

## Is It Permitted For a Vendor to Offer Credit at an Inflated Price?

### **Rav Yosef Kushner**

**Question:** I am a vendor who sells merchandise to a large, Jewish-owned store. Common practice is to present an invoice upon delivery, with payment due in 60 days. I want to offer them a 2% discount if they pay within 10 days. Is this permitted?

**Answer:** According to halacha, payment is due at the time of a sale. If a seller tells a buyer that if he pays later he must pay an inflated price, that would be a transgression of “*tarshah*,” which is a form of *ribbis derech mekach*.

The reason this is prohibited by Chazal is because when the seller offers credit to the buyer by allowing him to pay later, it looks like he’s extending him a loan and the buyer is now, in essence, borrowing money from him that he will pay back later. If he charges him a fee for the extension of time to pay, it looks like he is charging interest on the loan. Accordingly, it would be prohibited to tell a buyer that he can either pay \$100 upon delivery or \$120 in 30 days.

Even if the common business practice is to grant 60 days after delivery before payment is due, the money is still technically due at the time of delivery according to halacha [albeit with a stipulation that he doesn’t actually need to pay it for 60 days]; therefore, the amount the seller would charge for payment at the time of the sale is considered the “real” price. If he asks for a higher amount if the payment is submitted later, it would be problematic.