

By: Representatives Roberson, Hopkins,  
Arnold, Eubanks

To: Ways and Means

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.

