

One Hundred Nineteenth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Saturday,
the third day of January, two thousand and twenty-six*

An Act

To direct the Secretary of the Treasury to stop minting the penny, to require cash transactions to be rounded up or down to the nearest 5 cents, and for other purposes.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE.

This Act may be cited as the “Common Cents Act”.

SEC. 2. SPECIFICATIONS OF 5-CENT COINS AND CEASING PRODUCTION OF ONE-CENT COINS.

Section 5112 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (5), by striking “weighs 5 grams.” and inserting the following: “weighs—

“(A) 5 grams, with respect to such coin that is an alloy of copper and nickel; or

“(B) between 4 and 6 grams, with respect to such coin as described in subsection (c).”; and

(B) in paragraph (6)—

(i) by striking “except as provided under subsection (c) of this section,”; and

(ii) by striking “and weighs 3.11 grams”;

(2) in subsection (b)—

(A) in the sixth sentence—

(i) by inserting “either” before “an alloy”; and

(ii) by inserting “or a composition described in subsection (c)” before the period;

(B) by inserting “with respect to such coins that are an alloy of copper and nickel” after “nickel required”; and

(C) by striking “Except” through “zinc” and inserting “The one-cent coin is composed of copper and zinc”;

(3) by amending subsection (c) to read as follows:

“(c) 5-CENT COIN.—

“(1) IN GENERAL.—The 5-cent coin may be a coin with an inner layer of zinc and an outer layer of nickel.

“(2) COMPOSITION.—The Secretary may prescribe the composition of zinc and nickel in the 5-cent coin, subject to testing and evaluation that such composition—

“(A) reduces the cost incurred to produce such coin; and

“(B) to the greatest extent practicable, has a minimal adverse impact on machines designed to accept coins.”; and

(4) by adding at the end the following:

“(bb) **CEASING PRODUCTION OF ONE-CENT COIN.**—

“(1) **IN GENERAL.**—Notwithstanding any other provision of law, the Secretary shall cease production of one-cent coins for general circulation, but may continue to produce and issue one-cent coins for sale as numismatic items.

“(2) **NO EFFECT ON LEGAL TENDER.**—Any one-cent coin that is minted and issued on any date before the date of the enactment of this subsection shall remain legal tender for all debts, public charges, taxes, and dues.”.

SEC. 3. CASH TRANSACTION ROUNDING.

(a) **IN GENERAL.**—Any person, including a financial institution, selling goods or services in a cash transaction or entering into any other transaction that results in a payment or transfer of cash between the parties to the transaction may, if exact change cannot be provided at that time of such transaction, round the covered amount in the following manner:

(1) **ROUNDING DOWN.**—Except as provided in paragraph (2)(B), in any case in which the covered amount ends with 1 cent, 2 cents, 6 cents, or 7 cents as the final digit, the amount of cents in the sum may be rounded down to the nearest amount divisible by 5 for any person seeking to make payment with cash.

(2) **ROUNDING UP.**—

(A) **IN GENERAL.**—In any case in which the covered amount ends with 3 cents, 4 cents, 8 cents, or 9 cents as the final digit, the amount of cents in the sum may be rounded up to the nearest amount divisible by 5 for any person seeking to make payment with cash.

(B) **SMALL TRANSACTIONS.**—In any case in which the covered amount totals \$0.01 or \$0.02, such amount may be rounded up to \$.05 for any person seeking to make payment with cash.

(b) **ADDITIONAL AUTHORITY TO ROUND.**—With respect to a person, including a financial institution, conducting a cash transaction with a customer of the person, the amount of cents in the sum of the transaction may be rounded, if such rounding is in favor of the customer, as follows:

(1) Up to the nearest amount divisible by 5, if the person is paying the customer in cash.

(2) Down to the nearest amount divisible by 5, if the customer is paying the person in cash.

(c) **EMPLOYER PAYMENTS TO EMPLOYEES.**—

(1) **IN GENERAL.**—With respect to an employer providing a cash payment to an employee in an amount that is not divisible by 5 cents, if the employer chooses to round the amount of cents in such payment, the employer shall round the amount of cents in such payment up to the nearest amount divisible by 5 cents.

(2) **NO ROUNDING REQUIREMENT.**—Nothing in this subsection may be construed to require rounding by an employer described in paragraph (1) who provides a cash payment to an employee in an exact amount.

(d) **APPLICATION.**—Subsections (a), (b), and (c) shall not apply to any transaction for which payment is made by any demand

or negotiable instrument, electronic fund transfer, check, gift card, money order, credit card, or other like instrument or method.

(e) **RULE OF CONSTRUCTION.**—Nothing in this Act may be construed to require any person to round a payment as described in subsections (a) or (b).

(f) **COVERED AMOUNT DEFINED.**—In this section, the term “covered amount” means—

- (1) the total transaction amount, including taxes; or
- (2) in the case of a person selling goods or services in a cash transaction or entering into any other transaction that results in a payment or transfer of cash between the parties to the transaction, the amount of change due to the customer if the customer provides a cash payment that exceeds the total transaction amount, including taxes.

SEC. 4. TREATMENT OF FEDERAL, STATE, AND TRIBAL LAW WITH RESPECT TO CASH TRANSACTION ROUNDING.

(a) **FEDERAL LAW.**—Any person selling goods or services in a cash transaction, including a financial institution, entering into any other transaction that results in a payment or transfer of cash between the parties to the transaction shall not be in violation of any Federal requirement, law, regulation, or standard based on the adherence to the cash rounding provisions described in section 3.

(b) **STATE AND TRIBAL LAW.**—Any person selling goods or services in a cash transaction, including a financial institution, entering into any other transaction that results in a payment or transfer of cash between the parties to the transaction shall not be in violation of any requirement, law, regulation, or standard of a State, Tribe, or a political subdivision of a State based on the adherence to the cash rounding provisions described in section 3.

(c) **RULE OF CONSTRUCTION.**—Nothing in this Act or of any order thereunder shall excuse noncompliance with any Federal, State, Tribal, or local law, regulation, ordinance, or requirement establishing a minimum wage, providing for overtime pay requirements, or providing for paid leave.

SEC. 5. STRATEGIC PLAN AND REPORT ON COIN TERMINAL OPERATIONS AND COIN DISTRIBUTION STABILITY.

(a) **STRATEGIC PLAN AND REPORT.**—Not later than 90 days after the date of the enactment of this Act, the Board of Governors of the Federal Reserve System shall submit to the covered committees and make publicly available a report that outlines a strategic plan for the acceptance of penny orders and deposits at commercial coin terminals providing services under agreements with the Federal reserve banks nationwide, including—

- (1) a description of the Board’s approach to limiting disruptions in penny supply and maintaining the stability of and efficiency of the coin distribution system, to the greatest extent practicable;
- (2) an evaluation of such coin terminals where the Federal reserve banks no longer accept penny deposits or penny orders;
- (3) an assessment of whether processing penny deposits or penny orders at such coin terminals could mitigate any challenges related to ceasing the production of the penny, including challenges related to the implementation of rounding practices;

(4) an assessment by the Secretary of the Treasury, which the Secretary shall conduct and deliver to the Board not less than 60 days after the date of enactment of this Act—

(A) on the impact of penny supply and demand disruptions, and rounding practices for check cashing, on low-income communities, older consumers, debanked, unbanked, and underbanked individuals, including feedback from State or local entities; and

(B) that includes recommendations to the Congress to address any adverse impacts identified under subparagraph (A); and

(5) any additional considerations the Board determines relevant to maintaining penny distribution stability.

(b) EVALUATION.—

(1) IN GENERAL.—Not later than 6 months after submission of the report required under subsection (a), the Board of Governors of the Federal Reserve System shall submit to the covered committees and make publicly available a report that evaluates the progress of implementing the strategic plan described in subsection (a), including—

(A) any material changes to the plan; and

(B) any identified or emerging stress in the penny distribution system.

(2) SUCCESSIVE REPORTS.—The Board of Governors of the Federal Reserve System shall submit to the covered committees and make publicly available 2 additional reports that evaluate the progress described in paragraph (1) on dates that are not later than—

(A) 18 months after the submission of the report required under subsection (a); and

(B) 30 months after the submission of the report required under subsection (a).

SEC. 6. DISCONTINUATION OF CIRCULATION OF COINS.

Section 5111 of title 31, United States Code, is amended—

(1) in subsection (a)—

(A) in paragraph (3), by striking “and” at the end;

(B) in paragraph (4), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(5) may discontinue the minting for circulation of any coin that is described in paragraph (1) (and that is minted for circulation, as of the date of enactment of this paragraph) only in accordance with the procedures described in subsection (e).”; and

(2) by adding at the end the following:

“(e) DISCONTINUATION.—

“(1) DEFINITION.—In this subsection, the term ‘covered committees’ means—

“(A) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

“(B) the Committee on Financial Services of the House of Representatives.

“(2) REQUIREMENTS.—The Secretary of the Treasury may not discontinue the minting for circulation of a coin described in subsection (a)(5) unless the Secretary—

“(A) not later than 60 days before that discontinuation, and in coordination with the Director of the United States Mint, submits to the covered committees notice regarding that discontinuation, which shall include—

“(i) a description of the reasoning for that discontinuation, including fiscal and operational considerations; and

“(ii) a comprehensive plan for phasing out the circulating coin, taking into consideration—

“(I) the potential impacts of that discontinuation on consumers and businesses; and

“(II) the potential economic impacts of that discontinuation; and

“(B) not later than 30 days after the date on which the Secretary submits the notice required under subparagraph (A), provides a briefing to the covered committees regarding the plan for implementing that discontinuation.”.

SEC. 7. DEFINITIONS.

In this Act:

(1) COVERED COMMITTEES.—The term “covered committees” means—

(A) the Committee on Financial Services of the House of Representatives; and

(B) the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) FINANCIAL INSTITUTION.—The term “financial institution” means any person, other than an individual, the business of which is engaging in financial activities in section 4(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(k)).

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*