



Mid-Atlantic Petroleum Distributors Association
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TO: House Economic Matters Committee

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: January 21, 2025

RE: **HOUSE BILL 29** – Electronic Payment Transactions – Interchange Fees – Calculation and Use of Data

On behalf of Maryland’s convenience store marketers and energy distributors, MAPDA urges the committee to issue a favorable report on HB29.

This legislation would allow a merchant to request a bank or credit card processor to exempt the amount of sales tax in an electronic payment transaction from the amount on which an interchange fee is charged.

An “interchange fee” – commonly known as a swipe fee – is the fee charged by a bank or credit card processor for its involvement in the payment process.

Convenience stores process approximately 16 million transactions a day, most of which are on payment cards. The swipe fees charged to retailers every time a card is used in their stores is the 2nd highest operating cost for the industry.

Passing HB29 is about fairness. When a customer uses a credit card in a store, the bank that issued the card collects a swipe fee from the retailer off the total amount, including the sales tax. However, the tax portions are not funds that the retailer pockets but fully remits to state or local government. This means retailers must go into their own pockets to make up for the taxes that the credit card industry takes away from them during the transaction process.

Thank you for your consideration. We urge the Economic Matters Committee to issue a **FAVORABLE COMMITTEE REPORT** on HB29.

Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.