



State of Wisconsin
2005 - 2006 LEGISLATURE

LRBs0225/1
MDK:wlj:rs

**ASSEMBLY SUBSTITUTE AMENDMENT 1,
TO 2005 ASSEMBLY BILL 398**

September 27, 2005 - Offered by Representative WOOD.

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; 4) public utility credit; 5) security or commodity accounts; 6) home fuel budget plans; or 7) student loans.

This substitute amendment 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 substitute amendment's requirement is enforced by the

