

2026 EDITION

Your State-by-State **Surcharging** Guide

Updated October 2026

IntelliPay

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utilities since 2004.



How to Use This Guide

This guide covers the state laws that sit on top of the card network rules. Use it to check where you can surcharge, how much you can charge, and what you have to post before a customer pays. If you sell online into other states, plan around the strictest state you sell into.

For the bigger picture, including how surcharging compares to dual pricing, cash discounts, convenience fees, and service fees, see [Is It Legal to Pass Credit Card Fees to Customers?](#) on [intellipay.com](#).

What Changed Since the October 2025 Edition

- **Oklahoma** repealed its ban on November 1, 2025. Surcharges are now capped at 2% or your actual cost, whichever is lower.
- **Louisiana** banned debit card surcharges by state law on August 1, 2026.
- **Florida** restaurants must disclose card surcharges on menus, online ordering, and the bill as of July 1, 2026.
- **Alabama** stopped charging sales tax on separately stated card fees on September 1, 2026.
- **Maine** is now listed correctly as a state that bans surcharges on credit and debit cards.
- **Colorado** is corrected. You choose either a 2% limit or your actual merchant discount fee. It is not "whichever is lower."
- **Illinois** is corrected. There is no 1% surcharge cap. The 2021 bill that proposed one never passed.
- **Puerto Rico** is corrected. Cash discounts are not a safe alternative there.

The Network Rules Apply in Every State

No federal law caps credit card surcharges. The limits most merchants work under come from the card networks, and state law can only make them stricter.

- **Credit cards only.** Debit and prepaid cards can never be surcharged under [Visa's surcharging requirements](#), even when a debit card runs as credit.
- **Never more than your cost.** Visa caps you at your merchant discount rate or 3%, whichever is lower. [Mastercard](#) caps you at your cost or 4%.
- **Notice first.** Tell your acquirer at least 30 days before your first surcharged sale. Confirm Mastercard's current notice process with your acquirer.
- **Disclose everywhere.** Post it at the entrance and at the point of sale, show it before checkout online, and print it on its own receipt line.
- **Fines land on your acquirer first.** Visa says the acquirer [may be assessed an immediate \\$1,000 fine](#) for a noncompliant merchant, and that cost usually gets passed down.

Your outlet follows the law of the state where it is located. For online and phone sales, many merchants follow the stricter of their own state and the cardholder's state.

Quick Reference: Where Every State Stands

Category	States	What It Means
Banned	Connecticut, Massachusetts, Maine, Puerto Rico	No credit card surcharges. Cash discounts work in CT, MA, and ME. Puerto Rico needs counsel first.
Percentage caps	Oklahoma (2% or cost, lower), Colorado (2% or actual fee, your choice), Minnesota (5%)	The state cap and the network cap both apply. Use the lower one.
Cost caps	New York, New Jersey, Georgia, Nevada	Never charge more than your actual cost to accept the card.
Disclosure and pricing laws	California, Virginia, Kansas, New York, Florida (restaurants)	Specific notice or advertised-price rules on top of the network rules.
State debit bans	Louisiana, Texas, Maine, Connecticut	Debit surcharges are already banned by the networks. These states add state penalties.
Sales tax treatment	Alabama (not taxed), Michigan (taxed)	Check whether your surcharge is part of the taxable sale price.
Disputed	Texas	The ban is still in state law. Talk to a Texas attorney before you surcharge.
Struck down	Florida (general ban)	The statute is still on the books, but a federal appeals court struck it down in 2015.
Network rules only	All other states	No surcharge statute. Follow the Visa and Mastercard rules. See the full list near the end of this guide.

A Common Trap

Posting your cash price and then adding a "non-cash adjustment" at checkout is a surcharge, not a cash discount. Every surcharge rule applies to it, including the bans and the debit exclusion. Calling it a technology fee or processing fee doesn't change that.

States That Ban Surcharging

Connecticut **BANNED**

Conn. Gen. Stat. § 42-133ff

[Section 42-133ff](#) bars surcharges on any transaction based on how the customer pays. Discounts for paying by cash, check, or debit are allowed if they're clearly posted. Violations fall under the Connecticut Unfair Trade Practices Act, which allows state enforcement and private lawsuits.

What to do: Use a properly posted cash discount program or dual pricing, and have counsel review your signage.

Massachusetts **BANNED**

Mass. Gen. Laws ch. 140D, § 28A

No seller may surcharge a cardholder who pays by credit card instead of cash, check, or similar means. The same section expressly allows discounts for cash or check if the discount is offered to every customer, disclosed clearly and conspicuously, and isn't a finance charge.

What to do: Cash discounting is the clear path. The statute spells it out.

Maine **BANNED (CREDIT AND DEBIT)**

Me. Rev. Stat. tit. 9-A, § 8-509

[Maine's statute](#) bans surcharges on both credit and debit cards. Discounts are allowed, but the regular price has to be displayed, and the [Bureau of Consumer Credit Protection](#) enforces the law and takes complaints directly. Limited exceptions apply to government entities.

What to do: Use dual pricing or a cash discount, with the card price shown at least as prominently as the cash price.

Puerto Rico **BANNED, INCLUDING CASH DISCOUNTS**

Law 150 (as amended in 2013)

Puerto Rico bans surcharges on credit and debit cards. A 2013 amendment removed the law's express cash discount allowance, and on May 29, 2025, [the First Circuit ruled](#) that federal law does not preempt the territory's surcharge law.

What to do: Don't assume dual pricing or a cash discount is safe here. Get local counsel's sign-off before you change pricing.

States With Caps

Oklahoma **2% OR COST, WHICHEVER IS LOWER**

SB 677, amending Okla. Stat. tit. 14A, § 2-211. Effective November 1, 2025.

[SB 677](#) repealed the old ban. The surcharge can't exceed 2% of the transaction or your actual cost to process the card, whichever is less.

- In person: post the surcharge at the point of entry and the point of sale.
- Online: post it on the home page and the point-of-sale page.
- By phone: tell the customer verbally.
- You can't surcharge if credit cards are the only payment method you accept.
- Municipal service fees are limited to specific costs like bank processing and transaction fees.

Visa's older merchant materials still list Oklahoma as restricted. Confirm your acquirer has updated its records.

Colorado **2% OR ACTUAL FEE, YOUR CHOICE**

C.R.S. § 5-2-212 (SB 21-091)

[Colorado's statute](#) lets you pick one of two methods: up to 2% of the transaction, or up to the merchant discount fee you actually pay on that transaction. Each method has its own required sign and online notice wording, so post the notice that matches the method you chose.

- The surcharge must show as a separate line on the receipt.
- No surcharge on cash, check, debit, or gift card redemptions.
- Your payment service provider may calculate the surcharge for you.

Minnesota **5% STATE CAP**

Minn. Stat. § 325G.051

[Minnesota's statute](#) allows surcharges up to 5%, but the network caps and your cost still apply, so 3% is the practical ceiling for Visa.

- In person: tell the customer orally at the time of sale and post a conspicuous sign.
- Online: post the notice during the sale, on the order summary, or on the checkout page.
- By phone: tell the customer orally.
- No surcharge on your own store-branded card.
- Penalty: up to \$500 per violation, plus a refund to each buyer.

Minnesota's 2025 hidden-fee rules also require mandatory fees to be included in advertised prices.

States With Cost Caps

New York COST CAP, STRICT PRICE DISPLAY

N.Y. Gen. Bus. Law § 518

You can't charge more than your cost. You must post the total credit card price in dollars and cents wherever prices appear, or show the cash and credit prices side by side. A percentage-only sign at the register doesn't comply. See the [Department of State reference guide](#). Fines run up to \$500 per violation.

New Jersey COST CAP

P.L. 2023, c. 146 (N.J.S.A. 56:8-156.1 to 156.2)

[New Jersey's law](#) bars surcharges above your actual cost and requires disclosure of the amount before the customer incurs any charge. A percentage is acceptable, per the [Division of Consumer Affairs](#). Violations fall under the Consumer Fraud Act, and the Attorney General sent cease-and-desist letters about surcharge disclosure in 2026.

Georgia COST CAP

Georgia consumer protection guidance

Surcharging is allowed with clear, up-front disclosure, according to [Georgia's Consumer Protection Division](#). Keep the fee at or below your actual cost and offer a no-fee way to pay.

Nevada COST CAP BY GUIDANCE

Nevada Attorney General consumer alert (2020)

Nevada has no surcharge statute. The [Attorney General](#) says surcharges are legal if merchants follow the network guidelines, and deceptive fees can be pursued under the Deceptive Trade Practices Act (NRS Chapter 598). Keep records that back up your rate.

Disclosure, Pricing, and Tax Rules

California **ALLOWED, WITH PRICE RULES**

Civ. Code § 1748.1; SB 478 (effective July 1, 2024)

The old surcharge ban was struck down in federal court. SB 478 now requires mandatory fees to be built into the advertised price. Whether your card fee counts as mandatory depends on your setup, such as whether customers have a real no-fee way to pay. Get counsel's read. Dual pricing avoids the question.

Virginia **ALLOWED, TOTAL-PRICE DISCLOSURE**

SB 1212, Virginia Consumer Protection Act Chapter 58. Effective July 1, 2025.

[SB 1212](#) requires covered sellers to disclose the total price, including mandatory fees and surcharges, before purchase.

Kansas **ALLOWED WITH NOTICE**

K.S.A. § 16a-2-403. Effective January 1, 2025.

The ban was struck down in *CardX v. Schmidt* (2021), and the [amended statute](#) now allows surcharges if you disclose the amount with clear and conspicuous notice at the point of entry or the point of sale, before the transaction.

Florida **ALLOWED; RESTAURANT RULES**

Fla. Stat. § 501.0117; § 509.214 (effective July 1, 2026)

The [general ban](#) is still in the statutes, but the Eleventh Circuit struck it down in *Dana's Railroad Supply* (2015). As of July 1, 2026, restaurants that add a card surcharge must post a notice on every menu and on any website or app where orders are placed, stating the amount or percentage and the purpose of the charge, per the [amended § 509.214](#).

Louisiana **DEBIT SURCHARGE BAN**

Act 751 (R.S. 51:3081 to 3082). Effective August 1, 2026.

[Act 751](#) bars retail businesses from surcharging debit cards, whether the card runs with a PIN or signature. Credit card surcharging is unaffected.

- A customer wrongly surcharged must give written notice, and you have 30 days to cure before they can sue.
- The Attorney General can seek up to \$500 per violation of a court order.
- Trade press reports customers can also seek refunds when a surcharge is applied to the tax portion of a purchase ([Green Sheet](#)).

Alabama **CARD FEES NOT TAXED**

Act 2026-587 (SB 221). Effective September 1, 2026.

A card transaction fee, including a surcharge, convenience fee, or service charge, is no longer subject to sales or use tax if it is separately stated, per the [Alabama Department of Revenue](#). Make sure your receipts show the fee on its own line.

Michigan **SURCHARGES ARE TAXED**

Michigan Department of Treasury guidance (May 2024)

The [Department of Treasury](#) says a surcharge on a taxable sale is part of the sale price and subject to the 6% sales tax. Set up your POS to tax it.

Disputed

Texas **DISPUTED**

Tex. Fin. Code § 339.001; Bus. & Com. Code Ch. 604A

[Section 339.001](#) still bars surcharges, and it does not apply to state agencies or local governments. A federal court enjoined enforcement against the plaintiffs in *Rowell v. Paxton* (2018), but the state maintains the law is enforceable. Texas law also bans debit surcharges.

What to do: Consider a cash discount or dual pricing, or talk to a Texas attorney before you surcharge.

Bills and Cases to Watch

Illinois **INTERCHANGE LAW, NOT A SURCHARGE CAP**

Interchange Fee Prohibition Act

Illinois has no state surcharge cap. Earlier guides, including our 2025 edition, listed a 1% cap from a 2021 bill that never passed. The Interchange Fee Prohibition Act, which would bar interchange on the sales tax and tip portions of a transaction, is delayed to July 1, 2027. In June 2026 a federal judge ruled that national banks, out-of-state banks, federal savings associations, and card networks are not bound by it, and an appeal is under way ([Green Sheet](#)). Merchants have nothing to change today.

North Carolina **PENDING**

House Bill 13 (2025 to 2026 session)

[HB 13](#) would regulate what merchants may charge for card payments. Its last action was a re-referral to the House Rules Committee on September 23, 2025.

Other states **PENDING**

Pennsylvania, New Jersey, Colorado

A Pennsylvania House committee approved an Illinois-style interchange bill, and New Jersey lawmakers are considering one. Colorado's governor vetoed a similar bill in June 2026.

Visa and Mastercard settlement **NOT FINAL**

U.S. District Court, Eastern District of New York

The \$38 billion swipe fee settlement got [preliminary approval on June 9, 2026](#). A fairness hearing is set for November 16, 2026. Until it is final, it changes none of the rules in this guide.

Government Agencies, Utilities, and Higher Education

Several state surcharge laws exempt government entities, including Texas and Maine. Even so, public agencies usually do better with Visa's service fee program than with a surcharge. A service fee can be flat or a percentage, works in every channel, and can apply to debit cards. Since October 18, 2025, it no longer requires registration, and utilities in MCC 4900 are eligible. State law and your PUC tariff can still limit what you charge. Learn more at intellipay.com/servicefee.

States Following Network Rules Only

These states have no surcharge statute as of October 2026. The Visa and Mastercard rules set the limits: credit only, never above your cost, 3% maximum for Visa, 30 days' notice, and disclosure at entry, at checkout, and on the receipt.

Alaska, Arizona, Arkansas, Delaware, Hawaii, Idaho, Indiana, Iowa, Kentucky, Maryland, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming

General consumer protection and deceptive pricing laws still apply in every state. A fee customers don't see until the last step can still draw a complaint.

Before Your First Surcharged Sale

1. Confirm surcharging is allowed in every state where you have a location or sell online.
2. Pull 12 months of statements and calculate your effective rate by card brand.
3. Set your rate at the lowest of your cost, the network cap, and any state cap.
4. Give 30 days' notice to your acquirer, and confirm Mastercard's current process.
5. Turn on automatic card-type detection so debit and prepaid cards are never surcharged.
6. Post the notice your state requires at the entrance, the register, online checkout, and by voice on phone payments.
7. Show the surcharge on its own receipt line and check how your state taxes it.
8. Recheck your rate every April and October, when interchange changes.

Want a second set of eyes on your program? IntelliPay reviews surcharge, dual pricing, and service fee setups for merchants and public agencies. Call 855-872-6632 or visit intellipay.com/contact.

Sources

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Legal Disclaimer

This guide is for informational purposes only and does not constitute legal advice. It reflects laws, card network rules, and court decisions as of October 7, 2026. Laws change often, and card networks update their rules periodically. Some cities and counties may add their own requirements. Before you start or change a surcharge program, confirm current requirements with your acquirer, your processor, and legal counsel licensed in your jurisdiction. Using this guide does not create an attorney-client relationship.

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