



## **GSA SMARTPAY® SMART BULLETIN**

**U.S. GENERAL SERVICES ADMINISTRATION  
FEDERAL ACQUISITION SERVICE  
SMART BULLETIN NO. 017**

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### **Brands (VISA/MasterCard) to Permit Merchant Surcharges**

**EFFECTIVE DATE:**

This Smart Bulletin becomes effective upon issuance and shall remain in force until modified or rescinded.

**INTRODUCTION:**

This bulletin addresses surcharges that are now allowable by merchants when accepting GSA SmartPay and other charge/credit cards.

**BUSINESS LINE(S) AFFECTED:**

Purchase, Travel, Fleet and Integrated

**SUMMARY:**

Surcharges are fees that a retailer adds to the cost of a purchase when a customer uses a charge/credit card. As a result of the settlement between a class of retailers and the brands, on January 27, 2013, merchants in the United States and U.S. Territories will be permitted to impose a surcharge on cardholders when a charge/credit card is used.

It is important to note that not all merchants will impose a surcharge. In addition, some states have laws which do not allow or limit surcharges: Colorado, Connecticut, Kansas, Maine, Massachusetts, Oklahoma and Texas. California and New York both have laws that prohibit surcharging, but appeals are pending. Cardholders who receive a surcharge or a check out fee in any of the above mentioned states should report the merchant to the state attorney general's office.

Surcharges **may not** be added to debit, prepaid or cash purchases and cardholders are required to be notified in advance of making the purchase if a merchant will impose a

surcharge. Merchants must also include the surcharge fee on any receipt(s) provided to the cardholder.

Per Visa and MasterCard guidance, there is a limit to the allowable surcharge amounts. These limits vary by brand and by merchant discount rate. Information on surcharge limitations for Visa and MasterCard can be found at:

<https://www.mastercard.us/en-us/merchants/get-support/merchant-surcharge-rules.html>

<https://usa.visa.com/dam/VCOM/download/merchants/surcharging-faq-by-merchants.pdf>

**ACTION:**

A/OPCs should ensure cardholders and other charge card management personnel are aware of the possibility of surcharges when making purchases using credit/charge cards. If a merchant is imposing a surcharge, the cardholder may choose to consider another merchant that offers the same or similar item(s) to avoid paying the surcharge.

David J. Shea  
Director  
Office of Charge Card Management

If you have any questions or comments regarding this Smart Bulletin, please contact the Office of Charge Card Management at 703-605-2808 or at [gsa\\_smartpay@gsa.gov](mailto:gsa_smartpay@gsa.gov).

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