



NFIB-Maryland – 60 West St., Suite 101 – Annapolis, MD 21401 – www.NFIB.com/Maryland

TO: House Economic Matters Committee

FROM: NFIB – Maryland

DATE: January 21, 2025

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

Founded in 1943, NFIB is the voice of small business, advocating on behalf of America's small and independent business owners, both in Washington, D.C., and in all 50 state capitals. With more than 250,000 members nationwide, and nearly 4,000 here in Maryland, we work to protect and promote the ability of our members to grow and operate their business.

On behalf of Maryland's small businesses, NFIB supports House Bill 29 – legislation that 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.

Small business owners operate on thin profit margins, which have been increasingly cut into in recent years as credit card "swipe fees" have increased. Small businesses do not have the market power to negotiate with large credit card companies on "swipe fees", so legislation like HB29, which offers a bit of relief, is welcome news.

Removing the sales tax from "swipe fees" also ensures customers are not indirectly paying extra for using their credit cards. It is a win-win for small businesses and their customers.

For these reasons, **NFIB supports HB29** and requests a favorable committee report.