

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:

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
5 a transaction that results in a payment or transfer of cash
6 between the parties to the transaction, or pays cash wages to
7 an employee 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,
10 six, 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
12 the nearest number of cents divisible by five.

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

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

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

25 EXPLANATION

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

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

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

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

1 the transaction in the state, or pays cash wages to an employee
2 as compensation in the state.

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

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