



ERIE COUNTY COMPTROLLER
KEVIN R. HARDWICK

March 31, 2026

Honorable Members
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Re: Rounding of Cash Transactions to the Nearest 0 Cents or 5 Cents

Dear Honorable Legislators:

Please find attached a resolution requesting consideration from your Honorable Body to implement a penny rounding policy due to the looming national shortage of pennies.

If you have any questions, please do not hesitate to contact my office. Thank you in advance for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Kevin R. Hardwick".

Kevin R. Hardwick, Ph.D.
Erie County Comptroller

krh:tcc

cc: Mark Cornell, Director of Budget and Management
Jeremy Toth, Esq., County Attorney

MEMORANDUM

To: Erie County Legislature
From: Erie County Comptroller Kevin Hardwick
Re: Rounding of Cash Transactions to the Nearest 0 Cents or 5 Cents
Date: March 31, 2026

SUMMARY OF RECOMMENDED ACTION

That due to the penny shortage, the Legislature authorize a penny rounding policy for cash transactions in Erie County.

FISCAL IMPLICATIONS

None.

REASONS FOR RECOMMENDATION/BACKGROUND OF PROPOSAL

In November 2025, citing the cost, the United States Department of the Treasury ceased minting new pennies. The Treasury stated that over the past 10 years, the total production cost of the penny had risen from 1.3 cents to 3.69 cents per penny.

Since December 2025, consumers have observed signs at retail sales locations noting that retailers have not been able to gain access to new pennies for change-making purposes at points-of-sale in which customers pay via cash (as opposed to electronic payments or check).

This has led retailers to communicate that they will round cash transactions to the nearest 0 cents or 5 cents.

The County's banker, M&T Bank, informed the County in December 2025 that it could no longer guarantee access to pennies and the County started having difficulty receiving pennies from M&T.

Private businesses (merchants and retailers) have developed policies in which they will round cash transactions up or down to the nearest five cents.

New York State requires sales tax to be calculated on the final sale price rounded to the nearest penny.

In a November 21, 2025 report entitled 'Elimination of the Penny: Cents-able Considerations', the National Council of State Legislators stated: "The most recommended form of rounding is symmetrical rounding whereby if the final digit of the total transaction amount (including taxes) is 1, 2, 6, or 7 cents, the amount is rounded down to the nearest

multiple of five. If the final digit is 3, 4, 8, or 9 cents, the amount is rounded up. Transactions totaling exactly \$0.01 or \$0.02 might be rounded up to \$0.05.” Again, this would only apply to cash transactions.

So far, the Office of the New York State Comptroller has not issued any guidance or regulations for the state or local governments.

Most states have yet to issue new regulations on when and how currency rounding should occur. While the fiscal impact of rounding might be limited for state revenue, retailers and consumers, the absence of a regulatory framework introduces legal risks and potential confusion among stakeholders. In New York State, State Senator James Skoufis is sponsoring a Senate bill to address this issue. His proposed legislation, Senate Bill S8580, and Assembly Bill A9274 sponsored by Assemblyman John McDonald III would require merchants to round final cash transactions based on the final cost of the item to the nearest five cents. See <https://www.nysenate.gov/legislation/bills/2025/S8580>.

Guidance issued by other states recommends that tax be collected first, that rounding occur at the end of all transactions, and that notice be clearly posted for consumers.

On December 23, 2025, the US Department of the Treasury provided “non-binding guidance” concerning the cessation of pennies at <https://home.treasury.gov/news/featured-stories/penny-production-cessation-faqs>. That guidance said “when penny change is not available, businesses may round the final amount of a cash transaction to the nearest five-cent increment, recognizing that states will approach this issue differently based on unique considerations.”

In late December 2025, the Retail Industry Leaders Association (RILA) urged Members of Congress to prioritize addressing the nation's ongoing penny circulation problems and swiftly pass legislation addressing the issue when the second session of the 119th Congress began in January 2026. The RILA stated that this was not an issue that should be left to the states to resolve, as retailers who operate in multiple states need a uniformed approach that can only be set by the federal government. No federal action has been implemented.

CONSEQUENCES OF NEGATIVE ACTION

For cash transactions when pennies are not available to County departments, a problem making correct change to customers may occur.

STEPS FOLLOWING APPROVAL

The penny policy will be implemented.

The County will work with our consultants and bank on the point-of-sale machines to adjust cash payments to round to the nearest 0 or 5 cents.

**A RESOLUTION SUBMITTED BY
THE OFFICE OF THE COMPTROLLER**

Re: Rounding of Cash Transactions to the Nearest 0 Cents or 5 Cents

WHEREAS, in November 2025, citing the cost, the United States Department of the Treasury ceased minting new pennies. The Treasury stated that over the past 10 years, the total production cost of the penny had risen from 1.3 cents to 3.69 cents per penny; and

WHEREAS, since December 2025, consumers have observed signs at retail sales locations noting that retailers have not been able to gain access to new pennies for change-making purposes at points-of-sale in which customers pay via cash (as opposed to electronic payments or check). This has led retailers to communicate that they will round cash transactions to the nearest 0 cents or 5 cents; and

WHEREAS, the County's banker, M&T Bank, informed the County in December 2025 that it could no longer guarantee access to pennies and the County started having difficulty receiving pennies from M&T; and

WHEREAS, so far, the Office of the New York State Comptroller has not issued any guidance or regulations for the state or local governments and the State Legislature has not yet adopted any laws concerning the matter; and

WHEREAS, in a November 21, 2025 report entitled 'Elimination of the Penny: Cents-able Considerations', the National Council of State Legislators stated: "The most recommended form of rounding is symmetrical rounding whereby if the final digit of the total transaction amount (including taxes) is 1, 2, 6, or 7 cents, the amount is rounded down to the nearest multiple of five. If the final digit is 3, 4, 8, or 9 cents, the amount is rounded up. Transactions totaling exactly \$0.01 or \$0.02 might be rounded up to \$0.05"; and

WHEREAS, on December 23, 2025, the US Department of the Treasury provided "non-binding guidance" concerning the cessation of pennies which said "when penny change is not available, businesses may round the final amount of a cash transaction to the nearest five-cent increment, recognizing that states will approach this issue differently based on unique considerations"; and

WHEREAS, it is recommended that the County adopt a policy concerning pennies for cash transactions before a problem emerges.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Legislature hereby recognizes the looming issues associated with pennies and cash transactions and accordingly adopts a policy of rounding cash transactions to the nearest penny (after sales tax is included); and be it further

RESOLVED, that through this penny policy, symmetrical rounding shall be implemented for cash transactions whereby if the final digit of the total transaction amount (including taxes) is 1, 2, 6, or 7 cents, the amount is rounded down to the nearest multiple of five. If the final digit is 3, 4, 8, or 9 cents, the amount is rounded up. Transactions totaling exactly \$0.01 or \$0.02 shall be rounded up to \$0.05; and be it further

RESOLVED, that certified copies of this resolution be forwarded to the County Executive, County Comptroller, Director of Budget and Management and the County Attorney.

Fiscal Implications: As noted.