

# DEPARTMENT OF TAXATION

## 2026 Fiscal Impact Statement

**1. Patron** Vivian E. Watts

**3. Committee** House Finance

**4. Title** Local taxes; Account balances and other charges; Rounding procedures

**2. Bill Number** HB 954

**House of Origin:**

**Introduced**

**Substitute**

**Engrossed**

**Second House:**

**In Committee**

**Substitute**

**Enrolled**

### **5. Summary/Purpose:**

This bill would authorize the governing body of any locality to provide by ordinance procedures for the adjustment of bills and account balances for taxes and other charges due to the locality to account for the cessation of production of the penny coin by the United States Mint. The authorization provided by the bill would include providing for the rounding of such bills and account balances to the nearest five-cent increment and the write-down or write-off of sums due that are less than five cents.

If enacted during the regular session of the 2026 General Assembly, this bill would become effective July 1, 2026.

**6. Budget amendment necessary:** No.

**7. Fiscal Impact Estimates are:** Not available. (See Line 8.)

### **8. Fiscal implications:**

#### Administrative Costs

This bill may have an unknown impact on local administrative costs. It would have no impact on state administrative costs.

#### Revenue Impact

This bill may have an unknown impact on local revenues.

This bill would have no impact on state revenues.

### **9. Specific agency or political subdivisions affected:**

All localities

Department of Taxation

**10. Technical amendment necessary:** No.

**11. Other comments:**

The United States Mint ceased production of the penny on November 12, 2025. The resulting penny scarcity has necessitated rounding of bill totals to the nearest nickel for cash transactions.

Proposal

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cc : Secretary of Finance

Date: 01/26/2026 VB  
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