



Testimony in Support of House Bill 2133
Mr. Daniel Murray
Kansas State Director, National Federation of Independent Business

House Committee on Financial Institutions & Pensions
January 3, 2023

Chairman and members of the committee, I am pleased to submit testimony in strong support of HB2133 on behalf of NFIB Kansas. NFIB Kansas is the leading small business organization in Kansas representing small and independent businesses. A non-profit, nonpartisan organization founded in 1943, NFIB Kansas represents the consensus views of its almost 4,000 members in Kansas.

This bill would repeal the prohibition on imposing a surcharge on payments made by credit or debit cards. NFIB Kansas supports HB2133 because it allows our small retailers the flexibility to collect a surcharge helping to cover their troublesome credit and debit card fee expenses. With a growing public acceptance and usage of cards, we have seen a noticeable shift from cash to credit and debit cards, steadily increasing the burden of Kansas' surcharge prohibition. One study shows that 86% of consumers use credit and debit cards and that cards are used for 60% of transactions from \$10 to \$100.

Kansas is one of a handful of states (KS, CO, MA, CT) that still prohibit credit card surcharges. This bill would provide parity to Kansas retailers relative to their peers in most other states. Further, HB2133 brings fairness within our state borders. Currently, Kansas state and local units of government are permitted to collect surcharges on credit and debit card payments on the taxes, fees and utility payments that residents pay. This preferential treatment of government over small businesses should concern us all.

Finally, while we are on the subject of retail transactions and associated costs to retailers, we couldn't pass up the opportunity to bring to your attention another important issue to our small business owners. Kansas retailers are required to collect and remit state and local sales taxes to the Department of Revenue. This onerous mandate comes at a cost to our retailers, [particularly our small businesses](#), in both time and technology. Yet, our small businesses are not compensated for serving as the tax man for the state. Many states provide a vendor compensation allowance to retailers, allowing them to retain a percentage of the revenue collected as compensation for their administrative costs. In the future, we hope this committee will consider adopting this policy in Kansas.

Thank you for your consideration of our comments, and we strongly urge you to vote HB2133 favorably for the passage.