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The Nickel-to-Dime Problem

Since the last circulating penny was minted in November 2025, twenty states have built cash rounding laws around the nickel. None is designed to adapt if the denomination changes again.

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Independent policy and statutory analysis. This paper takes no position on whether the five-cent coin should be retained, redesigned, or retired, on whether cash rounding should be mandatory or permissive, or on any pending legislation. It does not forecast the nickel's elimination and should not be read as predicting one. Section 7 makes drafting recommendations; those are offered as statutory craft, not as a position on any policy outcome. The authors are officers of Centsless, which builds jurisdiction-aware rounding and per-transaction evidence infrastructure; that interest is disclosed here at the outset and again in the Limitations.

Abstract

Since the United States struck its last circulating one-cent coin on November 12, 2025, twenty states have enacted cash rounding statutes. Seventeen are in force as of this writing, Missouri's having applied from August 28, 2026, and three are counting down: Oklahoma from November 1, 2026, and Connecticut and Indiana from January 1, 2027 [1][2]. To our knowledge, every one of the twenty fixes the rounding increment at five cents by naming it, and none expresses the increment by reference to a variable, such as the smallest denomination then in circulation. The federal framework does the same: the rounding provisions of the Common Cents Act, passed by the House on July 14, 2026 and by the Senate on August 7, 2026, round to the nearest amount divisible by five [3][4].

This paper asks a narrow question. Not whether the nickel will disappear, which we do not predict and think unlikely in the near term, but what the drafting choice costs if the denomination set ever changes again. The question is not idle. The nickel's unit cost has exceeded its face value for twenty consecutive fiscal years and reached 13.31 cents in fiscal 2025 [5]. Section 2 of the Common Cents Act exists because Congress judged the coin too expensive to leave alone. A separate House bill, H.R. 1270, would suspend production of both the penny and the nickel for ten years [6]. And the Congressional Research Service has observed that eliminating the penny should increase nickel demand, which increases aggregate losses on the coin that twenty state statutes now depend on [7].

The federal bill is more interesting than the states on this point, because it contains both kinds of drafting side by side. Section 3(a) permits rounding by a fixed symmetric table: totals ending in one, two, six or seven cents round down and three, four, eight or nine round up, in each case to the nearest amount divisible by five [4]. Section 3(b), captioned Additional authority to round, permits rounding by an entirely different logic, *if such rounding is in favor of the customer*, up to the nearest amount divisible by five where the person is paying the customer and down where the customer is paying the person [4]. The first rule is a table of digits calibrated to a five-cent settlement increment and cannot adapt if that increment changes. The second is a direction of travel and can. Congress drafted a denomination-dependent rule and a denomination-independent one in adjacent subsections, and there is no committee record explaining either. The reason is set out in Section 5: the text the committee of jurisdiction reported contained no rounding provisions at all.

Two states broke the pattern on the trigger and they are worth naming at the outset. Idaho conditions its rounding provision on whether a seller is unable to settle a cash transaction to the whole cent using denominations of United States coin or currency on hand [20]. Tennessee conditions its authorization on whether exact change is available, and places its penny reference not in that authorization but in the exemption it adds to the state Consumer Protection Act [21]. Both name no coin in the condition, both ask an operational question the seller can actually answer, and both triggers would survive a change in the denomination set without amendment. The increment in each is nonetheless the same hard-coded five cents as everyone else's, which is the cleanest demonstration available that the trigger and the increment are separate decisions and that a legislature can get one right while leaving the other fixed.

Two further features of the state record sharpen the point. Georgia's merchant mandate is unconditional, opening *Notwithstanding any law to the contrary*, while the customer's right to tender exact change is conditioned on the one-cent piece remaining legal tender [17]. The escape hatch was keyed to a coin; the obligation was keyed to nothing, and neither was generalized to the denomination above. Oklahoma's political subdivision provision opens with the phrase unless actions by the United States Congress direct otherwise, making it, to our

knowledge, the only enacted rounding law that defers on its face to a change from outside [1][22]. One legislature built an adaptive clause. It is about federal preemption, not about the denominator.

The remedy is not the flexible language it first appears to be, and it is closer to hand than we expected. A statute directing rounding to the smallest denomination then in circulation would make a merchant's obligation turn on a fact that is contested, unobservable at the register, and determined by no one. What flexible language needs is an official determination event to attach to. **Congress has now drafted the machinery within which such an event could be established.** Section 6 of the same bill amends 31 U.S.C. 5111 so that the Secretary may discontinue minting any circulating coin only after submitting to the congressional banking committees, sixty days in advance, notice of the reasoning and a comprehensive plan for phasing out the coin, followed by a briefing [4]. The notice alone is the wrong anchor, because cessation of minting is not disappearance from settlement and the interval between them is long and unmeasured. The phase-out plan is where a conformance date belongs, and Section 6 requires one. No rounding statute, state or federal, refers to any of it, because all twenty state acts predate it and none contains a hook of any kind. The gap is no longer that the machinery is missing. It is that nothing is connected to it.

Findings at a Glance

Every enacted state framework we reviewed uses a fixed five-cent rounding increment.
Across twenty enacted state acts, seventeen of them now in force, we located no framework that adjusts its rounding increment automatically if the smallest denomination available for cash settlement changes. Six distinct architectures appear in the record and all six name five cents. Independently, nineteen of the twenty use the symmetric five-cent table and the twentieth, Indiana, is denominated in nickels as well [1][2].

The federal framework is fixed at five cents as well, though its trigger is not.
The Common Cents Act conditions rounding on whether exact change can be provided, which names no coin. Its rounding instructions are nonetheless calibrated expressly to amounts divisible by five [3][4].

Ceasing production, losing circulation, and losing settlement availability are three different events.
The penny shows the distance between them: minting ended in November 2025 and the Federal Reserve was still moving pennies through terminals nine months later. All twenty statutes exist to answer the loss of settlement availability, and eighteen of them either key their trigger to the penny or impose no settlement-availability trigger at all. Idaho and Tennessee are the exceptions: both condition their operative authority directly on whether the transaction can be settled exactly, Tennessee doing so while conditioning its liability shield on the penny [13][20][21].

Congress may be creating the machinery from which a future conformance event could be derived.
Section 6 of the Senate-passed bill would require sixty days' advance notice and a comprehensive phase-out plan before Treasury discontinues minting any circulating coin. The notice alone is too early to move a rounding increment; the phase-out process it requires could supply a defined conformance date. No rounding statute refers to any of it [4].

A dime increment creates a policy question that nickel rounding does not.
At a ten-cent increment a total ending in five cents falls exactly halfway between two settlement amounts. Existing tables contain no tie-breaking rule because none is needed at five cents.

Future-proofing takes more than replacing five cents with a phrase.
Language referring to the smallest denomination in circulation would make a merchant's obligation turn on a national fact with no moment of change. The better trigger is operational and already enacted in Idaho and Tennessee. What no statute has is a mechanism for changing the increment itself, which is a policy quantity no seller can set.

TOTAL ENDS IN	NICKEL INCREMENT	DIME INCREMENT
1¢	Down	Down
2¢	Down	Down
3¢	Up	Down
4¢	Up	Down
5¢	**Exact, no rounding**	**Tie, undefined**
6¢	Down	Up
7¢	Down	Up
8¢	Up	Up
9¢	Up	Up

Five of the nine endings behave differently at the two increments, and one of those five, a total ending at exactly five cents, has no answer at a dime increment until a legislature supplies one. Replacing the number five with the number ten in an enacted table does not produce this column.

Verification status. The increment finding was read from enrolled, chaptered or codified text for the majority of the twenty, and from official legislative summaries or state agency guidance for the remainder. Arizona, Connecticut, Florida, Georgia, Idaho, Indiana, Minnesota, Nebraska, New Mexico, Oregon, Virginia and Washington have been verified against enacted text. Oklahoma and Tennessee have now been read verbatim, Oklahoma from the enrolled bill and Tennessee from the chaptered act. Every state this paper quotes has been read from enacted, enrolled or chaptered text. The three negative claims this paper makes are set out in full in the Limitations, together with what would falsify each.

1. The question a reporter asked

On August 24, 2026, a payments trade journalist asked Centsless a question that, to our knowledge, had not been posed in the public record: given the House provision directing Treasury toward a more cost-efficient nickel, and given the separate House bill that would suspend nickel minting for a decade, what would cash rounding look like if the dime became the smallest coin in circulation.

The question is well formed, and answering it exposed something about the statutes we track that our own tracker was not built to surface. Nothing in the analysis below depends on where the question came from; the provenance is recorded because it explains why a compilation we maintain did not already contain the answer. A legislative tracker records what each statute requires. It does not record what each statute assumes.

Our prior work approached the same bill from two other sides. *The Measurement Gap* examined Section 5, which conditions an assessment of rounding harm on transaction evidence no one collects [9]. *The Machine Test* examined Section 2, which conditions a coinage change on machine-impact evidence no one collects [10]. This paper examines something different in kind. Sections 3 and 4 of the same bill, and the twenty state statutes enacted alongside them, do not condition action on missing evidence. They condition action on a coin, and they provide no mechanism by which that condition can change.

FOUR STATES OF A COIN, AND ONLY THE LAST ONE MATTERS

Production status is not circulation status. The Mint struck its last circulating penny in November 2025; billions remain in use.

Circulation status is not legal tender status. A coin can be scarce at the register and remain legally good for any debt.

Legal tender status is not settlement availability. A coin can be legally good for any debt and still be absent from the drawer, and it is the drawer that decides whether a transaction can be settled to the cent.

Settlement availability is what creates the rounding problem. Every statute in this paper responds to the fourth condition. Eighteen either key their trigger to the first or the third or impose no settlement-availability trigger at all; Idaho and Tennessee are the exceptions and key to the fourth.

These four are treated as interchangeable in most discussion of the penny and they are not, and the distance between them is where the analysis in this paper lives. A determination that production has ceased tells a drafter almost nothing about when settlement becomes impossible, and the interval between the two is measured in years whose number nobody has published.

We want to be precise about what is and is not claimed. We are not forecasting the nickel's elimination, and the dominant federal effort points the other way, toward preserving the coin by making it cheaper. The observation is about statutory architecture, and it does not depend on the contingency being likely. It depends only on the architecture being the same either way, which it is. A low-probability contingency is still worth addressing when durable drafting can accommodate it at low cost, and that argument is stated here, at the front, rather than conceded at the back.

2. Is the nickel actually at risk?

Less than the framing of the question implies, and more than the statutory drafting assumes.

The dominant federal effort points toward preservation. The Common Cents Act passed the House on July 14, 2026 by voice vote under suspension of the rules, and the Senate passed S. 1525 on August 7, 2026 by unanimous consent following a substitute amendment conforming it to the House text [3][4]. Because different bill numbers passed each chamber, the measure was not enrolled on the Senate vote. S. 1525 was received in the House on August 10, 2026 and awaits further House action before it can be presented to the President; it is not law [1][4]. The Senate text also carries a safeguard the House text does not, requiring Treasury to notify and brief the congressional banking committees before discontinuing any other circulating coin [4]. That provision is worth noting twice: it is a procedural check on exactly the event this paper analyzes, and it is a notification requirement rather than a determination mechanism, so it would not cause any rounding statute to adapt.

Section 2 amends 31 U.S.C. 5112(c) to provide that the five-cent coin may be a coin with an inner layer of zinc and an outer layer of nickel, subject to testing that the composition reduces production cost and, to the greatest extent practicable, has a minimal adverse impact on machines designed to accept coins [3]. The authority is permissive. Its purpose is a cheaper nickel, which is an argument for keeping the coin. The evaluability of that machine-impact condition is the subject of our prior paper and is not revisited here [10].

Section 6 of the Senate-passed bill matters more for this paper than Section 2 does, and it has attracted almost no attention. Captioned Discontinuation of circulation of coins, it amends 31 U.S.C. 5111 so that the Secretary may discontinue the minting for circulation of any currently circulating coin *only* in accordance with a new subsection (e) [4]. That subsection provides that the Secretary may not discontinue minting unless the Secretary, not later than sixty days before the discontinuation and in coordination with the Director of the Mint, submits to the Committee on Banking, Housing, and Urban Affairs and the Committee on Financial Services a notice containing the reasoning for the discontinuation, including fiscal and operational considerations, and a comprehensive plan for phasing out the coin that takes into consideration the potential impacts on consumers and businesses and the potential economic impacts; and unless the Secretary provides those committees a briefing within thirty days after the notice [4].

Two things follow. First, the fast administrative lever this section describes would be constrained: the authority Treasury used in November 2025 and in 2011 would, for any remaining circulating coin, acquire a sixty-day tripwire and a published plan. Second, and this is the point the rest of the paper turns on, **Section 6 would create the machinery within which a legally usable conformance event could be established**. The notice is dated, official, coin-specific and addressed to named committees, and it must be accompanied by a phase-out plan. The notice itself marks the beginning of a transition rather than its completion, and Section 7 returns to why that distinction decides where a drafter should attach. But after Section 6 there would be an identifiable federal proceeding, on the record, about a specific coin. That is the thing a rounding statute could key to, and no rounding statute does.

The contrary bill exists but, to our knowledge, has received no committee action. H.R. 1270, introduced February 9, 2025 by Representative David Schweikert, would direct the Secretary to cease production of one-cent and five-cent coins for a ten-year period, preserve legal tender status and numismatic production, and require a Government Accountability Office study within three years [6]. It was referred to the House Committee on Financial Services and has attracted zero cosponsors as of this writing. It stands in a line of proposals, including the C.O.I.N.S. Act of 2017, that have consistently died without hearings.

The authority question matters more than either bill, because it determines how fast the ground could move. Under 31 U.S.C. 5111(a)(1) and 5112, the Secretary mints coins in the amounts the Secretary decides are necessary to meet the needs of the United States. That is the authority Treasury used to stop penny production in November 2025 without new legislation, and the authority used to suspend circulating dollar coin production in 2011. Formally eliminating a denomination, by removing it from the statutory list or stripping legal tender status, requires an act of Congress, as the Coinage Act of 1857 did for the half cent [7] [11]. The practical consequence is a two-speed risk profile. Statutory elimination is slow, visible, and currently improbable. Administrative suspension of production is fast, requires no new law, and has recent precedent twice over.

The fiscal pressure behind all of it is documented. Per the United States Mint's annual reporting, the unit cost to produce and distribute the five-cent coin was 13.78 cents in fiscal 2024 and 13.31 cents in fiscal 2025, the twentieth consecutive year in which the coin cost more than its face value [5]. The Federal Reserve Bank of Richmond expresses the loss as approximately 1.75 dollars for every 1 dollar issued in nickels [12], and the Mint's own reporting gives the same measure directly: seigniorage per dollar issued on the five-cent coin was negative 1.75 dollars in fiscal 2024 and negative 1.64 dollars in fiscal 2025, on total nickel seigniorage of negative 50.9 million dollars in fiscal 2025 [5]. One figure in that report should be read with its dates in view rather than as evidence for this paper's argument.

Nickel shipments rose from 202 million in fiscal 2024 to 615 million in fiscal 2025 [5], but fiscal 2025 closed on September 30, 2025, six weeks before the last penny was struck, so the increase cannot be attributed to rounding and we do not so attribute it. And two sources in the federal record say the same thing. The Congressional Research Service has observed that demand for money would not be expected to change with the penny's elimination, so demand for nickels may increase, and because nickels cost more to produce than pennies, the overall cost of coin production could rise [7]. The Committee on Financial Services put it directly in its report on this bill: eliminating the penny may increase demand for the nickel, which the Mint also produces at a per-unit loss [19]. Rounding to the nearest five cents can increase demand for nickels as change inventory; it does not remove them from circulation, but it can raise the quantity the system must hold and move. By how much depends on how many merchants round and how often, which no one has measured. The statutory frameworks analyzed below therefore increase the system's reliance on the coin whose unit economics are the reason Congress is legislating about it.

One thing the record does not contain deserves explicit statement, because it bounds what anyone can currently say about how quickly a suspension would bite. For the penny, three stock estimates circulate: approximately 114 billion in existence per Treasury's cessation FAQs, approximately 300 billion in circulation per the Mint and the Hill letter, and approximately 240 billion per a New York Times estimate [13]. To our knowledge **no Treasury, Mint, Federal Reserve, GAO or CRS source has published any equivalent figure for the nickel**, and no published attrition or recirculation rate for the nickel exists against which the penny's roughly one-third circulation rate could be compared [7][13]. The common intuition that nickels recirculate better than pennies may well be correct. It is, on the public record, unquantified. The gap is not academic, because legislatures are already resting findings on the penny figure: the Tennessee Fiscal Review Committee based its conclusion that the state's rounding bill would have no significant impact on commerce on an estimate of 300 billion pennies in circulation attributed to the Mint's website, reasoning that the stock exceeds what commerce requires [21]. That is a reasonable way to analyze a penny bill. There is no figure that would let anyone do the same for a nickel bill. Anyone asserting a timeline for nickel scarcity under a production suspension is therefore asserting something the data does not currently support, and that includes anyone asserting the timeline is long.

3. What the statutes say

We reviewed the twenty enacted state cash rounding statutes against enrolled, chaptered or codified text where retrievable, and against official legislative summaries and state agency guidance where it was not, following the sourcing method and retrieval constraints documented in our August legislative reference [1][2]. The finding is uniform enough to state in one sentence.

To our knowledge, every enacted state cash rounding statute fixes the rounding increment by naming five cents, and none expresses the increment by reference to a variable denomination.

Idaho and Tennessee are worth naming here because Section 4 shows they are the exceptions on a different axis. Both wrote denomination-agnostic triggers, and neither wrote a denomination-agnostic increment. Idaho's 63-3643(1) directs rounding *to the nearest multiple of five cents*, and subsections (a) and (b) enumerate the same digits as everyone else [20]. Tennessee's authorization, which asks only whether exact change is available, nonetheless directs rounding to the nearest nickel, and its Consumer Protection Act exemption is drafted to cover rounding to the nearest nickel and nothing else [21]. The two state triggers most capable of surviving a denomination change sit on top of the same hard-coded unit as the rest. That is the cleanest evidence in this paper that the increment and the trigger are separate drafting decisions, and that a legislature can get one right while leaving the other fixed. It is also evidence that getting the trigger right is not a partial cure: a statute whose condition survives a change in the denomination set but whose unit does not is a statute that will keep authorizing an act nobody can perform.

That claim can be checked against a field the compilation records independently of this paper's argument. Nineteen of the twenty enacted states use the symmetric five-cent table; Indiana is the single method outlier, and its outlying method is operator-choice rounding up, down, or to the nearest nickel [1]. The method survey and the increment survey were conducted for different purposes and converge: whichever direction a state chose, and whether it obligated or permitted, the unit it chose was five cents. There is no state in the record whose method is expressed in any other unit.

The fixity is not an artifact of one drafting pattern. It survives every axis along which these statutes otherwise differ, and they differ considerably. Our reference compilation separates two axes that are easy to conflate: whether a law obligates a party to round at all, and whether, if the party rounds, the statute prescribes the method [1]. Most states are permissive on the first and prescriptive on the second. The counts are three, two, fourteen and one: three states obligate merchants, Arizona, Georgia and Indiana; two obligate government payees while permitting private parties, Kentucky and Oklahoma; fourteen are permissive; and one delegates, New Mexico [1]. Kentucky splits the axes by payee, requiring rounding for debts owed to the Commonwealth, cities, counties, local government entities and school districts, while permitting it in the sale of goods and services. Oklahoma splits them by time, letting political subdivisions round until July 1, 2027 and requiring it after. New Mexico delegates, authorizing its Secretary of Taxation and Revenue to permit or require rounding by rule. Connecticut permits a rounding step inside a method that is itself mandatory [1].

That is six distinct architectures. All six name five cents.

ARCHITECTURE	STATES	HOW THE INCREMENT IS EXPRESSED	ADAPTS IF THE DENOMINATION SET CHANGES?
Merchant mandate, one prescribed method	Arizona	Swedish rounding to the nearest five-cent increment; no other method permitted	No. Command becomes unsatisfiable at settlement
Merchant mandate, prescribed table	Georgia, Indiana	Nearest five cents; Indiana also permits always-down or always-up	No. All permitted directions are denominated in nickels
Permissive, prescribed table	Majority of the twenty	Nearest five cents if the party elects to round	No, but no liability follows; the election simply becomes unusable
Split by payee	Kentucky	Shall round for public debts, may round in retail; two bands expressed as the nearest ten cents	No
Split by time	Oklahoma	Agencies shall round from Nov 1, 2026; subdivisions may until Jul 1, 2027, then shall	No, though it alone defers to future federal action
Delegation	New Mexico	Secretary may permit or require rounding to the nearest five cents	Partially. Agency may act, but within a five-cent statutory ceiling

Denomination-agnostic	None located	—	—

Architectures per the Centsless legislative reference of August 2, 2026 [1]. Kentucky expresses the one, two, eight and nine cent bands as rounding to the nearest ten cents, and Florida and Oklahoma both direct that a total ending in eight or nine cents be rounded up to ten cents [22][23]. All three produce ordinary Swedish rounding, but the phrasing is worth noting in a paper about denominators: ten-cent language is already latent in the enacted corpus as a description of five-cent behavior, in at least three states and read verbatim in two of them.

New Mexico deserves attention because it is the closest thing in the record to future-proofing, and it still is not. Its provision is a genuine delegation, the kind that lets an agency respond to changed facts without returning to the legislature. But the delegation is bounded by the statute to the nearest five cents. The Secretary could adjust whether rounding happens; the Secretary could not adjust to what. The one state that built an adjustment mechanism built it around a fixed denominator.

The federal framework does not introduce flexibility either, though it is better drafted than the states on one axis and this should be stated plainly. The operative condition in the Senate-passed text is that a person may round **if exact change cannot be provided at that time of such transaction** [4]. That trigger names no coin. It is denomination-agnostic, and for the purpose this paper is concerned with it is the broadest condition in the corpus, state or federal, since it turns on whether exact change can be provided rather than on any fact about a particular coin. But the increment it triggers is the nearest amount divisible by five [3][4]. Congress wrote a condition that would survive a change in the denomination set, attached to an instruction that would not.

4. The trigger problem

The states that wrote conditional triggers did so for good reason: a rounding regime should not operate while pennies remain plentiful. The condition each drafter selected is a fact about the penny. Arizona's statute operates when one-cent coins are unavailable or are not used by a seller at the point of sale [1]. Vermont and Kentucky are conditioned on penny unavailability. Florida is conditioned on the penny no longer being in production, and is so conditioned in the operative provision itself: section 212.12(10)(c)2 opens *If the 1-cent piece is no longer in production, an in person cash transaction may be rounded to the nearest nickel*, and the same condition governs the separate cash-payment rule at 538.235(2) [23].

Each of these is a correct trigger for the event that was actually happening in 2026, and none is a trigger for a change in the smallest circulating denomination, which is the general form of the event. The penny's status was a sound proxy for that general fact in a world where the penny was the only coin at risk. It stops being sound the moment a second denomination becomes contingent, because the penny conditions would all remain satisfied while the instruction they enable had become unperformable.

Two states did not do this, and theirs is the most important drafting in the record. Idaho's new section 63-3643(1) opens: *If a seller is unable to settle a cash transaction to the whole cent using denominations of United States coin or currency on hand, the seller may round either the total amount due for the transaction, or the amount of change due back to the purchaser, to the nearest multiple of five cents* [20]. That condition names no coin. It does not ask whether pennies are in production, or available, or legal tender. It asks whether this seller, at this register, can settle to the cent with what is on hand, which is the fourth of the four conditions distinguished at the front of this paper and the only one that actually determines whether a transaction can be completed.

The significance is not that Idaho anticipated a nickel withdrawal. Its Statement of Purpose is explicitly penny-motivated, reciting that the Treasury stopped minting the penny on November 12, 2025 and that the supply is diminishing [20]. The significance is that the operative text is general where the explanation is specific. Under a nickel withdrawal Idaho's trigger keeps working without amendment, because a seller unable to settle to the whole cent is unable to settle to the whole cent whatever the reason. Idaho drafted more generally than its own stated purpose.

Tennessee is the second, and it is the more instructive of the two because it wrote both kinds of condition into the same act. Section 2 of Public Chapter 602 provides that where a private entity engaged in business with the public and accepting cash payments, or a financial institution providing currency in exchange for a payment instrument, *does not have exact change available during a cash transaction*, the entity may round the total transaction amount to the nearest nickel [21]. That is the Idaho construction and the federal construction: an operational question about this transaction, naming no coin. The penny appears elsewhere in the same act. The exemption added to the Tennessee Consumer Protection Act of 1977 removes from claim eligibility the act of *rounding a cash transaction to the nearest nickel if the penny is no longer in production* [21]. Tennessee therefore conditioned the authority to round on settlement availability and conditioned the liability shield on the penny.

The consequence is worth stating precisely, because it is Georgia's asymmetry running the other way and it cuts deeper. Under a nickel withdrawal, Tennessee's authority to round survives, since exact change would still be unavailable. The shield's condition survives too, since the penny would still be out of production. What does not survive is the increment, and the increment is named in both provisions. A Tennessee merchant rounding to the nearest dime would be acting outside the authority the statute grants, which reaches rounding to the nearest nickel, and outside the exemption the statute confers, which is drafted to cover rounding to the nearest nickel and nothing else. The state that got the trigger right in the operative provision is the state whose safe harbor is most tightly bound to the coin. Getting the condition right does not rescue a rule whose unit is fixed, and Tennessee is the clearest demonstration in the enacted record that it does not.

We therefore state the trigger finding as eighteen of twenty rather than twenty of twenty. The federal bill belongs with Idaho and Tennessee: the Senate-passed condition, that a person may round if exact change cannot be provided at that time of such transaction, is the same construction [4]. Three drafters out of twenty-one wrote an operational trigger. None has been noticed as having done so, and all three hard-coded the increment anyway.

Georgia repays close reading, and it is the sharpest case in the record because it has no availability trigger at all. Its mandate at O.C.G.A. 10-1-971(a) opens *Notwithstanding any law to the contrary, any merchant in this state shall determine the price of goods and services in the following manner for purchases using legal tender*, and subsection (a)(2) then provides that totals ending in one, two, six or seven cents *shall be rounded down to the nearest five cents* and totals ending in three, four, eight or nine *shall be rounded up to the nearest five cents* [17]. Nothing conditions that command on whether pennies are available, in production, or in circulation. It operates now and it operates permanently, and the defined term it turns on, legal tender, is defined at 10-1-970(1) as all coins and currencies of the United States, which is a category rather than a denomination.

Georgia's one denominational condition sits in the safety valve rather than in the command. Subsection (d) provides: *While the one-cent piece of the United States remains legal tender, any merchant shall accept exact payment in legal tender for the total amount due computed* *prior to any rounding* [17]. That is a deliberate and well-drafted clause about the gap between demonetization and disappearance, the period in which a coin is legally good but practically scarce, and Georgia is the state that saw that gap most clearly. It is also, read against the rest of the article, an instructive asymmetry. The customer's escape hatch is conditioned on the status of the penny. The merchant's obligation is conditioned on nothing. Under a nickel withdrawal, subsection (d) would continue to operate, because the penny's legal tender status is expressly preserved in the federal bill [4], while subsection (a) would continue to command rounding to an increment that could no longer be settled. The reasoning that produced (d) was not generalized to the denomination above it, and there is no textual hook by which it could be.

Oklahoma is the one state whose statute contains any clause anticipating that its premises could be altered from outside. Its political subdivision provision, and only that provision, opens with the phrase *unless actions by the United States Congress direct otherwise*, making it, to our knowledge, the only enacted rounding law that defers on its face to future federal action [1][22]. It is a preemption clause rather than a denominator clause, and it would not conform the increment on its own. It is nonetheless the correct instinct, already drafted, by a legislature that saw that the ground could move.

It is worth recording that Congress has already identified the multi-state consequence, if not the denominational one. The minority views filed with House Report 119-235 state that the bill does not clearly describe the types of standards states and localities should adopt regarding the rounding of cash transactions, and that a lack of uniform guidance, especially for multi-state operations, may cause inconsistencies, uncertainty in pricing approaches, legal compliance issues, and sales tax calculations [19]. That was written in September 2025, when six states had acted. The divergence it anticipated is now the twenty-state record this paper describes, and the observation was filed by members who opposed the bill rather than adopted by the committee.

There is a second and less obvious problem with these triggers, and it is the one that constrains the remedy in Section 7. **None of them specifies who determines that the triggering condition has been met, or by what official act.** A statute that operates when one-cent coins are not available names no body to find that they are not, no certification, no notice, and no date. The distinction matters and we state it precisely, because one state does delegate: New Mexico authorizes its Secretary of Taxation and Revenue to permit or require rounding by rule [1]. That is a named body with a determining act, but the thing delegated is the policy question, whether rounding happens, not the factual question, whether the coin is there. To our knowledge no enacted rounding statute delegates the factual determination, and it is the factual determination that a change in the denomination set would require.

5. Congress drafted both kinds of rule

The clearest evidence that the denominator is a drafting variable rather than a fact of nature is that one drafter, in one section, wrote a rule that depends on it and a rule that does not.

Section 3(a) of the Common Cents Act permits a person to round the covered amount by a fixed table: totals ending in one, two, six or seven cents may be rounded down to the nearest amount divisible by five, and totals ending in three, four, eight or nine may be rounded up, with totals of one or two cents rounded up to five [3][4]. Every operative term is a digit or a multiple. The enumeration is correct at a five-cent increment and at no other, so a change in the settlement increment does not merely make the rule harder to perform; it makes the rule's own table the wrong table, and no reading of the text supplies the right one.

Section 3(b), captioned Additional authority to round, permits something structurally different. Where a person conducts a cash transaction with a customer, the sum may be rounded *if such rounding is in favor of the customer*: up to the nearest amount divisible by five where the person is paying the customer, and down to the nearest amount divisible by five where the customer is paying the person [4]. The five-cent reference is still there and would still need conforming. But the operative content of the rule is a direction of travel defined by who benefits, and that content survives any increment. In favor of the customer means the same thing at a dime that it means at a nickel. The table does not.

SECTION 3(A) — THE SYMMETRIC TABLE	SECTION 3(B) — IN FAVOR OF THE CUSTOMER
Enumerates the cent endings that round each way. The enumeration is only correct at a five-cent increment.	States who the rounding must benefit. The statement is correct at any increment.
Conforming to a new denomination requires rewriting the operative rule.	Conforming requires changing one number while the rule stands.
Copied, in substance, by the great majority of the twenty states [1].	Approximated by one state, and not deliberately: Indiana's always-down election for a customer paying in cash [1].

Section 4 of the Act extends its liability protection to adherence to the cash rounding provisions described in section 3, which reaches both subsections [3][4]. The protection is expressed as not being in violation of a Federal, State, Tribal or political subdivision requirement, law, regulation or standard. On the taxonomy used in our legislative reference that is regulatory cover; it does not by its terms exempt a person from a private cause of action, and the states differ considerably in whether their own shields do [1].

Two data points outside the enacted statutes suggest the direction-based form is not exotic. Michigan Treasury guidance of December 8, 2025 adopts a round-down-only design, and the substitute the Georgia House passed on March 6, 2026 rounded every non-nickel ending down before the Senate restored the symmetric table [1]. Round-down-only is a direction rather than a table. Where drafters have reached for something other than the symmetric model, what they reached for has been a direction, which is the form that would survive a change in the increment.

The drafting history explains why no one has reconciled the two subsections, and it is a matter of record. H.R. 3074 was introduced on April 29, 2025 under a title directing the Secretary to stop minting the penny and *to require cash transactions to be rounded up or down to the nearest five cents* [19]. On July 23, 2025 the Committee on Financial Services adopted an amendment in the nature of a substitute offered by Representative McClain and ordered the bill reported by a recorded vote of 35 to 13. The reported text, filed September 4, 2025 as House Report 119-235, consists of a short title and a single substantive section on coin specifications and the elimination of the one-cent coin [19]. It contains no rounding provision, no safe harbor, no strategic plan, and no discontinuation procedure. The entire rounding framework, including both subsections compared here, entered the bill between committee and floor passage on July 14, 2026, and Section 6 entered later still, in the Senate substitute of August 7, 2026 [3][4][19].

To our knowledge, therefore, neither the symmetric table nor the in-favor-of-the-customer rule was explained in any committee report, and neither was the relationship between them. This is the same pattern our earlier work documented for the machine-impact clause in

Section 2, which was likewise absent from the reported text and appeared between committee and the floor [10][19]. We draw no inference about intent from that. We note only that the provisions this paper compares were never described by the committee that considered the bill, so a reader looking for the drafters' reasoning will not find it in the ordinary place.

The comparison should not be pressed further than it goes. Section 3(b) is not a denomination-agnostic provision; it names five cents twice. Nothing in the record suggests Congress drafted it with a future change in the coinage in mind, and the likelier explanation is that it exists to give retailers a simple consumer-favorable option alongside the symmetric one. The observation is narrower and, we think, more useful: the two subsections show that the same policy can be expressed in a form that a change in the denomination set would break and in a form that it would not, and that the difference costs nothing at drafting time. The states, drafting quickly and arriving at the same symmetric model, took the brittle form almost without exception. We do not assert that any state copied the federal bill; the common ancestry of the symmetric table is older than either, and we have not traced it.

Indiana provides a useful illustration. Its business provision lets a business entity round always down, always up, or by the nearest-nickel table, and its government provision requires state and local units to round cash payments down [1]. Always-down, where a customer is paying, is rounding in the customer's favor, which is the shape of Section 3(b) rather than of the symmetric table. The correspondence is partial and should be stated as such: Indiana's election attaches to the total transaction amount without regard to who is paying, so on a refund or other disbursement to a customer always-down would run against the customer, where Section 3(b) would round up. The two rules coincide in the ordinary purchase and diverge outside it. The state whose drafting is most often described as the outlier is the one whose operative rule would need the least rewriting if the increment changed. We note this as an observation about form, not as praise for the policy, and it is worth saying plainly that Indiana's always-up election for a customer paying in cash is neither symmetric nor in the customer's favor, and is therefore the direction in the enacted record that sits least comfortably against the federal provisions as drafted.

6. What a dime increment would actually do

If the question is ever reached, the mechanics are straightforward and the differences from nickel rounding are larger than the doubling of the increment suggests.

Symmetric rounding to the nearest ten cents sends totals ending in one through four cents down and six through nine up. The maximum per-transaction delta doubles, from two cents to five. That figure is arithmetic and is not in dispute.

Less obviously, a genuine midpoint appears. A total ending in exactly five cents sits equidistant between two dimes, and a statute must say what happens to it. This case cannot arise under nickel rounding of whole-cent totals, because no whole-cent total falls exactly halfway between two five-cent increments. Every statute in the record and the federal framework are therefore silent on it. We do not present that silence as a drafting defect: no statute needs to address a case that cannot occur under its own increment. We present it as a gap the next generation of drafting would have to fill. Tennessee shows that the exclusion is deliberate rather than accidental. Its conditions are drafted as inequalities rather than as a list of digits, so one stops below five cents and the next resumes above it, leaving the exact nickel uncovered on the face of the text [21]. Every symmetric table in the record reaches the same result by simply omitting the digit. The difference matters for what a reader may infer from the silence: at five cents it is not oversight in at least one state, and at a ten-cent increment it is the gap in all of them. The Federal Reserve Bank of Atlanta has posed the same case directly, asking whether a total of 87.25 dollars goes up to 87.30 or down to 87.20 [14]. New Zealand, the one jurisdiction operating at a ten-cent increment with a five-cent midpoint in living memory, resolved it by government advice to round down, followed by most retailers as a matter of discretion rather than law [15].

The table in the Findings at a Glance sets the two columns side by side. Five of the nine cent endings behave differently at the two increments, and the five-cent ending has no defined answer at all.

One form of drafting does not have this problem at all, and it is the form described in Section 5. A rule stated as a direction rather than as a table resolves the midpoint automatically, because the direction is supplied by who benefits rather than by which digit appears. Under Section 3(b) of the Common Cents Act, a total ending at the midpoint rounds down where the customer is paying and up where the merchant is paying, and it does so at a ten-cent increment for the same reason it does at five [4]. The symmetric table needs a new tie-breaking sentence the moment the increment doubles; the direction rule needs none. This is the strongest practical argument for the drafting recommendation in Section 7, and it is why we put it there as a condition rather than as a preference.

Fragmentation would multiply. The states already disagree about the smallest transactions: a one or two cent total rounds up to five cents in Georgia, Hawaii, Minnesota and Nebraska, down to zero in Arizona, Florida, Kentucky, Tennessee and Washington, and is exempt from rounding in Connecticut, while Indiana lets the merchant choose zero or five [1]. Connecticut separately exempts totals of four cents or less, a threshold defined against the nickel [1]. Georgia shows how tangled a single sentence can already be at a five-cent increment: subsection (b) provides that the Code section *shall not apply* to transactions for which the total amount is one or two cents, *where such total shall be rounded up to five cents* [17]. The exclusion carries the instruction inside it, so the provision both disapplies itself and commands a result, which is why the same clause has been reported in the secondary literature both as a rounding rule and as an exemption. Every one of these rules is denominated in an increment that would no longer exist, and each would require its own amendment, in its own legislature, on its own schedule.

On aggregate consumer cost, the published estimate should be quoted carefully and in full. Federal Reserve Bank of Richmond economists Zhu Wang and Russell Wong, using 2023 Diary of Consumer Payment Choice data scaled to an adult population of 258.3 million, estimated that nickel rounding costs consumers approximately 6.06 million dollars per year, and that eliminating both the penny and the nickel could cost approximately 55.58 million, more than nine times as much [12]. The nonlinearity is real: cash totals cluster at endings that round up. The magnitudes are also small, and we state that rather than leave a reader to discover it. On the authors' arithmetic from the published figures, 6.06 million dollars across 258.3 million adults is approximately 2.3 cents per adult per year, and 55.58 million is approximately 21.5 cents. The estimate assumes transaction patterns do not adapt, rests on scaling a three-day diary panel to annual national totals, and is contested: Robert Whaples, using records of nearly 200,000 actual register transactions, found the effect essentially neutral and slightly consumer-favorable after sales tax, and Federal Reserve Bank of Atlanta work has characterized the cash inflationary impact of symmetric rounding as not statistically different from zero [14][16]. We adopt none of these as a measurement. The distributional question, which is about who bears a small aggregate rather than how large it is, is the subject of *The Measurement Gap* and turns on evidence that, to our knowledge, no one collects [9].

The international record supplies one genuine precedent and it cuts in an instructive direction. New Zealand withdrew the one and two cent coins in 1990 and the five cent coin in 2006, moving to a ten cent smallest coin [15]. That is a real five-to-ten-cent transition, and it is the only one we identified. It was accomplished without amending a rounding statute, because New Zealand had never legislated the increment; rounding there is commercial convention, supported by government guidance and tax authority instructions on the treatment of goods and services tax [15]. The jurisdictions that reached a ten-cent increment generally arrived by convention, which adapts to a changed denominator at no legislative cost. The United States has chosen prescriptive statutes instead, which buy uniformity and litigation certainty that convention does not. We note the tradeoff without a view on which is preferable. But the bill for prescription comes due at exactly the moment the denominator changes, and it comes due once in every jurisdiction that legislated.

7. The machinery now exists. Nothing is connected to it.

The apparent remedy is to write the increment as a reference rather than a value: round to the nearest increment of the smallest denomination then in general circulation. We drafted language of that kind while preparing this paper and then set it aside, for a reason worth stating carefully, because the reason is weaker than it first appears and the fix is better than we expected.

The weak version of the objection is that such language would be unconstitutionally vague. It would not, and a legislative counsel would say so immediately. Civil regulatory standards turn on comparable terms constantly, and courts sustain them; the demanding form of vagueness doctrine attaches to penal statutes, not to a civil standard applied by an agency such as the division that enforces Arizona's rounding mandate [1]. We do not make that argument.

The real objection is practical and narrower. In general circulation is a continuous fact with no moment of change. A merchant deciding at the register whether nickels are still in general circulation nationally is answering a question that has no answer on the day it is asked, and two merchants in the same city could answer it differently and both be right. That is not a vagueness defect, it is a timing defect.

There are two cures, and the enacted record already contains the better one. The first is an external event that fixes a date, which is what Section 6 would supply and which the increment needs. The second is to stop asking the national question altogether and ask an operational one instead. Idaho's trigger does this: a seller unable to settle to the whole cent using denominations on hand is a fact about one drawer at one moment, decidable by the person who has to decide it, requiring no determination by anyone else [20]. Tennessee's authorization, conditioned on exact change not being available, and the federal condition, if exact change cannot be provided at that time of such transaction, are the same move [4] [21]. Neither asks a cashier to know anything about the state of the national coin supply.

This changes what the recommendation should be. A durable statute does not need flexible language for its trigger, because the operational form is already better than the flexible form and three drafters have already written it. What it needs the determination event for is the increment, which is a policy quantity rather than an observable fact, and which no seller can set for themselves. Idaho and Tennessee show the trigger problem is solved. The increment problem is not, and Tennessee shows why solving the first does not solve the second.

Which is what has changed since the state statutes were written. Section 6 of the Common Cents Act, described in Section 2 above, requires the Secretary to give the congressional banking committees sixty days' notice before discontinuing the minting for circulation of any circulating coin, together with the reasoning and a comprehensive phase-out plan, followed by a briefing within thirty days [4]. Whatever one thinks of the provision as coin policy, as a drafting framework it is unusually useful: a single, official, coin-specific federal proceeding, initiated in advance and accompanied by a document that must describe the transition the coin is about to undergo. It supplies what a continuous fact cannot, which is a proceeding with dates in it.

No rounding statute refers to it. That is not a criticism of any legislature, and the chronology exonerates all twenty. Every one of these acts was signed in the months following the penny's cessation and before the Senate acted, the last of them on July 13, 2026, while Section 6 did not exist in any passed text until August 7 [1][4]. No drafter could have keyed to a provision that had not been written. The point is prospective, and it is immediate rather than abstract. New York Assembly Bill A9274A has passed both chambers and awaits the Governor's signature, and Pennsylvania House Bill 2388 has passed the House and advanced to the Senate [17]. A twenty-first and twenty-second state are drafting or awaiting signature right now, with a determination event available to them that the first twenty did not have when they wrote. Whether either uses it is a choice that is live this session.

The federal precedent for the second half of the mechanism, the conforming step, is the Adjustable Interest Rate (LIBOR) Act of 2022, which faced the structurally identical problem of a ubiquitous reference ceasing to be available and answered it with a statutory replacement date, a named determining body, and application by operation of law to instruments whose own fallbacks were inadequate [8]. We cite it for that structure and not for its stakes, which were of a different order entirely: trillions in outstanding instruments and genuine contract frustration, against per-transaction amounts here of five cents or less. The analogy is to the machinery, not to the magnitude.

Stated analytically, a cash rounding statute becomes durable against a change in the denomination set when six conditions hold, each framed in vendor-neutral terms that any legislature or agency could execute without any vendor, including without Centsless.

First, the increment is expressed as a value in effect rather than as a permanent constant. Naming five cents as the increment in effect on enactment, subject to conformance under the mechanism below, preserves present certainty and administrability while creating something later action can attach to.

Second, the statute names the determining event, and names the right one. After Section 6, a state can key to a federal act that will exist. But the notice itself is the wrong anchor, and the distinction matters more than it first appears. Section 6 constrains the discontinuation of *minting for circulation*, which is not the same event as a coin becoming scarce at a register. The penny is the proof: production ceased on November 12, 2025, and nine months later the Federal Reserve had resumed accepting penny deposits and partially resumed filling penny orders, against a stock variously estimated between 114 and 300 billion coins [13]. A statute that flipped its increment on the day of the Section 6 notice would move merchants to a dime increment while billions of nickels were still in circulation, which is the opposite of the problem it was written to solve. The right anchor is inside the same subsection: Section 6 requires the Secretary to submit, with the notice, a comprehensive plan for phasing out the coin [4]. The notice starts the clock; the phase-out plan is where a conformance date belongs. A drafter should key to a date established under that plan, or to a state agency finding made by reference to it, and should not key to the notice alone.

A drafter should also consider a potential state constitutional objection here. A state provision that conforms automatically to future federal action is dynamic incorporation, and there is authority in a number of states that incorporating future federal law is an impermissible delegation of legislative power, on the reasoning that a legislature abdicates when it binds itself to a body it does not control [18]. Other authorities have permitted incorporation by reference, and at least one state legislative research office reported finding no case in its own jurisdiction invalidating a statute on that ground [18]. Both surveys we rely on are of some vintage and we have not updated them, so we state the division rather than a current weight of authority, and a drafter should confirm the position in the relevant jurisdiction before either raising the objection or dismissing it. Two drafting responses are available in any event, and neither is exotic. A legislature may incorporate the federal determination as a factual predicate for a state agency finding rather than as self-executing law, which converts the delegation into ordinary fact-finding. Or it may do what Oklahoma has already done and legislate its own deference expressly, its political subdivision provision opening with the phrase unless actions by the United States Congress direct otherwise [1][22]. That clause was enacted without apparent difficulty and is the closest thing in the record to a tested precedent.

Third, the trigger is operational rather than denominational. A condition asking whether the seller can settle to the cent with what is on hand detects the event that has occurred, the event that might, and any event after that, and it is decidable by the person who must decide it. Idaho and Tennessee have enacted this construction and the Senate-passed federal text uses the same one [4][20][21]. This is the one condition on this list that a legislature can satisfy by copying an existing statute.

Fourth, the operative rule is expressed as a direction where possible, not only as a table. Section 3(b) is the model already in the federal text. A rule stated as in favor of the customer needs one number conformed; a rule stated as a table of cent endings needs rewriting, and needs a tie-breaking sentence it does not currently have, because the midpoint case described in Section 6 arises for tables and not for directions. This is the condition that does the most work for the least drafting.

Fifth, the conforming step has a transition provision. If the increment changes on a determined date, the statute should say what happens to advertised and posted prices, to layaway and installment arrangements, and to transactions straddling the date. Legislative counsel drafts transitions routinely; a conforming provision without one would create the very uncertainty it was meant to remove.

Sixth, midpoint treatment is specified in advance. A sentence specifying direction for endings at exactly half the increment costs nothing today and forecloses an ambiguity that appears only at a ten-cent increment.

Two practical questions follow, and the paper would be incomplete without answering them. The first is what a state should do if the Common Cents Act is not enacted, or is enacted without Section 6. That is a live possibility: as our earlier work recorded, the Senate companion carried no coin-terminal or strategic-plan provision at all for most of its life, and provisions of this kind are routinely dropped [9]. The fallback is weaker but real. Treasury already publishes coin-status determinations without a statute requiring it, as it did in announcing the cessation of penny production in November 2025 and in the cessation guidance that followed in December [13]. A state may key to a published determination of the Secretary by description rather than by statutory citation, which survives the loss of Section 6 at the cost of some precision about what counts.

The second is what the seventeen states already in force should do, since the conditions above are addressed to drafters. The honest answer is that a conforming amendment is a small bill, and that the cheapest version is not a rewrite. A single section adding a conformance provision and a tie-breaking rule, leaving the existing method intact, would carry most of the benefit; New Mexico would additionally need its five-cent ceiling lifted for its existing delegation to reach the question [1]. We note this without recommending that any legislature act, which is a matter for the legislature.

Two objections deserve to be stated rather than answered away. The first is federalism: coinage is an enumerated federal power, and if Congress changes the denomination set it can preempt inconsistent state rounding provisions in the same act, which would make the prospect of twenty separate amendments a false alarm. Stated neutrally: Congress could eliminate much of the state-level conformance problem through future federal legislation. The present Act, however, establishes no denomination-adjustment mechanism, and it is worth noticing what its shield actually does. Section 4 protects a person from being in violation of a Federal, State, Tribal or local requirement *based on adherence to the rounding provisions of Section 3* [3][4]. It protects conduct that follows the federal rule; it does not validate or amend a state statute that commands something else. A merchant under a state mandate to apply a five-cent method, in a world with no five-cent coin, is not assisted by a shield conditioned on following a federal rule that also says five cents. Georgia illustrates the drafting habit, though not an obstacle: its mandate opens *Notwithstanding any law to the contrary* [17]. Such language addresses conflicting state law and cannot resist federal preemption, so nothing here suggests Congress would be impeded. The narrower point is that Congress would have to act, deliberately and with the denominational question in view, and that the shield now in the bill is not that act.

The second objection is that hard-coding may simply be correct legislative design. Legislatures ought to specify; revisiting a statute when the coinage changes is democratic process rather than institutional failure; and New Mexico's five-cent ceiling may reflect deliberate caution about delegation rather than failed imagination [1]. We think the six conditions answer this, because keying to a published federal notice is more accountable than leaving the question to an unwritten assumption, and because conforming an increment to an externally determined fact is fact-finding rather than policymaking. But a legislature could reasonably prefer to amend on the day, and the cost of that preference is the amendments, not a defect in principle.

8. Conclusion

Twenty legislatures responded to the end of the penny quickly and, in most respects, carefully. They wrote triggers so their statutes would not operate prematurely. They specified methods so merchants would not have to guess. They built shields so compliance would not create liability, and where they did not, as in Connecticut and Alabama, that too was a choice on the record [1].

What the record also shows is an assumption nobody examined. Every one of these statutes treats the five-cent coin as a fixed feature of the world, at the same moment Congress was legislating about that coin's composition because its economics had failed for twenty consecutive years. The assumption may well hold. The nickel is more likely to be redesigned than retired.

But the statutes do not depend on the nickel being likely to survive. They depend on it surviving, and they took that dependency on without anyone recording a decision to do so. The distinction the drafting missed is between naming a unit of account, which is stable, and naming a settlement increment tied to a physical coin, which is contingent. Twenty acts did the second while assuming the first.

What makes this worth writing now rather than later is that the same bill contains both halves of the answer and has not been read as containing either. Section 3(b) shows that a rounding rule can be written as a direction rather than a table, at no cost, in a form a change in the coinage would not break. Section 6 creates a dated federal proceeding and a required phase-out plan before any circulating coin stops being minted, supplying the machinery from which a legally usable conformance event could be established. Congress has supplied a durable form of rule and the makings of a determination event, in adjacent sections, apparently without connecting them, and no state statute connects them either.

The core of the remedy is therefore not a new institution anyone must invent. It is a connection to machinery Congress has already drafted. A rounding statute that names the increment in effect, keys conformance to a date established under the phase-out plan required by 31 U.S.C. 5111(e), states its rule as a direction, and carries a transition provision would survive the next change in the denomination set without a legislative session. Questions get answered when the things they depend on are named and dated. For the first time, the denominator could be both.

References

[1] Centsless, *State Cash Rounding Laws: Implementation Timelines*, legislative reference, August 2026, verified against primary sources as of August 2, 2026 and revised August 31, 2026 with Tennessee, Oklahoma and Florida re-verified against enacted text, including the architecture classifications, the two-axis framing, mixed-tender and shield tiers, and the Arizona, Georgia, Indiana, Oklahoma and Connecticut provision detail relied on throughout this paper. centsless.org/intelligence/legislation-tracker.

[2] Centsless, *Twenty States Have Enacted Cash Rounding Laws. Sixteen Are in Force Today.*, post-penny legislative record, August 2, 2026. centsless.org.

[3] H.R. 3074, Common Cents Act, House-passed (engrossed) text, Sections 2 through 4. congress.gov. Passed the House by voice vote July 14, 2026.

[4] S. 1525, Common Cents Act, 119th Congress, Senate-passed (engrossed) text, Sections 3, 4, 6 and 7, read from the engrossed XML at govinfo.gov (BILLS-119s1525es). Passed the Senate by unanimous consent August 7, 2026 following a substitute amendment. Section 3(a) states the symmetric table; Section 3(b), Additional authority to round, states the in-favor-of-the-customer rule; Section 4 extends liability protection to adherence to the rounding provisions described in Section 3; Section 6, Discontinuation of circulation of coins, amends 31 U.S.C. 5111 to add subsection (e), requiring sixty days' advance notice to the covered committees, a comprehensive phase-out plan, and a briefing within thirty days, before the Secretary may discontinue minting any circulating coin. Status stated as of August 31, 2026 and subject to change; current status is maintained at centsless.org/intelligence/legislation-tracker.

[5] United States Mint, 2025 Annual Report, read directly from the report as published at usmint.gov. At printed page 10, under Circulating Coinage for the Nation's Commerce in the Management's Discussion and Analysis, the report states that in FY 2025 unit costs for the penny (3.02 cents) and the nickel (13.31 cents) were higher than their face value for the twentieth consecutive fiscal year, and that the unit costs of the dime and quarter-dollar remained below face value. The unit cost table at printed page 12 gives the five-cent total unit cost as $0.1331 for 2025 and $0.1378 for 2024, composed for 2025 of $0.1097 cost of goods sold, $0.0224 selling, general and administrative, and $0.0010 distribution to the Federal Reserve Banks. The same report records FY 2025 nickel shipments of 615 million and nickel seigniorage of negative $50.9 million, or negative $1.64 per dollar issued. This corrects an earlier draft, which reached the fiscal 2025 figure through Payments Dive's August 27, 2026 reporting rather than from the Mint document itself.

[6] H.R. 1270, 119th Congress, introduced February 9, 2025 (Rep. David Schweikert), referred to the House Committee on Financial Services. congress.gov.

[7] Congressional Research Service, *Proposed Elimination of the Penny: Frequently Asked Questions*, Insight IN12572; and *Penny: History and Current Status*, IF12293. congress.gov.

[8] Adjustable Interest Rate (LIBOR) Act, enacted as Division U of the Consolidated Appropriations Act, 2022, Public Law 117-103, March 15, 2022; and Board of Governors of the Federal Reserve System implementing regulation. congress.gov; federalreserve.gov.

[9] Hatfield, K., Hobin, D., and Ortega, A., *The Measurement Gap: Why America cannot answer the question Congress just asked about cash rounding, and what would make it answerable*, Centsless, July 2026. centsless.org.

[10] Hatfield, K., Hobin, D., and Ortega, A., *The Machine Test: Why the cheaper nickel Congress just authorized depends on an evaluation no one can currently perform*, Centsless, July 2026. centsless.org.

[11] Coinage Act of 1857, 11 Stat. 163; 31 U.S.C. 5111 and 5112.

[12] Wang, Z. and Wong, R., *Rounding Up: The Impact of Phasing Out the Penny*, Federal Reserve Bank of Richmond Economic Brief 25-27, July 2025. richmondfed.org. Per-adult figures in Section 6 are the authors' arithmetic from the published aggregates and the stated population base of 258.3 million adults.

[13] U.S. Department of the Treasury, *Penny Production Cessation FAQs*, December 23, 2025; United States Mint press release, November 12, 2025; letter of Chairman French Hill to Chair Powell, December 22, 2025; New York Times estimate as reported by Fortune, February 11, 2025. Compiled and reconciled by scope in Centsless, *The Reverse-Flow Problem*, technical analysis, July 2026.

[14] Shy, O., *Rounding Rules and Cash Inflation When We No Longer Make Cents*, Federal Reserve Bank of Atlanta Policy Hub: Macroblog, November 3, 2025, including the ten-cent midpoint example and the coin-count consequence of the absent twenty-cent denomination. atlantafed.org.

[15] Reserve Bank of New Zealand, public materials on the withdrawal of the five cent coin, effective July 31, 2006 and demonetized November 1, 2006, following the 1990 withdrawal of the one and two cent coins; New Zealand Inland Revenue guidance on rounding and goods and services tax. rbnz.govt.nz; ird.govt.nz.

[16] Whaples, R., *Time to Eliminate the Penny from the U.S. Coinage System: New Evidence*, Eastern Economic Journal 33(1), 2007, 139-146.

[17] Georgia HB 1112, as passed House and Senate (26 HB 1112/AP), enacting Article 38 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated, O.C.G.A. 10-1-970 and 10-1-971. All quotations of Georgia text in this paper are from that document. Act 445; effective July 1, 2026 by operation of the state default rule, the Act containing no effective-date section [1]. Pending-state status from Holland & Knight, *States Respond to Penny Pinching with Rounding Legislation*, August 2026, reporting New York AB A9274A passed by both chambers and awaiting signature and Pennsylvania HB 2388 advanced to the Senate; trade sources are cited as leads and corroboration, not as sources of record.

[18] Rochvarg, A., *State Adoption of Federal Law: Legislative Abdication or Reasoned Policymaking?*, University of Baltimore School of Law faculty scholarship, surveying state cases holding that statutes incorporating future federal law impermissibly delegate legislative power. Connecticut Office of Legislative Research, Report 95-R-0216, *Federal-State Relations: Supremacy Clause and Incorporation of Federal Law*, reporting that the weight of authority in other states approves incorporation by reference and that no Connecticut case invalidating on that ground was located. Both surveys are of some vintage and neither has been updated here; a drafter should confirm the current position in the relevant state. The authority is divided and this paper takes no position on how any particular state's courts would rule.

[19] H. Rept. 119-235, Common Cents Act, House Committee on Financial Services, September 4, 2025, including the reported text, the Section-by-Section Analysis, the Committee Votes record (Record Vote No. FC-187, 35 yeas to 13 nays; Record Vote No. FC-186 on the Waters amendment, 22 yeas to 25 nays), and the Minority Views. congress.gov. Read directly.

[20] Idaho SB 1350, Session Law Chapter 241 (2026), enacting Idaho Code section 63-3643 and amending section 67-2361, effective July 1, 2026 by emergency clause. Passed the Senate 24-9-2 on March 11, 2026 and the House 44-23-3 on March 25, 2026; signed by the Governor March 31, 2026. Statement of Purpose and Fiscal Note, RS33544 / S1350, March 2, 2026. legislature.idaho.gov. All quotations of Idaho text in this paper are from the enacted bill text, read directly.

[21] Tennessee Public Chapter No. 602 (2026), House Bill No. 1744 (Reps. Baum, Powell), substituted for Senate Bill No. 1810 (Sen. Reeves), an act to amend Tennessee Code Annotated Title 9, Title 45, Title 47 Chapter 50, Title 47 Chapter 18 and Title 67, relative to cash transactions. Read directly from the chaptered act as signed. Passed March 2, 2026; approved by Governor Bill Lee March 18, 2026; Section 3 provides that the act takes effect upon becoming a law, the public welfare requiring it. Section 1 adds to Section 47-18-111(a) a new subdivision reading in full: "Rounding a cash transaction to the nearest nickel if the penny is no longer in production". Section 2 adds a new section to Title 47, Chapter 50, subsection (a) of which conditions the rounding authority on the entity not having exact change available during a cash transaction and permits rounding of the total transaction amount to the nearest nickel, subject to four conditions: totals ending in one cent or more but less than three cents may round down; three cents or more but less than five cents may round up; more than five cents but less than eight cents may round down; and eight cents or more but less than ten cents may round up. Subsection (c) excludes electronic transactions and applies rounding on mixed-tender transactions only to the cash portion; subsection (d) preserves the sales tax rounding rule at 67-6-504(h). Two Fiscal Review Committee documents were also read and are cited for drafting history: the Fiscal Note of February 4, 2026 on the bill as introduced, which would have *required* both public and private entities to round and separately required public entities collecting taxes, fees, surcharges or other assessments to do so, and the Fiscal Memorandum of February 9, 2026 on the bill as amended by 012839. Tennessee was drafted as a public and private mandate and enacted as a private permission; the enacted caption still recites Titles 9 and 67, which the operative sections no longer reach.

[22] Oklahoma HB 3075, the Oklahoma Common Cents Act, Enrolled House Bill No. 3075 (Hildebrant and Pogemiller of the House, Hall of the Senate), read directly from the enrolled text. Because oklegislature.gov refuses automated retrieval, the enrolled PDF was read from LegiScan's mirror of the Oklahoma Legislature's own enrolled document (Oklahoma-2026-HB3075-Enrolled.pdf); the state's canonical copy is at oklegislature.gov/cf_pdf/2025-26 ENR/hB/HB3075 ENR.PDF and a reader with browser access should prefer it. Section 2 enacts Section 9002 of Title 62, subsection A of which reads: "Unless actions by the United States Congress direct otherwise, from the effective date of this act until July 1, 2027, any political subdivision may round final amounts owed to the entity as follows if the payment is made in the form of cash," followed by the symmetric table; subsection B makes subsection A mandatory beginning July 1, 2027. Section 3 enacts Section 3120 of Title 74, requiring state agencies, boards, bureaus, commissions, offices, authorities, public trusts in which the state is a beneficiary, and interstate commissions accepting cash to round on the same table; that section contains no deference clause, which is the basis for this paper's statement that the clause appears in the political subdivision provision and only there. Section 4 provides that the act becomes effective November 1, 2026. Passed the Senate April 28, 2026 by 46-0 and the House May 4, 2026 by 88-0; approved by the Governor May 11, 2026. Codification at 62 O.S. 9002 and 74 O.S. 3120 is confirmed by the Oklahoma Tax Commission, Tax Policy Division, 2026 Tax Legislation Summary, tax.ok.gov. Note that the enrolled table, like Kentucky's and Florida's, expresses the eight and nine cent band as rounding up to ten cents.

[23] Florida CS for SB 1074, enrolled text (20261074er), enacting section 212.12(10)(c) and subsection 501.212(8) and amending section 538.235, Florida Statutes, read directly from flsenate.gov. Section 212.12(10)(c)2 conditions the rounding authority on the one-cent piece no longer being in production, and section 538.235(2) applies the same condition to cash payments under that section; section 501.212(8) removes rounding a consumer sale to the nickel from the application of the deceptive and unfair trade practices part on the same condition. Effective upon becoming law. Note also that the enrolled methodology expresses the eight and nine cent band as rounding *up to 10 cents*, which is ordinary five-cent rounding described in ten-cent language, the same drafting habit noted for Kentucky in Section 3.

Limitations

The central claim of this paper is a negative existence claim: that no enacted state cash rounding statute expresses the rounding increment by reference to a variable denomination, that eighteen of the twenty enacted triggers are keyed to the penny or to nothing rather than to settlement availability, Idaho and Tennessee being the located exceptions, and that no enacted rounding statute delegates or otherwise provides for the *factual* determination that a denomination has ceased to be available. The third formulation is deliberately narrow: New Mexico does name a determining body, its Secretary of Taxation and Revenue, but what is delegated there is the policy question whether rounding occurs, not the factual question whether the coin exists [1]. Each is falsifiable by a single counterexample, and we state what one would look like: for the first, an enacted provision expressing the increment as anything other than a named value; for the second, a further trigger of the Idaho or Tennessee type, conditioned on the seller's ability to settle or on the availability of exact change rather than on the penny specifically, which would move the count below eighteen; for the third, any provision naming a person, agency or published act that determines when the relevant coin has ceased to be available. These claims are supported by review of the twenty statutes identified in the Centsless legislative record and by searches of pending state bills and of foreign rounding regimes, but a provision we did not locate, a statute enacted after this writing, or an unpublished drafting instruction cannot be categorically excluded. The foreign component of the claim is weaker than the domestic one and should be read as scoped: it rests on English-language sources and official English translations, not on review of statutes in their original language. We would welcome correction, and the tracker is maintained continuously.

Section 5 states that Section 4 of the Act shields adherence to the rounding provisions of Section 3 as a whole, and therefore reaches the in-favor-of-the-customer rule in Section 3(b) as well as the symmetric table in Section 3(a). An earlier draft of this paper asserted the contrary, that always-down rounding fell outside the federal shield. That reading did not survive the engrossed text and has been withdrawn. The same characterization appeared in our published legislative reference and has been withdrawn there as well; readers encountering it in any earlier edition should treat the text of Section 3(b) as controlling, and we note that the protection Section 4 confers is expressed as freedom from being in violation of a governmental requirement, which on our own taxonomy is regulatory cover rather than immunity from private suit [1][4].

The committee record was checked and is reported in Section 5. House Report 119-235 was read directly, and the finding that the reported text contained no rounding provisions is stated affirmatively rather than as an absence of inquiry. What cannot be excluded is an explanation of the rounding subsections appearing somewhere other than the committee report, in floor debate, a manager's statement, or a Senate record we did not examine; our claim is confined to the ordinary place a reader would look.

The federal provisions this paper turns on were read directly. Sections 3, 4, 6 and 7 of S. 1525 were read from the engrossed-in-Senate XML published by the Government Publishing Office, and the characterizations of the symmetric table, the in-favor-of-the-customer rule, the scope of the liability protection, and the discontinuation procedure at 31 U.S.C. 5111(e) are taken from that text rather than from any summary [4].

Not every state statute was read at the verbatim level. Several official state sites refuse automated retrieval, among them azleg.gov, capitol.tn.gov, cga.ct.gov and oklegislature.gov; the Oklahoma and Tennessee texts were obtained notwithstanding, the first from a mirror of the enrolled bill and the second from the chaptered act, and long omnibus acts including the Kentucky and Indiana revenue acts truncate before their effective-date sections. Where the underlying compilation records manual retrieval, this paper relies on it [1]; where a provision rests on an official summary or agency guidance rather than enrolled text, that is the weaker basis. Idaho has now been read verbatim from the enacted bill text and is quoted directly in Sections 3 and 4 [20]; Connecticut, Minnesota, Oregon and New Mexico have been verified against enacted text [1]. Tennessee has now been read verbatim from Public Chapter 602 as signed, which confirms the distinction between its operative condition and its Consumer Protection Act condition and confirms that the operative condition was unchanged by the amendment; the two Fiscal Review Committee documents on the bill as introduced and as amended were also read and are retained in the citation for the drafting history they supply [21]. Florida and Oklahoma have been read verbatim from their enrolled bills; Florida is quoted directly in Section 4, and Oklahoma in the Abstract and Sections 4 and 7 [22][23]. One methodological note attaches to the Oklahoma retrieval. A committee substitute of that bill carries the deference clause in the same words as the enrolled act, but differs from it on the effective date, and the bill was amended twice more after that substitute. A claim resting on a committee-stage document should be treated as unverified until the enrolled text is read.

The trigger finding was twice falsified by counterexample and twice restated. Idaho showed that an enacted trigger could be keyed to something other than the penny; Tennessee showed that a second one was, and that we had misread it. In the Tennessee case the penny language sits in the Consumer Protection Act exemption while the authority to round is conditioned on exact change not being available, and we had taken the first for the second. The count moved from twenty of twenty to nineteen and then to eighteen. Our legislative reference carried the same Tennessee error in its trigger field and has since been corrected, against the chaptered act, in its August 31, 2026 revision [1]. A penny reference located anywhere in an act is not evidence that the act's operative condition is penny-keyed, and the searches that found both counterexamples were undertaken to falsify the claim rather than to confirm it.

Georgia was read verbatim. Every quotation of Georgia text in Sections 4, 6 and 7 is taken from HB 1112 as passed by both chambers, enacting O.C.G.A. 10-1-970 and 10-1-971 [17]. That text resolves a discrepancy in the secondary literature about the treatment of one and two cent totals: subsection (b) states both that the Code section shall not apply to such transactions and that such a total shall be rounded up to five cents, which is why the provision has been described in different sources as an exemption and as a rounding rule. Both descriptions trace to the same sentence.

This paper does not forecast the elimination or suspension of the five-cent coin, and no conclusion here depends on one occurring. The dominant federal effort is directed at preserving the coin at lower cost, and H.R. 1270 has received no committee action. The Section 5 finding is deliberately constructed to be independent of the contingency, because the contrast between the two federal rounding authorities is a fact about text that can be read today.

The consumer cost estimates in Section 6 are contested and are presented as the state of the published record rather than as measurements. The Richmond Fed figures assume unchanged transaction patterns and scale a short diary panel to annual national totals; Whaples and Atlanta Fed work dispute the premise that symmetric rounding imposes a systematic consumer cost. The per-adult figures are the authors' arithmetic from published aggregates and inherit every limitation of the underlying estimate. Only the per-transaction maximum delta is arithmetic and uncontested.

The absence of any published nickel stock, attrition, or recirculation figure is stated in Section 2 as a limit on what anyone can currently claim, in either direction, about how quickly a production suspension would produce scarcity. This paper makes no timeline claim and readers should treat any such claim, including a claim that the timeline is comfortably long, as currently unsupported by published data.

Legislative facts are stated as of August 31, 2026 and will change; the current status of every framework cited here is maintained at www.centsless.org/intelligence/legislation-tracker. The authors are officers of Centsless, which builds jurisdiction-aware rounding infrastructure. Readers should weigh that interest, and should weigh it against the recommendations specifically rather than against the findings alone: a conforming-increment regime of the kind described in Section 7 would produce a synchronized reconfiguration across many jurisdictions on a determined date, which is the class of event a compliance platform exists to absorb. We think the recommendations are right on the merits and they are framed to be executable without any vendor, but a reader is entitled to notice that we would not be disadvantaged by their adoption. The analysis rests on public sources throughout. The six conditions in Section 7 are framed to be executable by any legislature or agency without any vendor, including without Centsless. Adjacent questions remain outside scope, including the treatment of cash wages and tips at a changed increment, the coin-acceptance machine questions examined in *The Machine Test*, the interaction of a larger increment with state and local tax computation, and the exposure of dollarized economies that rely on United States coin and cannot legislate its denominations.