

**DEPARTMENT OF TAXATION
2026 Fiscal Impact Statement**

1. **Patron** Vivian E. Watts
3. **Committee** Passed House and Senate
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
 X **Enrolled**

5. Summary/Purpose:

This bill would authorize any person selling goods or services in a cash transaction, or paying cash wages, to round the total transaction amount to the nearest five-cent increment. The bill would mandate that all taxes and fees imposed by state taxing authorities would be calculated and remitted based on the sales price or service fee prior to any cash transaction rounding.

This bill would authorize the governing body of any locality to temporarily provide by ordinance procedures, that shall expire no later than July 1, 2027, for the adjustment of bills and account balances for local 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.

This bill would also require the Department of Taxation to evaluate options and recommend a uniform procedure for localities to adjust such bills and report its findings by November 1, 2026.

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 to the extent they exercise this authority.

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: 03/23/2026 AB
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