

NY CLS Gen Bus § 518

§ 518. 1.* Credit card surcharge notice requirement.

Any seller in any sales transaction imposing a surcharge on a customer who elects to use a credit card in lieu of payment by cash, check, or similar means shall clearly and conspicuously post the total price for using a credit card in such transaction, inclusive of surcharge, provided however, any such surcharge may not exceed the amount of the surcharge charged to the business by the credit card company for such credit card use. The final sales price of any such sales transaction, inclusive of such surcharge, shall not amount to a price greater than the posted price for such sales transaction. Nothing in this subdivision shall be deemed to prohibit merchants from offering a two-tier pricing system. For the purposes of this section, "two-tier pricing system" shall mean the tagging or posting of two different prices in which the credit card price, inclusive of any surcharge, is posted alongside the cash price.

2. Any seller who violates the provisions of this section shall be liable for a civil penalty, recoverable in an action or proceeding brought in a court of competent jurisdiction not to exceed five hundred dollars for each such violation. The provisions of this subdivision may be enforced concurrently by the director or commissioner of a municipal consumer affairs office, or by the town attorney, city corporation counsel, or other lawful designee of a municipality or local government, and all moneys collected thereunder shall be retained by such municipality or local government.



Credit Card Surcharge Guidance

Starting February 11, 2024, there is new guidance for New York State businesses when charging an additional fee to customers paying with a credit card. (NYS GBS § 518)

What does this mean for New Yorkers?

A business has the option of passing along the actual cost of credit card processing fees as a surcharge to customers, but they must be transparent by displaying the **highest total price** (excluding sales tax).

LEGAL

A business can:



Clearly display **BOTH** the Credit Card and the Cash Price.



List the **HIGHER** Credit Card price and advertise a **DISCOUNT** for Cash purchases.



Use the **SAME PRICE** for both Cash and Credit Card purchases.

ILLEGAL

A business cannot:



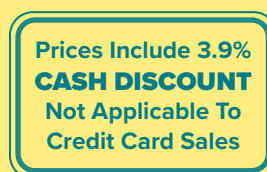
Put a **SIGN ON THE WALL OR AT THE REGISTER** that notifies a fee is applied to all credit card sales.



Charge **SEPARATE LINE ITEMS**:

- convenience fee,
- service fee,
- administration fee,
- non-cash adjustment,
- technology fee,
- processing fee,

etc., to credit card users on a customer receipt only, without clearly posting the total price prior to purchase.



Advertise that all **PRICES INCLUDE A CASH DISCOUNT** that **does not** apply to credit card purchases.



Include a **CREDIT CARD SURCHARGE WARNING** on the item price tag.

If you have questions about the law, want to see more examples, or are not sure you are following the law correctly, please visit our website at dos.ny.gov/CreditCardSurcharge or contact us at: **(800) 697-1220**



Credit Card Surcharge Violations

Starting February 11, 2024, there is new guidance for New York State businesses when charging an additional fee to customers paying with a credit card. (NYS GBS § 518)

ILLEGAL

A business cannot:

4%

CREDIT CARD PROCESSING FEE

Put a **SIGN ON THE WALL OR AT THE REGISTER** that notifies a fee is applied to all credit card sales.

All prices reflect cash payments, all card payments have a 3.99% processing fee

ILLEGAL

A business cannot:

Charge **SEPARATE LINE ITEMS**:

- convenience fee,
- service fee,
- administration fee,
- non-cash adjustment,
- technology fee,
- processing fee,

etc., to credit card users on the customer receipt only, without clearly posting the total price prior to purchase.

SUBTOTAL\$49.46

PROCESSING FEE\$1.98

TAX 8.0%\$4.12

TOTAL\$55.55

123456789012

RECEIPT #12345

Thank you for your purchase

ILLEGAL

A business cannot:

Prices Include 3.9% CASH DISCOUNT Not Applicable To Credit Card Sales

Advertise that all **PRICES INCLUDE A CASH DISCOUNT** that **does not** apply to credit card purchases.

PAY WITH CASH AND SAVE

This business has a 3.99

Cash Discount incentive built into all pricing.

CASH DISCOUNT NOTICE

Any purchase made with a credit or debit card will not receive the Cash Discount and a non-cash adjustment will be displayed on your receipt.

Thank you for your Patronage!

NOTICE

This business has a 4% Cash Discount incentive built into all pricing

Any purchase made with a credit or debit card will not receive the Cash Discount and an adjustment in cost will be displayed on your receipt

Thank you for your patronage

Cash Discount Services

ATTENTION VALUED CUSTOMERS:

This business has a 3.5% Discount pre-priced into all items and services. Any purchase made with a Credit or Debit Card will remove the discount and be displayed as a Non-Cash Charge on your receipt.

NO ADDITIONAL DISCOUNT WILL BE APPLIED TO CUSTOMERS PAYING IN CASH.

ILLEGAL

A business cannot:

HOT SALE!!!

29.99 +4% FEE IF PAYING WITH CREDIT CARD

Include a **CREDIT CARD SURCHARGE WARNING** on the price tag or menu.

DUE TO COVID-19 EFFECTS, THERE WILL BE A 3% SURCHARGE FEE FOR CREDIT CARD PAYMENT.

If you have questions about the law, want to see more examples, or are not sure you are following the law correctly, please visit our website at dos.ny.gov/CreditCardSurcharge or contact us at: **(800) 697-1220**

Department of State
Consumer Protection

Kathy Hochul, Governor

1/24

Robert J. Rodriguez, Secretary of State