



Colorado Bill SB134 — Which Mirrors Illinois Law and Faces Steep Challenge on Appeal — is Bad for Consumers and Small Businesses

Ruling Would Disrupt Payments, Cost Consumers and Businesses Billions

Digital payments drive economic growth, create jobs, and deliver massive productivity gains for merchants and consumers. A court's February 10 decision on Illinois' Interchange Fee Prohibition Act (IFPA) threatens this progress.

THE RULING ISN'T FINAL

It's the first step in a multistage legal process. There is every reason to believe the law will be invalidated.

OCC: IFPA VIOLATES LAW

The U.S. Treasury's Office of the Comptroller of the Currency (OCC) has concluded the IFPA is preempted by federal law (the National Bank Act).

APPEALS COURT TO DECIDE

Given established preemption doctrine and the OCC's clear position, ETA is confident the circuit court will overturn the IFPA.

Increases Costs for Consumers, Small Businesses

The IFPA is unworkable and conflicts with the structure of the national payments system, which depends on integrated, uniform standards across state lines. The system is not designed for state-by-state carve-outs. If allowed to take effect, laws of this type would:

- Increase compliance costs and manual processing burdens for small businesses – potentially requiring separate transactions for sales tax and tips
- Create consumer confusion at checkout
- Force costly, fragmented system changes nationwide
- Risk broader economic disruption

Hurts Colorado Jobs

The payments industry generates jobs and tax dollars for every state.

Colorado is a leading payments state:

\$40 thousand
in payments jobs

Over \$6 billion
Annually contributed to state GDP

\$4.2 billion
In labor income

Threat to Economic Engine

Payments today rely on a highly integrated, standardized, nationwide infrastructure. It's what allows payment enabling technologies to function seamlessly across state lines.

\$350 billion

In direct annual output (GDP)

2 million

Jobs nationwide

Up to 2.7 million

Additional jobs generated by catalytic effects

806 million

Labor hours businesses saved annually

\$142 billion

In additional economic gains from efficiencies

These figures do not capture the full productivity, credit access, and economic expansion digital payments enable.

ETA and the Industry

The Electronic Transactions Association (ETA) is the world's leading advocacy and trade association for the payments industry. Our members span the breadth of significant payments and fintech companies, from the largest incumbent players to emerging disruptors in the U.S. and in more than a dozen countries around the world. ETA members make commerce possible by processing approximately \$56.75 trillion annually in purchases and P2P payments worldwide and deploying payments innovation to merchants and consumers.