Multiple Agency Fiscal Note Summary

Bill Number: 6230 SB	**Title:** Cash transactions/pennies

Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Revenue	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total $	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outloo	Total	FTEs	GF-State	NGF-Outlook	Total
Office of State Treasurer	Fiscal note not available											
Department of Revenue	2.9	538,200	538,200	538,200	1.4	241,100	241,100	241,100	.8	135,000	135,000	135,000
Total $	**2.9**	**538,200**	**538,200**	**538,200**	**1.4**	**241,100**	**241,100**	**241,100**	**0.8**	**135,000**	**135,000**	**135,000**

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	Fiscal note not available								
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

FNPID: 75794

FNS029 Multi Agency rollup

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Megan Tudor, OFM	**Phone:** (360) 890-1722	**Date Published:** Preliminary 1/27/2026

FNPID: 75794

FNS029 Multi Agency rollup

Department of Revenue Fiscal Note

Bill Number: 6230 SB	Title: Cash transactions/pennies	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	5.6	2.9	1.4	0.8
Account					
GF-STATE-State 001-1	22,900	515,300	538,200	241,100	135,000
Total $	22,900	515,300	538,200	241,100	135,000

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:	William Bridges	Phone: 360-786-7367	Date: 01/22/2026
Agency Preparation:	Tom Gilmore	Phone: 360-534-1559	Date: 01/23/2026
Agency Approval:	Marianne McIntosh	Phone: 360-534-1505	Date: 01/23/2026
OFM Review:	Megan Tudor	Phone: (360) 890-1722	Date: 01/27/2026

Request # 6230-1-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

CURRENT LAW:
Businesses calculate sales and use taxes uniformly for all transactions, regardless of the payment method, based on the selling price. Selling price means the total amount, valued in money, for which anything the law defines as a retail sale is sold, leased, or rented.

PROPOSAL:
This bill defines a rounding mechanism that will apply only to cash transactions. This mechanism will adjust the total price of any transaction (selling price plus all applicable sales taxes and fees, as well as any discounts or other adjustments) to the nearest 5 cents. Totals ending in 1, 2, 6, or 7 cents will round down to the nearest 5 cents, and totals ending in 3, 4, 8, or 9 cents will round up to the nearest 5 cents.

The Department of Revenue (department) must adopt rules for transactions made by a combination of legal tender and other forms of payment.

EFFECTIVE DATE:
The bill takes effect 90 days after the final adjournment of the session.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

The revenue impact of this bill is indeterminate but minimal. Rounding applied to affected transactions may slightly increase or decrease total collections.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

ASSUMPTIONS:
This proposal affects 400,000 taxpayers.

Implementation of this legislative proposal will require additional tribal consultation. While the exact level of engagement required is unknown, the department will incur costs for tribal consultation and will absorb them within current funding.

FIRST YEAR COSTS:
The department will incur total costs of $22,900 in fiscal year 2026. These costs include:

Labor Costs – Time and effort equate to 0.18 FTE.
- Create a special notice and update relevant information on the department's website.
- As a part of implementing this legislation, the department will incur additional costs for engaging in tribal consultation, and those costs will be absorbed within current funding.

SECOND YEAR COSTS:
The department will incur total costs of $515,300 in fiscal year 2027. These costs include:

Labor Costs – Time and effort equate to 5.63 FTEs.

- Amend one administrative rule.
- Process tax return work items, assist taxpayers with reporting questions, and respond to inquiries via email, web message, and paper correspondence.
- Examine accounts and make corrections as necessary.
- Answer additional phone calls and counter inquiries from businesses, individuals, and accountants regarding tax questions and tax return preparation.
- As a part of implementing this legislation, the department will incur additional costs for engaging in tribal consultation, and those costs will be absorbed within current funding.

Object Costs - $12,400.
- Purchase four additional agent seat licenses for the Telephone Information Center.
- Printing and postage

THIRD YEAR COSTS:
The department will incur total costs of $162,600 in fiscal year 2028. These costs include:

Labor Costs – Time and effort equate to 1.9 FTEs.
- Continue to process tax return work items and examine accounts to make corrections as necessary.
- Continue to answer phone calls and counter inquiries on tax questions.

FOURTH YEAR COSTS:
The department will incur total costs of $78,500 in fiscal year 2029. These costs include:

Labor Costs – Time and effort equate to 0.9 FTE.
- Continue to process tax return work items and examine accounts to make corrections as necessary.
- Continue to answer phone calls and counter inquiries on tax questions.

ONGOING COSTS:
Ongoing costs for the 2029-31 biennium equal $135,000 and include similar activities described in the fourth-year costs. Time and effort equate to 0.8 FTE each year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	5.6	2.9	1.4	0.8
A-Salaries and Wages	14,500	291,900	306,400	145,900	81,600
B-Employee Benefits	5,200	105,200	110,400	52,400	29,400
E-Goods and Other Services	2,500	95,800	98,300	40,300	22,600
J-Capital Outlays	700	22,400	23,100	2,500	1,400
Total $	$22,900	$515,300	$538,200	$241,100	$135,000

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
EMS BAND 4	139,704		0.0	0.0		
EMS BAND 5	163,205		0.0	0.0		
EXCISE TAX EX 1	49,428		1.0	0.5	0.2	0.1
EXCISE TAX EX 2	61,639		0.5	0.3	0.2	0.1
EXCISE TAX EX 3	67,992		0.2	0.1	0.1	
MGMT ANALYST4	80,822		0.0	0.0		
TAX INFO SPEC 1	49,428		3.8	1.9	1.0	0.6
TAX POLICY SP 2	82,874	0.1	0.0	0.1		
TAX POLICY SP 3	93,800	0.1	0.1	0.1		
TAX POLICY SP 4	100,981		0.0	0.0		
WMS BAND 2	100,662	0.0		0.0		
WMS BAND 3	114,564		0.0	0.0		
Total FTEs		0.2	5.6	2.9	1.4	0.8

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the department will use the standard process to amend WAC 458-20-228, titled: "Returns, payments, penalties, extensions, interest, stays of collection."

This rulemaking would affect merchants and individuals who accept/use legal tender for taxable transactions.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6230 SB	**Title:** Cash transactions/pennies

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

[X] Cities: cities accepting cash as a form of payment

[X] Counties: counties accepting cash as a form of payment

[X] Special Districts: special districts accepting cash as a form of payment

[ ] Specific jurisdictions only:

[ ] Variance occurs due to:

Part II: Estimates

[ ] No fiscal impacts.

[ ] Expenditures represent one-time costs:

[ ] Legislation provides local option:

[X] Key variables cannot be estimated with certainty at this time: which local governments accept cash as a form of payment, software updates costs, policy updates

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/23/2026
Leg. Committee Contact: William Bridges	Phone: 360-786-7367	Date: 01/22/2026
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/23/2026
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 01/27/2026

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This bill outlines a rounding system for businesses to use on cash transactions to adjust the total price to the nearest 5 cents. Totals ending in 1, 2, 6, or 7 cents will round down to the nearest 5 cents, and totals ending in 3, 4, 8, or 9 cents will round up to the nearest 5 cents.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

There are several city and county departments that accept cash payments. These could include solid waste, building and permitting, planning, public health, treasurer (tax payments), assessor (licensing, recording, etc.), all departments for public records copying charges, courts (fines and fees), public works (permitting), parks (fees), and utilities like water and sewer service.

According to Washington Association of County Officials (WACO) local governments will need to revise or update billing software to incorporate the 5 cent rounding guideline. It is unknown which or how many local governments will need to purchase new software or what the costs would be. Therefore, the expenditure impact is indeterminate.

According to Municipal Research and Services Center (MRSC) the local governments would likely also need to update their policies to address rounding cash transactions. This would require staff time, but likely minimal.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

Local governments will experience a loss or gain of up to 2 cents on each transaction when cash is accepted as the form of payment if rounding is needed to eliminate the need for pennies.

According to the Department of Revenue (DOR) the revenue impact of this bill is indeterminate but minimal. Rounding applied to affected transactions may slightly increase or decrease total collections. Please see the DOR fiscal note for a complete list of their data sources and assumptions.

Sources:

Association of Washington Cities
Department of Revenue fiscal note, HB 2334 (2026)
Municipal Research and Services Center
Washington Association of County Officials
Washington State Association of Counties