



**Senate Bill 1460, An Act Concerning Interchange
Fees on Electronic Payment Transactions**
Finance, Revenue and Bonding Committee
April 2, 2025

The Connecticut River Valley Chamber of Commerce (CRVCC) represents the collective interests of more than 550 member companies and businesses serving Glastonbury, East Hartford, Hebron and Marlborough. CRVCC members employ thousands of workers across every sector of the economy in the Greater Hartford area; they support public policies that foster a strong economic climate and enhance a regional business environment. The Chamber is a thriving community of business leaders, entrepreneurs, and organizations dedicated to driving growth and success in the Connecticut River Valley.

Senate Bill 1460 prohibits payment card networks from including sales and use taxes in the calculation of interchange fees (credit card swipe fees) on credit card transactions.

CRVCC supports Senate Bill 1460 and urges the Finance Committee to **approve the bill**. Unreasonable and burdensome credit card swap fees impose a significant cost for many members, small businesses and their customers.

One of the most significant and uncontrollable costs faced by CRVCC members are ever-increasing credit card swipe fees charged by major card networks and their partner banks. These fees have more than doubled over the past decade and now represent one of the highest operating expenses – second only to labor – for many small businesses, including retailers, stores and restaurants.

The fees are particularly burdensome to small businesses that are operate on slim margins; they work every day to keep prices competitive while providing high-quality service in our communities.

The fees are non-negotiable: every time a customer swipes a credit or debit card, the business is charged a fee that cuts into already-thin margins. In 2023 alone, U.S. merchants paid approximately \$143 billion for interchange fees, according to CMSPI; families paid an average of \$1,102 in swipe fees that year, according to the Merchants Payments Coalition. They are assessed not only on the cost of goods but also on the sales taxes businesses are required to collect and pay to the state. Thus, CRVCC member businesses are charged a fee to remit tax revenue to the government, which is an inequitable and unnecessary added expense.

However, the fees directly impact consumers and workers in the form of increased prices when added costs are passed onto consumers, fewer or reduced services, or fewer employee hours.

Independent small businesses cannot absorb these costs. They operate on razor-thin margins and have fewer options to offset the financial strain. The excessive fees threaten the ability of small businesses to compete, employ workers, and serve their customers. The legislature can support and preserve Connecticut's small businesses by addressing excessive credit card swipe (interchange) fees that threaten their ability to survive and compete.

The bill is crucial to addressing this issue by prohibiting credit card companies from applying swipe fees to state and local taxes. This common-sense measure ensures small businesses are not paying fees on money that isn't even theirs to keep. It will help level the playing field for small, independent businesses and provide much-needed relief from these excessive costs.

While SB 1460 won't eliminate the burden of credit card swipe fees entirely, it is a meaningful step toward fairness and transparency in credit card transactions.

Accordingly, CRVCC respectfully urges the committee to provide relief to small businesses and consumers across Connecticut and **approve Senate Bill 1460**.

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