



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2005 Wisconsin Act 84**  
[2005 Senate Bill 180]

**Cash Discounts for Purchases**

2005 Wisconsin Act 84 creates a new law relating to cash discounts for purchases.

Current federal law generally provides that, in a consumer credit transaction, a credit card issuer may not prohibit a merchant from offering a discount to a consumer in order to induce the consumer to pay by cash rather than pay by use of a credit card.

Wisconsin Act 84 makes state law equivalent to federal law. Thus, a credit card issuer may not, under Wisconsin law, prohibit a merchant from offering a discount to a customer to induce the customer to pay by cash rather than pay by use of a credit card. This provision only applies in a consumer credit transaction when the amount financed is \$25,000 or less and when credit is sought for personal, family, or household purposes. A contract clause contrary to this policy will be unenforceable in Wisconsin.

**Effective Date:** The Act takes effect on January 10, 2006.

**Prepared by:** Ronald Sklansky, Senior Staff Attorney

January 6, 2006

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.