Credit Card Surcharges

Informational Resource for Market Vendors

Businesses in Oregon may add a surcharge to credit card transactions to offset processing costs, provided they comply with all applicable federal and state laws, card network rules (Visa, Mastercard, etc.), and payment processor agreements.

Debit Cards Excluded

Federal law prohibits surcharges or minimum purchases on debit cards, including prepaid debit cards. This applies even when the card is processed as a credit card. Vendors are responsible for ensuring their payment system can properly distinguish between credit and debit transactions or must ask shoppers directly.

Surcharge Limits

Businesses may pass credit card processing fees onto shoppers, provided the surcharge does not exceed 4% of the transaction total **OR** the actual processing cost, whichever is lower.

Visa currently limits surcharges to a maximum of 3%, while other card brands are limited to 4%.

For example, if your processor charges:

- *2.5% processing fee → your maximum surcharge is 2.5%*
- *3.4% processing fee → Visa limit is 3% while other card brands may allow up to 3.4%*

Flat transaction fees (for example, $0.50 per transaction) may exceed allowable percentage caps on smaller purchases and must be adjusted accordingly.

Required Customer Disclosures

Card network rules require vendors to clearly disclose surcharges to customers. Vendors who apply surcharges should:

- Post signage at their Point-of-Sale station
- Clearly communicate surcharges before payment occurs
- Display the surcharge as a separate line item on receipts
- Not single out Apple Pay or tap-to-pay options which may process as credit or debit cards

Signage Example

We impose a surcharge of ____% on credit card purchases, which is not greater than our cost of acceptance.
We do not surcharge debit cards.

Notification Requirements

Visa and Mastercard require merchants to notify both their payment processor/acquirer and the card network before implementing surcharges. Visa currently requires at least 30 days advance notice.

This resource is provided for informational purposes only. This does not constitute legal advice. Vendors are solely responsible for understanding and complying with all applicable laws, payment processor agreements, and card network requirements related to credit card surcharges. Failure to comply could create issues and even potential legal disputes with customers and payment processor providers.