

Senate Study Bill 3143 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY CHAIRPERSON
BOUSSELOT)

A BILL FOR

- 1 An Act relating to rounding the amount of cents for cash
- 2 transactions and payments.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. **554J.1 Cash transactions and**
2 **payments — rounding.**

3 1. The following shall apply to a person that sells a good
4 or service in a cash transaction in the state, enters into a
5 transaction that results in a payment or transfer of cash between
6 the parties to the transaction, or pays cash wages to an employee
7 as compensation in the state:

8 a. Except as provided in paragraph "c", if the total
9 transaction amount, including any taxes, ends with one, two, six,
10 or seven as the final digit of the number of cents for the
11 transaction, the person may round down the number of cents to the
12 nearest number of cents divisible by five.

13 b. If the total transaction amount, including any taxes, ends
14 with three, four, eight, or nine as the final digit of the number
15 of cents for the transaction, the person may round up the number
16 of cents to the nearest number of cents divisible by five.

17 c. If the total transaction amount, including any taxes,
18 totals one or two cents, the person shall round up the
19 transaction amount to five cents.

20 2. This section shall not apply to a transaction or payment
21 made with a demand or negotiable instrument, electronic fund
22 transfer, check, gift card, money order, credit card, or other
23 similar instrument or method.

24 **EXPLANATION**

25 The inclusion of this explanation does not constitute agreement with
26 the explanation's substance by the members of the general assembly.

27 This bill relates to rounding the amount of cents for cash
28 transactions and payments.

29 On November 12, 2025, the United States mint suspended
30 production of the one cent coin (penny) at the direction of the
31 United States secretary of the treasury.

32 The bill applies to a person that sells a good or service in
33 a cash transaction in the state, enters into a transaction that
34 results in a payment or transfer of cash between the parties to
35 the transaction in the state, or pays cash wages to an employee

1 as compensation in the state.

2 If the total amount of the transaction, plus taxes, requires a
3 number of cents ending with one, two, six, or seven, the person
4 may round down the number of cents to the nearest number of cents
5 divisible by five. If the total amount of the transaction, plus
6 taxes, requires a number of cents ending with three, four, eight,
7 or nine, the person may round up the number of cents to the
8 nearest number of cents divisible by five. If the amount of the
9 transaction or payment, plus taxes, totals one or two cents, the
10 person shall round the transaction amount to five cents.

11 The bill does not apply to a transaction or payment made
12 with a demand or negotiable instrument, electronic fund transfer,
13 check, gift card, money order, credit card, or other similar
14 instrument or method.

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