

Sales/Use/Indirect:

Illinois: US District Court Grants Partial Preliminary Injunction of New Law Prohibiting Certain Interchange Fees

Case No. 1:24-cv-07307, N.D. Ill. (12/20/24). In a lawsuit brought forth by various banks and credit unions challenging Illinois legislation enacted in 2024 and slated to take effect on July 1, 2025 that prevents such entities from collecting interchange fees (often called “swipe fees”) on certain tax and tip amounts of credit or debit card transactions [see previously issued Multistate Tax Alert for more details on this legislation], the US District Court for the Northern District of Illinois granted some of the challengers’ motion for preliminary injunction of the new law as applied to certain entities (namely, national banks and federal savings associations). In the underlying lawsuit, the challengers are claiming that federal law – that is, the National Bank Act and Home Owners’ Loan Act – preempted these new Illinois statutory prohibitions on collecting interchange fees. Accordingly, the underlying case will move forward with respect to national banks and federal savings associations. Please contact us with any questions.

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-illinois-fiscal-year-2025-state-budget-tax-highlights.pdf>

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