

Stripe vs PayPal vs Square: what each really charges to take a card

The headline percentage everyone compares is not the number that decides your bill. The fixed per-transaction fee is, and it flips the cheapest processor depending on your average order value and whether you sell online or in person. Here are the standard 2026 US rates for Stripe, PayPal and Square, worked through on real order sizes.

Published 2026-07-01 · A Mue guide

Everyone compares payment processors on the percentage: 2.9 against 2.99 against 3.3. That is the wrong number to fixate on. The flat per-transaction fee, the 30 or 49 or 15 cents tacked onto every sale, is what actually decides which processor is cheapest for you, and it decides differently depending on how big your average order is and whether you sell online or in person.

The standard published US rates

These are the everyday, non-negotiated rates each processor publishes for 2026. Volume deals and interchange-plus pricing exist above them, but this is the shelf price most stores actually pay:

- Stripe, standard online card: 2.9% plus 30 cents.
- PayPal, branded PayPal button: 3.49% plus 49 cents. Plain card through PayPal: 2.99% plus 49 cents.
- Square, online: 3.3% plus 30 cents on the free plan (2.9% plus 30 cents on a paid plan).
- Square, in person (tap or dip): 2.6% plus 15 cents on the free plan.
- Square, manually keyed or card on file: 3.5% plus 15 cents.

The fixed fee is what flips the winner

On a \$100 order, the percentage does most of the work, so the ranking looks calm: Stripe costs \$3.20 (2.9% plus 30 cents), a plain card through PayPal costs \$3.48, Square free online costs \$3.60, and the branded PayPal button costs \$3.98. A spread of about 78 cents.

Now shrink the order to \$25. Stripe costs about \$1.03, an effective rate of 4.1%. The branded PayPal button costs about \$1.36, an effective 5.5%. The 49-cent fixed fee, harmless on a \$100 order, is now nearly 2% of the sale on its own. On a \$10 order that same 49 cents is 4.9% before a single percentage point is added. This is why average order value, not the headline rate, is the first thing to check: the smaller your typical order, the more the fixed fee dominates and the more the cheapest-percentage processor can still be the most expensive one.

PayPal is really two prices

PayPal is the one people most often quote wrong, because it charges two different rates

through the same checkout. When a buyer pays with the branded PayPal button (logging into their PayPal balance or saved account) you pay 3.49% plus 49 cents. When a buyer types in a plain card, you pay 2.99% plus 49 cents. Most stores get a mix, so the real blended PayPal cost sits between the two, pulled toward whichever your buyers actually use. Quoting PayPal as a single number hides half a point of margin either way.

Square splits online and in person

Square is the mirror image of a web-first processor. Online it is the most expensive of the three on its free plan, 3.3% plus 30 cents, and you only reach 2.9% plus 30 cents by paying for a plan. In person it is the cheapest by a clear margin: 2.6% plus 15 cents, with a fixed fee half the size of the others, which is exactly the range where a small fixed fee matters most. If most of your sales happen across a counter, Square usually wins; if most happen in a browser, it usually does not. The one rate to avoid is keying a card in by hand at 3.5% plus 15 cents, so save the card properly or take it on the terminal.

What none of these published rates include

The shelf price assumes every order sticks and every card is domestic. Three lines sit outside it, and each one only pushes your real rate up:

- International cards cost more. Each processor adds a cross-border surcharge when the buyer is abroad; PayPal publishes this as an extra 1.5% on international transactions, and any currency conversion adds a further fee on top.
- Refunds do not give the fee back. When you refund an order the customer gets the full amount, but the processor keeps the fee it already charged, because it has to move the money both ways. A returned sale costs you the fee on money you no longer have.
- Chargebacks cost more than the sale. A disputed charge pulls back the order total plus a flat dispute fee, immediately, and you have usually already shipped the goods.

What a dispute actually costs, processor by processor

A refund at least returns the sale amount to the customer and stops there. A chargeback, where the buyer disputes the charge through their own bank, is worse: you lose the order total, you have usually already shipped, and two of these three processors add a per-dispute fee on top. This is the line the pricing pages bury, and it is where the three differ most:

- Stripe charges a 15 dollar dispute fee on every chargeback, on top of losing the sale amount. Since a 2025 change it also adds a separate fee when you choose to contest a dispute, so fighting one and losing can cost more than letting it go.
- PayPal charges a chargeback fee, 20 dollars in the US, and a separate dispute fee that rises to 30 dollars per case for sellers whose dispute rate passes 1.5% on more than 100 recent transactions. Seller Protection can waive the fee on eligible transactions.
- Square is the outlier: it charges no per-dispute fee at all, the only one of the three that does not. You still lose the disputed amount while the case is reviewed, but there is no extra penalty stacked on top.

In every case the original processing fee is not returned when you lose, so a disputed 100 dollar sale on Stripe costs you the 100 dollars, the 15 dollar dispute fee and the 3.20 dollars you already paid to take the card. On a thin-margin product one chargeback can wipe out the profit on a dozen clean sales, which is why the dispute line matters more than the fraction-of-a-percent gaps in the headline rate.

How fast you get paid, and what faster costs

The processing fee is what it costs to take the card. When the money actually reaches your bank is a separate question, and if you cannot wait for the standard schedule, all three charge a second fee to speed it up. That instant-access fee stacks on top of the processing fee, so it belongs in any honest total but never shows up in the headline comparison.

The free, standard timing for a US account in 2026:

- Stripe pays out on a rolling two-business-day schedule (T+2) for an established US account, and schedules your very first payout about 7 to 14 days after your first successful charge while the account is verified.
- PayPal credits the sale to your PayPal balance right away; moving that balance to your bank is free on the standard 1 to 3 business day transfer.
- Square deposits to your linked bank by the next business day at no charge.

Paying to get it sooner is where the second fee lands, and it is a percentage of the money moved, not a flat charge:

- Stripe Instant Payouts cost 1.5% of the payout in the US, with a 0.50 dollar minimum, and land in minutes on an eligible debit card.
- PayPal Instant Transfer to a bank or debit card costs 1.75%, a minimum of 0.25 dollars and a cap of 25 dollars per transfer.
- Square Instant Transfer costs 1.95% per transfer, with a 25 dollar minimum balance to send.

The number to notice is the size of these fees against the processing rate. Cashing out 1,000 dollars instantly on Square costs 19.50 dollars, close to what you paid to process it in the first place; the same instant pull is 15 dollars on Stripe and capped at 25 dollars on PayPal. Used once for a genuine cash-flow crunch that is a fair price. Used as your default because next-day feels slow, it can quietly add a percent or two to your all-in cost of taking money, on top of everything above. The free schedule is the one to plan around; treat instant as the exception you reach for on purpose.

The line the fee comparison hides: who owes the sales tax

Every rate above is just the cost of moving the money. It says nothing about the tax on the sale, and with a plain gateway that job is yours. Stripe, PayPal and Square process the card but leave you as the merchant of record, the legal seller, which means you are the one who has to work out where you owe US sales tax and then register, collect and remit it.

That used to matter only where you had an office. Since the Supreme Court decided *South Dakota v. Wayfair* in 2018, a state can require you to collect its sales tax on economic nexus

alone, once your sales into that state pass a threshold, with no physical presence needed. The common threshold is around 100,000 dollars of sales into a state in a year, and some states also count 200 separate transactions, though many have since dropped the transaction test and the exact figures vary. There are 45 states plus the District of Columbia that levy a sales tax, each with its own rules on whether digital goods or SaaS are even taxable, so a store that grows across state lines can pick up filing duties in a dozen places without noticing.

This is where a merchant of record changes the math. Paddle and Lemon Squeezy do not just process the card, they become the legal seller of your product and handle the sales-tax registration, collection and filing (and VAT abroad) for you. The price is a higher blended fee, about 5 percent plus roughly 0.50 dollar per transaction against a gateway 2.9 percent plus 30 cents, so over half again as much per sale. Tools like Stripe Tax sit in between: they calculate what is owed but leave you to register and remit. Whether the premium is worth it comes down to spread. A seller of digital products or SaaS crossing nexus in many states often comes out ahead letting a merchant of record carry it, while a store with nexus in one or two states is usually cheaper on a gateway plus a tax tool or an accountant.

So the honest ranking is not a single winner. Online with normal-sized orders, Stripe is the lowest standard rate. In person, Square is. On tiny orders, whoever has the smallest fixed fee wins regardless of the percentage. Set your own average order value, channel and rate in the calculator and it will show you the real per-sale cost rather than the number on the pricing page.

Frequently asked questions

What are Stripe, PayPal and Square fees in 2026?

Stripe charges 2.9% plus 30 cents for a standard online card payment in the US. PayPal charges 3.49% plus 49 cents when the buyer pays with the branded PayPal button, or 2.99% plus 49 cents for a plain card through its checkout. Square charges 3.3% plus 30 cents online on its free plan, 2.6% plus 15 cents for an in-person tap or dip, and 3.5% plus 15 cents for a manually keyed card. Rates vary by plan, country and account, so confirm yours.

Which is cheapest, Stripe, PayPal or Square?

It depends on your average order value and whether you sell online or in person. For a standard online card, Stripe at 2.9% plus 30 cents is the lowest published rate of the three; Square free is the highest online at 3.3% plus 30 cents; PayPal sits in between or above depending on the button. For in-person sales, Square wins outright at 2.6% plus 15 cents because its fixed fee is half the others. On very small orders the fixed fee decides the winner more than the percentage.

Why does PayPal have two different rates?

PayPal prices the branded PayPal button (where the buyer logs into their PayPal account) and a plain card through PayPal differently. The branded checkout is 3.49% plus 49 cents; a standard credit or debit card is 2.99% plus 49 cents. Most stores get a mix of both, so the real blended PayPal rate sits between the two, closer to whichever your buyers actually use.

Do these processors charge extra for international cards?

Yes. Each adds a cross-border surcharge on top of the base rate when the buyer is in a

different country. PayPal publishes this as an extra 1.5% on international commercial transactions. Stripe and Square also add an international-card surcharge, and any currency conversion adds a further fee. A foreign card is never priced the same as a domestic one.

Is Square cheaper than Stripe?

For in-person sales, yes: Square is 2.6% plus 15 cents versus Stripe Terminal territory, and the 15-cent fixed fee makes Square clearly cheaper on small tickets. For standard online sales it is the other way round: Square free is 3.3% plus 30 cents against Stripe at 2.9% plus 30 cents, so Stripe is cheaper online unless you pay for a Square plan that lowers the online rate to 2.9%.

How fast do Stripe, PayPal and Square pay out, and what does instant cost?

On the free standard schedule in 2026, Stripe pays out about two business days after a charge (T+2), with your first payout roughly 7 to 14 days after your first sale; PayPal credits your PayPal balance immediately and moves it to your bank free in 1 to 3 business days; Square deposits to your bank by the next business day. Each also offers an instant option for a percentage fee on top of processing: Stripe Instant Payouts 1.5% in the US (0.50 dollar minimum), PayPal Instant Transfer 1.75% (0.25 dollar minimum, capped at 25 dollars), and Square Instant Transfer 1.95%. Cashing out 1,000 dollars instantly costs about 15 dollars on Stripe, 25 dollars on PayPal at the cap and 19.50 dollars on Square, so the free schedule is much cheaper when you can wait for it.

Does Stripe, PayPal or Square charge a chargeback fee?

Stripe and PayPal do; Square does not. Stripe charges a 15 dollar dispute fee on every chargeback, plus a separate fee since 2025 if you choose to contest one. PayPal charges a chargeback fee of 20 dollars in the US, and a dispute fee that rises to 30 dollars per case for sellers whose dispute rate passes 1.5% on more than 100 recent transactions, though Seller Protection can waive it. Square is the only one of the three with no per-dispute fee, so you lose the disputed amount but pay no extra penalty. In all three cases the original processing fee is not refunded when you lose.

Do Stripe, PayPal or Square handle US sales tax for me?

No. They process the card but leave you as the merchant of record, the legal seller, so you are responsible for working out where you have sales-tax nexus and then registering, collecting and remitting yourself. Since the 2018 South Dakota v. Wayfair ruling a state can require collection once you pass its economic-nexus threshold, commonly around 100,000 dollars of sales into that state in a year (some states also count 200 transactions, though many have dropped that test and the figures vary), and 45 states plus DC levy a sales tax with their own rules on whether digital goods or SaaS are taxable. Stripe Tax and similar tools calculate the tax but you still register and remit. A merchant of record such as Paddle or Lemon Squeezy instead becomes the legal seller and does the collection and filing for you, for a higher blended fee of about 5% plus 0.50 dollar per transaction.

Compare processor rates on your own numbers

Free, no signup: agent.mue.app/tools/ecommerce-fee-calculator

agent.mue.app/articles/stripe-vs-paypal-vs-square-fees

