

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 402
Version: As introduced

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Subject: Deduction from credit card tips

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Overview

Credit card companies may charge processing fees to merchants when customers pay the merchant using a credit or debit card. When a customer tips an employee using a credit or debit card, Minnesota employers may deduct the proportion of the processing fee associated with the tip from the amount paid to the employee. H.F. 402 would prohibit these deductions from tips.

Section

- 1 Tips on credit or debit cards.** Requires employers to pay the full amount to an employee of any tip included on a credit or debit card purchase. This section also provides that any such tip be counted in the pay period in which the tip appears on an employee's tip statement, which is the current law as stated in rule 5200.0080, subpart 7 (repealed by this bill).
- 2 Rule repealed.** Repeals the rule expressly allowing Minnesota employers to deduct the proportion of a credit card processing fee associated with the tip from the amount paid to the employee.