



## **FOR IMMEDIATE RELEASE**

### **Legislation Threatens to Throw Pa.'s Payments System into Chaos**

*Proposal would disrupt everyday transactions, make life less affordable and more inconvenient for consumers and small businesses*

**HARRISBURG, Pa. (Feb. 2, 2026)** – A statewide coalition of community banks and credit unions said legislation that would upend how credit and debit transactions are processed would disrupt a system that is the backbone of modern commerce, causing chaos for small business and consumers.

The measure ([H.B. 2090](#)) has moved from [co-sponsorship memo](#) to introduction to a full committee vote in only a week, without public engagement or stakeholder input. The House Finance Committee is scheduled to take up the bill on Wednesday.

With businesses and consumers overwhelmingly relying on electronic payments for security, convenience and efficiency, this proposal — which prohibits interchange from being applied to sales tax — would cause chaos by making Pennsylvania an island in the global payment system. No jurisdiction on the planet calculates credit and debit card transactions in the manner required in H.B. 2090.

“This legislation would disrupt a payment system that works — raising costs, reducing competition, and placing new burdens squarely on the backs of small businesses and consumers. By carving out Pennsylvania from the global payments network, it risks siphoning investment out of local communities and making life less affordable and more inconvenient for families and small businesses,” said Duncan Campbell, President & CEO of the PA Bankers Association.

“Interchange is what makes secure electronic payments and consumer rewards possible. If interchange is reduced, as this measure proposes, consumers will feel it directly — in their wallets and in their loss of convenience and privacy — while undermining the investments credit unions make in the communities they serve,” said Patrick Conway, President & CEO of CrossState Credit Union Association.

“This proposal makes it harder for small businesses to compete. Local merchants would face operational headaches and new expenses, if they could even afford to comply, and corporate mega-stores would benefit,” said Kevin Shivers, President & CEO of the Pennsylvania Association of Community Bankers.

Similar legislation is being pushed in states across the country by corporate mega-stores. In 2025, these bills were defeated in 26 jurisdictions and passed nowhere. If these companies avoid paying the full cost of card processing, they stand to pocket millions — and consumers and small businesses pay the price.

Additionally, H.B. 2090 likely would be pre-empted by federal law and may not withstand legal scrutiny. A recent court ruling involving similar legislation in Illinois suggests such laws may apply only to state-chartered institutions, leaving national banks unaffected. That kind of uneven application would penalize community banks and credit unions deeply invested in serving Pennsylvania communities.

Consumers and small businesses are hurt the most.

Many small businesses will be forced to spend thousands of dollars upgrading point-of-sale systems and rework their accounting practices. This could include running separate transactions for the cost of goods and sales tax or collecting sales tax by cash or check.

Consumers would face new burdens, including longer checkout times, reduced privacy, fewer credit card rewards, or having to pay sales tax by cash or check. Because interchange revenue supports fraud protection, transaction security, and consumer rewards programs, reducing interchange would likely mean fewer points, miles, and cash-back benefits.

The coalition urges lawmakers to slow down the legislative process, fully examine the consequences of H.B. 2090, and reject proposals that make life more inconvenient and less affordable for consumers and small businesses.

For more information about the issue, visit <https://guardyourcard.com/pennsylvania>.

###