

**DR** Rhode Island Department of Revenue  
Division of Taxation

*Via Electronic Mail*

March 24, 2026

The Honorable Robert Britto  
Chair, Senate Committee on Commerce  
Rhode Island State House  
Providence, RI 02903

**RE: Letter Regarding Senate Bill 2522 – An Act Relating to Commercial Law – General Regulatory Provisions – Interchange Fee Restriction Act**

Dear Chair Britto:

I am writing on behalf of the Rhode Island Department of Revenue, Division of Taxation (“Division”), to: i) express concerns regarding issues with proposed Senate Bill 2522 as currently drafted; ii) explain the background and current statutory context in order to clarify the intended and unintended consequences of this bill; and iii) make recommendations and request your support in implementing those recommendations.

This letter is not intended as a position in support of or opposition to the bill, but only as recommendations on drafting to provide clarity in the bill and to aid tax administration and compliance.

As you know, this bill would add Chapter 26.2 to Title 6 (Commercial Law – General Regulatory Provisions), entitled “Interchange Fee Restriction Act,” to, as set forth in its legislative explanation, “prohibit[] interchange fees on sales and use tax or excise tax when payment is made with a credit or debit card.” The bill is set to be effective upon passage.

The bill as drafted may have unintended impacts in relation to tax administration due to the broadness of its definitions, and potential interpretations of those definitions, as well as the expansive application to sales and use and excise taxes. The definition of “processor,” which includes “an entity that facilitates...billing, transfer, payment procedures, or settlement with respect to any electronic payment transaction[.]” may encompass state agencies and may consequently impact tax collections where payments are made through an electronic process. Neither sales and use tax nor excise tax are defined, but these taxes can include a wide variety and number of taxes, including motor fuel, hotel, and meals and beverage, among others. It is also not clear whether the Processor will have the ability to determine whether the transaction is for taxes or other fees and the interplay between the mandates in this bill and federal requirements related to credit card transactions.

Further, the interplay between businesses and those prohibited from charging interchange fees could result in challenges for businesses that will reduce tax collections and negatively impact tax

administration. Finally, the Division suggests a prospective effective date of at least ninety (90) days to allow sufficient time for all stakeholders to accommodate implementation of the bill's prohibition.

The Division takes no position with respect to the remainder of the proposed legislation. Rather, the Division is concerned solely with the issues of clarity, tax compliance, and tax administration. As such, the Division respectfully suggests that the bill be redrafted for clarity.

I look forward to working with you to address the issues raised in this letter and appreciate your consideration.

Very truly yours,



Neena S. Savage  
Tax Administrator

cc: The Honorable Members of the Senate Committee on Commerce (via: [SLegislation@rilegislature.gov](mailto:SLegislation@rilegislature.gov))  
The Honorable John P. Burke (via: [sen-burke@rilegislature.gov](mailto:sen-burke@rilegislature.gov))  
Kristen Silvia, Deputy Chief of Staff/Director of Legislation  
Jane E. Cole, Interim Director, Department of Revenue