, Rhode Island