

By: Representatives Roberson, Hopkins,
Arnold, Eubanks

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 735

1 AN ACT TO CREATE THE "RETAILER TAX FAIRNESS ACT"; TO DEFINE
2 CERTAIN TERMS RELATING TO ELECTRONIC PAYMENT TRANSACTIONS; TO
3 PROVIDE THAT THE AMOUNT OF ANY STATE AND LOCAL TAXES THAT ARE
4 COLLECTED THROUGH AN ELECTRONIC PAYMENT TRANSACTION SHALL RESULT
5 IN A CREDIT TO THE MERCHANT OR SELLER FOR ASSOCIATED FEES; AND FOR
6 RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** This act shall be known and may be cited as the
9 "Retailer Tax Fairness Act."

10 **SECTION 2.** For purposes of this act, the following words
11 shall have the meanings as defined in this section, unless the
12 context clearly requires otherwise:

13 (a) "Credit card" means any card, plate, coupon book,
14 or other credit device existing for the purpose of obtaining
15 money, property, labor, or services on credit.

16 (b) "Debit card" means any card, or other payment code
17 or device, issued or approved for use through a payment card
18 network to debit an asset account, regardless of the purpose for
19 which the account is established, whether authorization is based
20 on signature, personal identification number, or other means. The



21 term "debit card" includes a general-use prepaid card, as defined
22 in 15 USC Section 16931-1(a)(2)(A), and does not include paper
23 checks.

24 (c) "Electronic payment transaction" means a
25 transaction in which a person uses a debit card, credit card, or
26 other payment code or device, issued or approved through a payment
27 card network to debit a deposit account or use a line of credit,
28 whether authorization is based on a signature, personal
29 identification number, or other means.

30 (d) "Interchange fee" means a fee established, charged,
31 or received by a payment card network for the purpose of
32 compensating the issuer for its involvement in an electronic
33 payment transaction.

34 (e) "Issuer" means any entity issuing a debit card or
35 credit card, or the issuer's agent.

36 (f) "Payment card network" means an entity that:

37 (i) Directly, or through licensed members,
38 processors, or agents, provides the proprietary services,
39 infrastructure, and software that routes information and data to
40 conduct debit card or credit card transaction authorization,
41 clearance, and settlement; and

42 (ii) A merchant or seller uses in order to accept
43 as a form of payment a brand of debit card, credit card, or other
44 device that may be used to carry out debit or credit transactions.



45 (g) "Settlement" means the transfer of funds from a
46 customer's account to a seller or merchant upon electronic
47 submission of finalized sales transactions to the payment card
48 network.

49 **SECTION 3.** Each merchant or seller collecting state taxes
50 and/or local taxes shall be entitled to a credit against such
51 state taxes and/or local taxes, respectively, equal to the product
52 of the state taxes and local taxes collected from a purchaser in
53 any electronic payment transaction for which such merchant or
54 seller pays or is charged an interchange fee multiplied by two and
55 one-half percent (2 1/2%).

56 For purposes of this section, the term "state taxes" includes
57 the amount of any taxes imposed under Chapter 65, Title 27,
58 Mississippi Code of 1972, as amended, and the amount of all state
59 taxes imposed under Sections 27-55-11, 27-55-519, 27-59-11,
60 49-17-407 and 65-33-47.

61 For purposes of this section, the term "local tax" includes
62 any tax levied and collected under the authority of any local and
63 private law of the State of Mississippi upon hotels, motels,
64 restaurants or otherwise.

65 **SECTION 4.** This act shall take effect and be in force from
66 and after July 1, 2023, and shall stand repealed on June 30, 2023.

