



# OP-ED COLUMN

Arizona House of Representatives

Representative Jeff Weninger (R-13)

1700 West Washington • Phoenix, Arizona • 85007

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Monday, February 17, 2025  
FOR IMMEDIATE RELEASE

## It's Time to End the Hidden Tax on Arizona Businesses

*HB2629 Clears Commerce Committee and will move to the full House for consideration.*

**Op-Ed by State Representative Jeff Weninger**

Every time you swipe your credit or debit card at a local business, there's an extra, hidden cost—one that goes straight into the pockets of big banks and credit card companies. This hidden fee is unfair, unnecessary, and costing Arizona businesses millions of dollars. It's time to put an end to it.

As a small business owner, I know firsthand the challenges that Arizona's businesses face. One of the biggest but least talked about is the increasing burden of swipe fees. These fees, also known as interchange fees, are charged by credit card companies on every transaction. They can range from 1% to 5% per transaction, and businesses have no ability to negotiate them. But here's the kicker: the fees aren't just charged on the cost of goods and services—they're also tacked onto the sales tax businesses must collect and remit to the state.

That means credit card companies are making billions of dollars from the taxes that consumers pay—money that was never theirs to begin with. This isn't just wrong; it's a form of double taxation on Arizona businesses. That's why I'm sponsoring [HB2629](#), a bill that will ensure credit and debit card companies can only charge swipe fees on the pre-tax amount of a transaction, not the total price including sales tax.

Let's break this down:

- U.S. retailers pay an estimated \$160 billion annually in swipe fees.
- The average American consumer shoulders an extra \$1,100 per year due to these costs being passed on to them.
- Low-income consumers are hit the hardest, paying an average of 60 cents more per transaction due to swipe fees.
- Since the pandemic, swipe fees have risen nearly 50%, with no signs of slowing.
- In 2023 alone, Arizona businesses paid over \$217 million in swipe fees on sales taxes—a fee on a fee that never should have existed in the first place.

The credit card industry is dominated by two major players—Visa and Mastercard—who control 90% of payment processing transactions outside of China. These companies are raking in record profits, while Arizona businesses are left footing the bill for an unfair, hidden charge.

HB2629 will stop this practice and ensure Arizona businesses and consumers are treated fairly. By eliminating swipe fees on sales taxes, we can keep more money in our state's economy, help small businesses grow, and prevent credit card companies from profiting off of money that should go back to our communities.

Arizona's small businesses are the backbone of our economy. They create jobs, provide essential goods and services, and support our local communities. They shouldn't be penalized with extra fees on the taxes they merely collect for the state.

It's time to wipe the swipe on taxes. The House Commerce Committee has passed the bill, and it now awaits full House consideration.

I urge my fellow lawmakers to support HB2629 and put an end to this hidden tax on Arizona businesses. Learn more at [www.wipetheswipe.com](http://www.wipetheswipe.com).

*Jeff Weninger is a small business owner and Republican member of the Arizona House of Representatives serving Legislative District 13. He also serves as Chairman of the House Commerce Committee. Follow him on X at @JeffWeninger.*

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