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HOUSE BILL NO. 954

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Finance and Appropriations
on March 3, 2026)

(Patron Prior to Substitute—Delegate Watts)

A *BILL* to amend the Code of Virginia by adding in Article 1 of Chapter 2 of Title 6.2 sections numbered 6.2-200.1 and 6.2-200.2, relating to rounding procedures.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1 of Chapter 2 of Title 6.2 sections numbered 6.2-200.1 and 6.2-200.2 as follows:

§ 6.2-200.1. Rounding procedures.

Any person selling goods or services in a cash transaction, entering into any transaction that results in a payment or transfer of cash between the parties to the transaction, or paying cash wages to an employee as compensation:

1. In any case in which the total transaction amount, including any taxes, ends with one, two, six, or seven as the final digit of the number of cents for the transaction, may round down such number of cents to the nearest number of cents divisible by five; and

2. In any case in which the total transaction amount, including any taxes, ends with three, four, eight, or nine as the final digit of the number of cents for the transaction, may round up such number of cents to the nearest number of cents divisible by five.

§ 6.2-200.2. Taxes and fees calculated before rounding.

A. Any person selling goods or services, or any public or private entity entering into any transaction that results in a payment or transfer of cash between the parties to the transaction, shall calculate and remit all taxes and fees, and other charges imposed by state taxing authorities or by the seller, based on the sales price or stated service fee prior to any cash transaction rounding.

B. Any person selling goods or services shall not be in violation of any state or municipal requirements, laws, regulations, or standards based on any action taken in compliance with this section.

2. That notwithstanding the provisions of §§ 6.2-200.1 and 6.2-200.2 of the Code of Virginia, as created by this act, the governing body of any locality may by ordinance prescribe temporary procedures that shall expire no later than July 1, 2027, for the adjustment of bills and account balances for taxes and other charges due to the locality and paid for by a cash transaction to account for the cessation of production of the penny coin by the United States Mint. Any such ordinance may provide 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.

3. That the Department of Taxation shall evaluate options and recommend a uniform procedure by which all localities of the Commonwealth shall adjust bills and account balances for taxes and other charges due to each locality and paid for by a cash transaction to account for the cessation of production of the penny coin by the United States Mint. Such evaluation shall consider whether to provide 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. The Department of Taxation shall report the findings of its evaluation and any recommendations to the Chairs of the Senate Committee on Finance and Appropriations and the House Committee on Appropriations no later than November 1, 2026.

SENATE SUBSTITUTE

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