



**SENATE SUBSTITUTE AMENDMENT 1,
TO 2005 SENATE BILL 180**

September 26, 2005 - Offered by COMMITTEE ON JUDICIARY, CORRECTIONS AND
PRIVACY.

1 **AN ACT to create** 422.422 of the statutes; **relating to:** cash discounts for
2 purchases.

Analysis by the Legislative Reference Bureau

Under current federal law, with certain exceptions, a credit card issuer may not, by contract or otherwise, prohibit a person who honors a credit card from offering a customer a discount to induce the customer to pay by cash, check, or similar means, rather than by use of a credit card or its underlying account, for the purchase of property or services. The exceptions pertain to transactions involving the following: 1) business, commercial, agricultural, or organization credit, rather than consumer credit; 2) credit extended to entities, rather than natural persons; 3) amounts in excess of \$25,000; 3) public utility credit; 4) security or commodity accounts; 5) home fuel budget plans; or 6) student loans.

This bill creates the same requirement under state law in the Wisconsin Consumer Act (WCA). Because the requirement is created in the WCA, the requirement applies only to consumer transactions involving \$25,000 or less. The WCA has additional exceptions that are comparable to the exceptions under federal law pertaining to agricultural or organization credit and transactions involving securities. The bill's requirement is enforced by the Department of Financial Institutions, which has authority under current law to enforce the WCA.

