SENATE BILL REPORT
SB 6230

As of January 28, 2026

Title: An act relating to adjusting the price of a cash transaction to eliminate the need for pennies.

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

Sponsors: Senators Frame and Stanford.

Brief History:
Committee Activity: Business, Trade & Economic Development: 1/28/26.

Brief Summary of Bill

- Requires the total price of a cash transaction to be rounded to the nearest amount divisible by $0.05.
- Specifies that rounding is applied after all applicable taxes, fees, adjustments, and discounts.

SENATE COMMITTEE ON BUSINESS, TRADE & ECONOMIC DEVELOPMENT

Staff: John Kim (786-7453)

Background: In 2025, the United States Department of the Treasury (U.S. Treasury) announced it would cease manufacturing new pennies and that the Federal Reserve will continue to recirculate the approximately 114 billion pennies currently in existence, but how long existing pennies will remain in circulation would depend largely on consumer behavior.

The U.S. Treasury advised that retailers should continue accepting pennies and providing penny change for cash transactions while the coin remains in circulation. When penny change is not available, businesses may round the final amount of a cash transaction to the

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nearest five-cent increment. The U.S. Treasury stated how states and localities will ultimately amend their sales tax laws is the right and responsibility of those jurisdictions.

Summary of Bill: For purchases made by legal tender, if the total price ends in $0.01, $0.02, $0.06, or $0.07, the amount must be rounded down to the nearest $0.05. If the total price ends in $0.03, $0.04, $0.08, or $0.09, the total price must be rounded up to the nearest $0.05. This rounding requirement does not apply to payments made by other methods.

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.

For example, for cash transactions with a total price ranging from $1.00 to $1.10:

Total price	*Rounded price to nearest $0.05*
$1.00	$1.00 (not rounded)
$1.01	$1.00
$1.02	$1.00
$1.03	$1.05
$1.04	$1.05
$1.05	$1.05 (not rounded)
$1.06	$1.05
$1.07	$1.05
$1.08	$1.10
$1.09	$1.10
$1.10	$1.10 (not rounded)

The Department of Revenue must adopt rules for transactions that made by a combination of legal tender and any other form of payment.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: We need a framework for predictability for businesses. The decision to end production of the penny just happened, but we wanted to move quickly and get ahead of the problem.

The Washington Retail Association recognizes the need for the legislation because of the national penny shortage and the loss of minting future pennies. We are asking for some protective amendments for retailers who need to make adjustments. Specifically, we want to make sure we have protection in sales tax audits around rounding, as well as protection from consumer protection violations around rounding. We have seen claims issued for smaller things, so we want to make the protective advance now.

The Washington Food Industry Association supports the bill and in the past several months, its members have experienced challenges providing exact change to customers for cash transactions. Many stores have been rounding up or down to the nearest nickel, but we have been concerned about this practice without official guidance from the state. The bill provides the guardrails to update our point-of-sale systems and certainty to our customers. Grocer and convenience stores are unique because we accept Electronic Benefit Transfer (EBT) cards from customers paying with Supplemental Nutrition Assistance Program (SNAP). The SNAP equal treatment rules prevents retailers from charging a SNAP customer more or less than a non-SNAP customer. We'd like to see guidance protecting our stores from these violations when rounding on cash transactions.

The NW Grocery Retail Association supports the bill but seeks two friendly amendments. First, we would like to change the language to be permissive. There are still going to be individuals who pay in exact change and we want to make sure to be able to take those from consumers. Second, there are two local ordinances in Snohomish and King Counties that would put us in a difficult situation because they require us to charge the same for cash transactions that we do for credit card or electronic transactions. We don't intend to round on those transactions, so we'd like a safe harbor from those ordinances.

Persons Testifying: PRO: Senator Noel Frame, Prime Sponsor; Amber Carter, Washington Retail Association; Molly Pfaffenroth, Washington Food Industry Association; Brandon Houskeeper, NW Grocery Retail Association.

Persons Signed In To Testify But Not Testifying: No one.