A CENTSLESS FIELD ANALYSIS · MAY 2026

Two Stalled Federal Bills, *Not One.*

The cash compliance gap is older than the penny.

A six-year regulatory arc, four operational scenarios, and what multi-state retailers need to build now. The first public synthesis of the federal cash framework as a coupled two-bill system.

BY THE CO-FOUNDERS

Kyle Hatfield · Daniel Hobin · Alex Ortega

CEO · CFO · CAIO

LENGTH

2,360 words

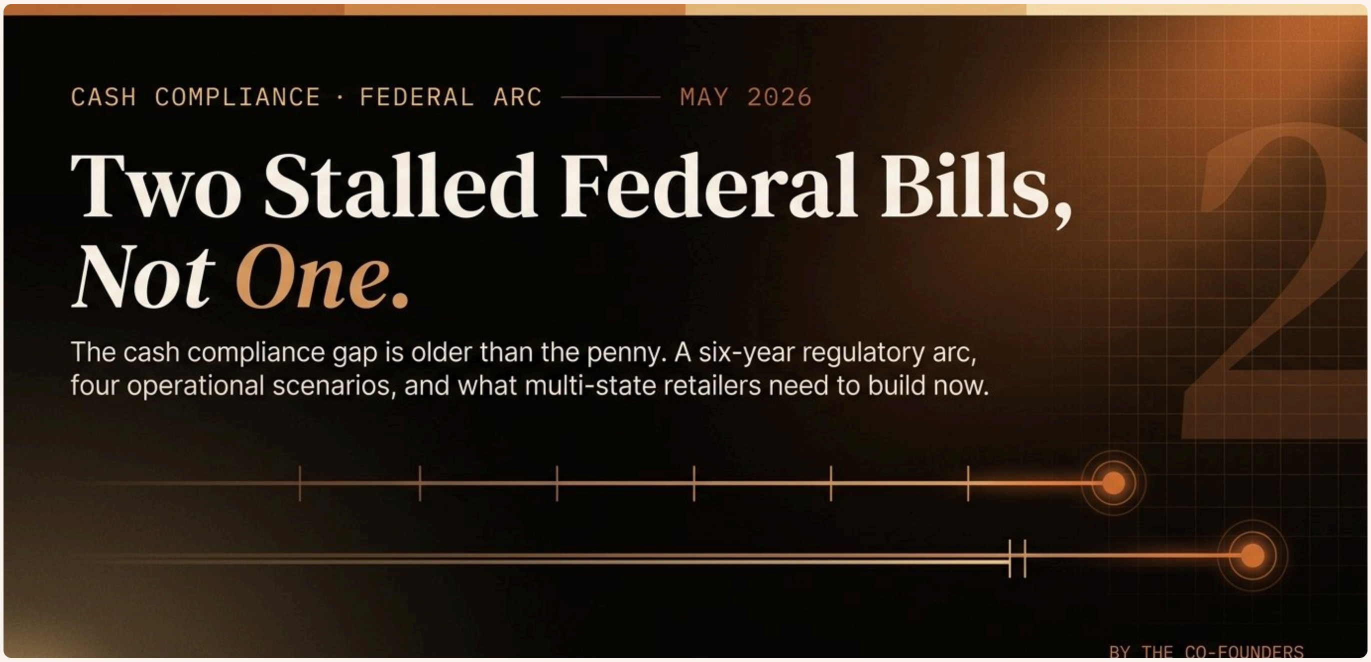
PUBLISHED

May 14, 2026

PLATFORM

LinkedIn Article

READER ORIENTATION: This analysis frames the federal cash framework as two coupled stalled bills, the Common Cents Act and the Payment Choice Act, with state and local action filling the void across a six-year arc. The article runs roughly 12 minutes. The Centsless infrastructure response is described in Parts Five through Seven. Visit www.centsless.org for a gap analysis of your current cash rounding setup.



PART OPENING · FEDERAL ARC · 2019–2026

A six-year regulatory arc, four operational scenarios, and what multi-state retailers need to build now.

By **Kyle Hatfield, Daniel Hobin, and Alex Ortega** — Co-Founders, Centsless

In the six months since the U.S. Mint pressed its final circulating penny, public attention has converged on a single piece of federal legislation: the Common Cents Act. The bill, which would authorize merchants to round cash transactions to the nearest nickel, cleared the House Financial Services Committee by a 35-13 vote in September 2025. It has sat on Union Calendar No. 192 ever since, awaiting a floor vote that has not materialized.

Most operators, journalists, and policy followers treating this as a 2025 problem are looking at half the picture.

There is a second federal bill, the Payment Choice Act (H.R. 1138), that addresses the complementary question: whether retailers can refuse cash payments at all. It was introduced in February 2025. It has been reintroduced in every Congress since 2019. The 2022 version (H.R. 4395) passed the House as an amendment to the Federal Reserve Racial and Economic Recovery Act but died in the Senate. The Senate companion to the current version was introduced by Senators Fetterman and Cramer in July 2025. None of the six iterations since 2019 has been enacted.

The federal cash framework is two stalled bills, not one. The arc is six years, not six months.

For operators with multi-state footprints, the implication is substantial. The compliance vacuum they are now feeling is not a side effect of the penny cessation. The penny cessation simply made visible a structural gap that has been forming since 2019, and that state and local action has been quietly filling the entire time.

This article looks at what the two-bill picture reveals about cash compliance going forward, why every operational scenario produces residual complexity that federal action does not resolve, and what multi-state retailers should be building right now regardless of how Congress moves.

> ***We write this as the team behind Centsless, the cash rounding compliance infrastructure platform built for the post-penny economy. Over the past year we have tracked every active federal, state, and municipal piece of cash-related legislation in the United States. The patterns described in this article are what that tracking has surfaced. The analysis is the work. The platform is the response to what the work revealed.***

PART ONE

The Two Bills and What Each Actually Does

The Common Cents Act answers a narrow question: may merchants round cash transactions to the nearest nickel? Its scope is limited to cash transactions, applies only when the rounding is symmetrical, and creates a federal safe harbor against enforcement actions by the FTC and CFPB. It does not address state attorneys general. It does not protect against private class actions. It does not touch refund mechanics, EBT and SNAP transactions, or the audit trail required to demonstrate consistent application.

The Payment Choice Act answers a different question: may retailers refuse cash payments entirely? The bill would require retailers to accept cash for in-person transactions, prohibit them from charging cash-paying customers higher prices than card-paying customers, and create a federal floor that preempts state and local rules where they conflict downward. The current version (H.R. 1138) requires acceptance for sales up to $500 per transaction. Prior versions used $2,000 as the threshold.

The current legislative posture also matters. The Common Cents Act as introduced in April 2025 included mandatory symmetric rounding language and federal preemption of state and local rounding rules. The version reported out of committee in September has prompted legal analysis about whether the rounding mandate and preemption scope changed between introduction and committee passage (Holland & Knight, December 2025). The Senate companion (S. 1525) has remained in the Committee on Financial Services since April 2025 without advancing. **The framework operators must plan around is therefore uncertain in form as well as in timing.**

Each bill addresses a real operational problem. Cash rounding addresses what to do without pennies. Payment Choice addresses whether to accept cash at all. The two problems are coupled. A retailer cannot make consistent decisions about either question without clarity on both.

The federal cash framework, if both bills passed, would tell retailers: you must accept cash, and you may round it to the nearest nickel under defined conditions. That framework does not currently exist, has not existed at any point in the last six years, and shows no sign of arriving on a timeline shorter than several more quarters.

PART TWO

The Four Scenarios

Operators making capital decisions about cash infrastructure benefit from running each plausible federal outcome to its end state.

Four scenarios for the Common Cents Act and Payment Choice Act. In every outcome, jurisdiction-aware compliance infrastructure remains required.

Scenario one: Both bills pass. The federal framework finally exists. Retailers must accept cash for transactions up to $500 and may round to the nearest nickel under whatever methodology the final version specifies. Federal preemption depends on whether the enacted Common Cents Act retains the preemption language from the introduced version. If it does, federal law would supersede certain state and local cash rounding rules but would not eliminate the operational complexity of jurisdiction-specific methodologies already in effect. If preemption is narrowed or absent in the enacted version, federal and state rules stack rather than supersede. Either way, the thirteen states that have enacted their own cash rounding statutes still apply. Arizona's mandatory Swedish rounding remains. Indiana's three-tier permissive system remains. Utah's alcohol-only scope remains. New Mexico's tax and motor vehicle fees only scope remains. Georgia's tax-exempt retail framework remains. Oklahoma's public finance scope remains. Maryland's permissive symmetric Swedish rounding remains. Operators still need jurisdiction-aware infrastructure to apply different rules in different locations.

Scenario two: Common Cents passes, Payment Choice does not. Retailers can legally round cash but can also refuse to accept it. This creates inconsistent retail policies across operators in the same market. State and city cashless bans (New Jersey since 2019, Massachusetts since 1978, New York since March 2026, plus New York City, Philadelphia, and San Francisco) continue to govern in jurisdictions where they apply. Consumer confusion increases. The rounding framework is technically usable but only by operators who choose to accept cash in the first place, which becomes a strategic question rather than an operational one.

Scenario three: Payment Choice passes, Common Cents does not. Retailers must accept cash but have no federal rounding authorization. State authorizations continue to govern where they exist, but in roughly thirty-seven states with no cash rounding statute, operators face a legal question: rounding cash creates a discrepancy between sticker price and transacted price, which is the precise predicate for class actions under existing consumer protection law (see Kahn v. Walmart, 7th Cir. 2024, reversing dismissal on a $1.89 overcharge). Operationally, this scenario is worse than the status quo. Cash acceptance is mandatory, rounding is unauthorized in most jurisdictions, and the alternative is to maintain penny inventories that no longer exist.

Scenario four: Neither bill passes. This is the current trajectory. State and local fragmentation continues on two simultaneous fronts. Cash acceptance rules vary jurisdiction by jurisdiction. Cash rounding rules vary jurisdiction by jurisdiction. The two regulatory landscapes evolve independently with no federal coordination. For multi-state operators, the operational complexity compounds quarter by quarter.

A worked example. New York's cash acceptance law has been in force since March 20, 2026. Multi-state operators with New York presence are already navigating the state mandate to accept cash, no surcharges on cash payments, and the cap at $20 bills, while simultaneously navigating cash rounding rules in any of the thirteen states where they have enacted methodologies. If the Common Cents Act passes later this year with preemption language, federal preemption could partially override certain New York requirements where they conflict with federal rounding rules but would not eliminate the underlying state mandate to accept cash. If the Common Cents Act passes without preemption, federal rounding rules would stack on top of New York's state law, requiring operators to comply with both simultaneously. If the Common Cents Act does not pass, the present compliance reality continues. None of the scenarios produces operational simplicity. New York operators are already living the multi-jurisdictional reality, and the Centsless platform is the response to it.

In every scenario, jurisdiction-aware infrastructure is required at the POS level. Federal action narrows the rule space in some scenarios but does not eliminate the cross-jurisdiction operational reality in any of them.

PART THREE

The Quiet State and Local Response

While the federal cash framework has been stalled, state and local action has continued without pause.

Thirteen states have enacted cash rounding statutes since 2024: Arizona, Indiana, New Mexico, Tennessee, Utah, Washington, Idaho, Oregon, Alabama, Virginia, Georgia, Oklahoma, and Maryland. Each statute has different scope, methodology, and effective date. Twenty-plus additional state legislatures have active bills. Florida and Hawaii have passed at least one chamber, with Hawaii SB 3255 now enrolled to the Governor and awaiting signature.

Eleven states and multiple cities have cashless retail bans in some form. New Jersey enacted S. 2785 in 2019. Massachusetts has had a similar law since 1978. New York City, Philadelphia, San Francisco, and several other major municipalities have passed local bans. The state-level patchwork on cash acceptance is older and denser than most operators realize, predating the current Payment Choice Act version by years.

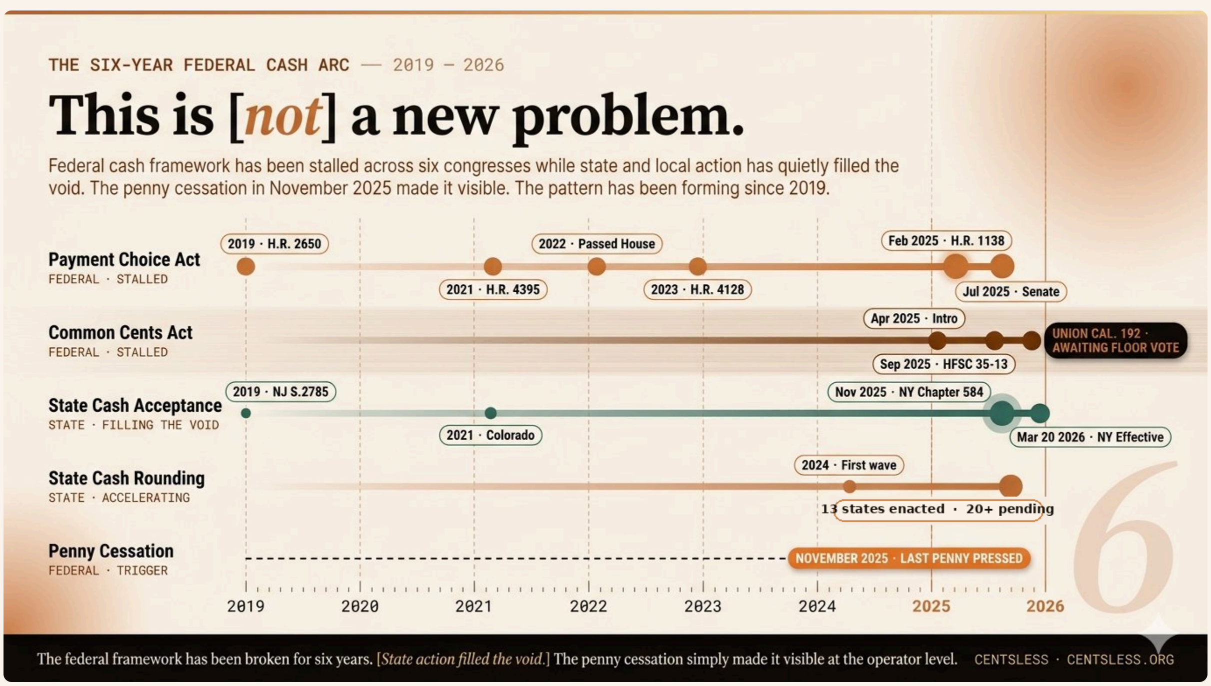
The most consequential recent development on the cash acceptance side is New York. Governor Hochul signed Chapter 584 of the Laws of 2025 on November 20, 2025, requiring retail establishments and food stores to accept cash for in-person transactions and prohibiting them from charging cash-paying customers higher prices than card-paying customers. The law took effect March 20, 2026, with limited exceptions for bills over $20 and for remote transactions. New York joined Massachusetts (1978), New Jersey (2019), Colorado (2021), and Oregon and Delaware as the fifth state with a statewide cash acceptance requirement. The state passed the law in May 2025, signed it in November, and put it into force in the same nine-month window in which the federal Payment Choice Act sat in committee without advancing. **The sequence is the entire pattern in miniature: federal stall, state action, state law in force.** For operators with New York footprints, the operational implications are no longer a planning question. They are present compliance reality.

This month, the Massachusetts Department of Revenue issued Directive 26-1, becoming the first state regulator (not legislature) to formalize tax treatment guidance for the post-penny environment. The directive specifies that sales tax must be calculated on the exact pre-rounded sales price regardless of payment method. We expect other state DORs to follow.

The pattern is clear. While Congress has stalled, state legislatures, state regulators, and municipalities have moved. The federal vacuum has not slowed the regulatory landscape. It has accelerated fragmentation.

PART FOUR

What the Six-Year Arc Reveals



The federal cash framework has been stalled across six congresses. State and local action has been filling the void since 2019.

The most important insight is not in any single scenario or any individual statute. It is in the timeline itself.

The Payment Choice Act was first introduced in 2019. The federal cash framework has been broken for six years. State action has been filling the void for six years. Multi-state operators with even modest geographic footprints have been navigating fragmenting cash rules for six years. What changed in November 2025 was not the regulatory environment. The penny cessation changed only the visibility of the regulatory environment. Operators who had been quietly absorbing inconsistent cash policy began to feel the operational pressure at the register. Producers, journalists, and trade publications began to write about cash compliance for the first time in a serious way. Investors and operators who had not previously considered cash infrastructure as a category started to ask questions.

The Centsless analytical position, which we have developed over the last year of tracking every active piece of relevant federal, state, and municipal legislation, is that this category has been forming for years and is now becoming visible. The work of building defensible compliance infrastructure is not a response to a sudden crisis. It is the catching-up that operators with sophisticated compliance functions have been doing in adjacent categories for the better part of a decade.

The smart operators in KYC compliance built infrastructure during the years before FinCEN attention shifted. The smart operators in CCPA compliance built infrastructure during the years before California enforcement ramped. The smart operators in wage-and-hour compliance built infrastructure during the years before plaintiff bar attention to tip-pooling and gig classification compounded. In every prior compliance cycle, the same pattern repeated: **the operators who built during the quiet period absorbed the eventual enforcement wave with manageable cost. The operators who waited paid materially more.**

Cash compliance is at the same stage today that KYC was in 2013 and CCPA was in 2018. Visible activity. Growing professional awareness. Not yet operational urgency. The window to build at a fraction of the future cost of building under pressure is open now.

PART FIVE

The Compliance Layers That Survive Every Scenario

Across every plausible federal outcome and every existing state statute, the same four operational compliance layers persist. These are the layers federal action does not resolve, and they are the layers the Centsless platform was built to address.

Documented directional neutrality. Across enough transactions, even fair rounding produces some statistical drift. Operators with contemporaneous, rolling bias documentation can respond efficiently to any future class action predicate. Operators reconstructing bias data from raw transaction histories after the fact face dramatically higher costs and weaker defenses. The federal safe harbor in the Common Cents Act, if and when it passes, does not create this documentation requirement. It is operational hygiene that exists independently.

Multi-jurisdiction rule mapping. Federal action does not eliminate state methodology requirements. A retailer with stores in three or more of the thirteen enacted-statute states cannot apply a single rounding rule across all of them. The infrastructure to apply different rules per jurisdiction, automatically and verifiably, with versioned and effective-dated rule sets, is the operational response. Centsless maintains a jurisdiction database covering more than 33,000 ZIP codes mapped to applicable rounding rules.

Architectural separation for benefit transactions. Federal program rules require EBT and SNAP transactions to settle at the exact cent regardless of any rounding framework. USDA and FNS enforce these rules independently of state or federal cash legislation. Civil monetary penalties run up to $59,000 per violation. Permanent retailer disqualification is available. Building architectural separation between cash rounding logic and benefit transaction processing the first time is straightforward. Retrofitting separation under USDA inquiry is materially harder.

Refund and reversal continuity. No state rounding statute, of the thirteen enacted or the twenty-plus active, specifies how rounding interacts with refund transactions. This is a universal gap. The federal bills do not address it either. Operators who treat refunds as continuous with the original transaction handle it cleanly. Operators who treat refunds independently create asymmetric outcomes across their refund population over time, which is exactly the predicate for a future class action.

The Centsless platform addresses all four layers through API integration with existing POS systems. Jurisdiction-aware rounding applied automatically per location. EBT and SNAP transactions architecturally isolated from rounding logic. Refund continuity built in. Tamper-evident audit trail generated on every transaction using cryptographic hash chaining. As state laws change, the platform updates. Operators do not configure per-location logic or track legislation manually.

The infrastructure is built for the persistent layers, not the headline bill.

PART SIX

The Cost Asymmetry

Operational compliance infrastructure built during a calm period costs integration time, modest subscription fees, and management attention measured in hours per quarter. Reconstructing the same infrastructure during an active enforcement action, audit, or class action filing costs forensic accounting, expert witness fees, outside counsel at litigation rates, settlement reserves, and management attention measured in months.

The cost differential across compliance cycles is generally between ten and fifty times. The asymmetry does not require operators to believe any particular timeline for when the first cash rounding case lands. It only requires them to believe that building before need is cheaper than building during need, which is empirically true across every compliance category in the last decade.

For multi-state operators, the math is straightforward. The cost of a single class action filing for register-level pricing accuracy is well documented. Walmart settled $45 million in Kukorinis (weighted-goods pricing, federal class action, 2024). Dollar General settled $15 million nationally driven by an average $0.27 per-transaction overcharge (2025). Compass Group settled $6.94 million for vending machine pricing disclosure discrepancies (Jilek, 2025). **The category of register-level pricing accuracy litigation is mature, expensive, and structurally identical to what cash rounding will produce when plaintiff attorneys turn their attention to it.**

PART SEVEN

What to Build Now

For operators with multi-state footprints, three concrete actions matter regardless of how Congress moves.

First, establish a written cash policy for each operating jurisdiction. The policy should reflect the specific state and local statutes that apply to each location, including New York's now-in-force cash acceptance requirement. Generic policies create exposure under state attorney general scrutiny in jurisdictions where specific methodology is mandated.

Second, confirm POS infrastructure can apply jurisdiction-specific rules accurately. Single-rule POS configurations, including the first-generation features recently shipped by Square, Invenco/Vontier, FieldStack, and FTx POS, solve the operator-convenience problem but not the cross-jurisdiction compliance problem. Multi-state operators need infrastructure that resolves the applicable rule per transaction location automatically.

Third, ensure transaction-level audit records are captured at execution time. Reconstructed records from current system state are not the same as records retained at transaction time. The distinction matters in both discovery and regulatory response.

These three actions are the foundation. They are also exactly what the Centsless platform provides through a single API integration. We built the infrastructure to address the layers federal action does not resolve, in every scenario, across every jurisdiction.

PART EIGHT

The Longer Pattern

The cash compliance story is not new. The federal framework has been broken since 2019. State action has been filling the void since 2019. Operators with sophisticated compliance functions in other categories recognize this pattern because they have run it before in KYC, in CCPA, in wage-and-hour. The operators who scale across compliance cycles are the ones who treat operational infrastructure as professional hygiene, not crisis response.

Cash compliance is the next item on that list. The penny cessation made it visible. The Payment Choice Act, stalled in Congress for six years, told us the federal vacuum is structural and durable. The thirteen enacted state statutes and twenty-plus active bills told us the state response is accelerating regardless of federal action. New York becoming the fifth state with a statewide cash acceptance law in force told us the state response now reaches the largest retail economies. The first DOR directive (Massachusetts, this month) told us state regulators are now formalizing what legislatures have been legislating.

The window to build defensibility at a fraction of the future cost is open now. It will close when the first cash rounding class action settles and the category shifts from forming to formed. We do not know exactly when that happens. We know it happens.

We built Centsless for the operators who recognize that pattern and want to be ready when the conversation changes.

ABOUT THE AUTHORS

Kyle Hatfield, Daniel Hobin, and Alex Ortega are the co-founders of Centsless. For a gap analysis of your current cash rounding setup, contact info@centsless.org or visit www.centsless.org.

WEB
www.centsless.org

POS DEMO
pos.centsless.org

MERCHANT DEMO
merchant.centsless.org

GENERAL
info@centsless.org

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