



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

LETITIA JAMES
ATTORNEY GENERAL

DIVISION OF REGIONAL AFFAIRS
NASSAU REGIONAL OFFICE

March 20, 2024

Re: Our File Number: 24-011
Subject: Credit Card Surcharge

Dear [REDACTED]

We have received your inquiry regarding the practice of merchants adding an additional charge or fee to the bill of customers who elect to pay with a credit card.

Under a consumer protection law that went into effect on February 11, 2024, merchants in New York can charge different prices for cash and credit card transactions. Merchants may now offer discounts for payment with cash, while charging those consumers paying with a credit card a higher price. However, the law permits a merchant to charge a higher price to credit card users only if that price is posted in total dollars-and-cents. Merchants may not simply post that they are adding a surcharge or additional fee, or that there will be a percentage added to the bill, which would require customers to do mathematical calculations. And they may not list or provide a receipt that lists the cash price plus an additional price listed that is either a percentage amount or additional, line item charge. As long as the total dollars-and-cents price charged for credit card purchases is posted, merchants may refer to the price as a "surcharge" or use words such as "additional fee" or "extra cost" to communicate to customers that the credit card price is higher than the cash price.

In addition, merchants can choose either to solely display the higher credit card price for the products or services they sell or list both the credit card price and the lower cash price for the items. The law also prevents merchants from charging customers more in surcharges than what the business is charged by the credit card processing companies. Finally, the credit card surcharge law does not apply to debit cards.

We are advising merchants of their obligations under the law and that if they violate the law they may be liable for penalties of up to \$500 for each violation.

Very truly yours,

James Sfiroudis

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Bureau of Consumer Frauds and Protection