**Subject Line:** Vote No on Swipe Fee Legislation

Dear Representative \_\_\_\_\_;

We urge you to oppose legislation that would prohibit interchange fee/swipe fees on the sales, use and excise tax (sales tax) portion of a transaction when a retailer chooses to accept a debit/credit card for payment.

The proposal, discussed in a December hearing and being prepared for introduction, essentially seeks to allow retailers to use the electronic payment card network to provide services (collection of taxes) free of charge. Implementation of such a proposal would harm small businesses, raise serious privacy concerns for consumers, and threaten the dynamic electronic payment system.

Under this bill, merchants could be forced to collect the sales tax as a separate transaction, essentially requiring two transactions for every taxable sale. This would force consumers to pay the sales tax portion via cash or check. Merchants also would send payment companies additional information about a person’s shopping habits, creating an enormous consumer privacy issue.

Should this proposal be enacted, both merchants and consumers would be negatively impacted. Merchants would need new, yet-to-be developed, specialized terminals and software to itemize and communicate segmented data to the card networks at the time of sale. This would especially burden small businesses that do not have sufficient volume to offset the costs of any new system, while the largest corporate mega-stores stand to pocket billions in savings.

This proposal would disrupt a nationwide system designed for interoperability nationwide, at tremendous cost for one state to solely benefit mega-stores that stand to profit handsomely from the change.

We urge you once again to support small businesses and safeguard consumers by opposing changes to the interchange system and avoiding credit card chaos in Pennsylvania.

Sincerely,