Washington State
House of Representatives
Office of Program Research

BILL ANALYSIS

Finance Committee

HB 2334

Brief Description: Adjusting the price of a cash transaction to eliminate the need for pennies.

Sponsors: Representatives Berg, Street, Parshley, Ryu, Ramel, Reed, Fitzgibbon, Zahn, Wylie, Morgan, Thomas, Ormsby, Stearns, Macri, Hill and Thai.

Brief Summary of Bill

- Provides for rounding of the total price of a transaction involving cash payments.

Hearing Date: 1/22/26

Staff: Tracey Taylor (786-7152).

Background:

In 2025, the United States Department of Treasury (US Treasury) announced that it would cease manufacturing new pennies. The Federal Reserve will continue to recirculate the approximately 114 billion pennies currently in existence; however, the actual availability of pennies for retailers to make change can vary and largely depends on consumer behavior.

As pennies fall out of circulation, merchants will need to round transactions either up or down to the nearest five cents. According to the US Treasury, it is ultimately up to the state and local jurisdictions to amend their sales tax laws to address the rounding of transactions and any other related statutes.

Summary of Bill:

For purchases made by legal tender, if the total price ends in one cent, two cents, six cents, or

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seven cents, the amount must be rounded down to the nearest five cents. If the total price ends in three cents, four cents, eight cents, or nine cents, the total price must be rounded up to the nearest five cents. Transactions made by another form of payment, including credit cards, will not be rounded.

The "total price" of a transaction means the final amount due and payable by the buyer for the purchase of any good, service, or other product, after all applicable taxes and fees are applied as well as any adjustments or discounts are made by the seller.

Appropriation: None.

Fiscal Note: Requested on January 13, 2026.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.