

SB893 Business Regulation senate written.pdf

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Position: FAV

MARYLAND RETAILERS ALLIANCE

The Voice of Retailing in Maryland



SB893 Business Regulation- Rounding Cash Transactions-Authorization

February 25, 2026

Position: Favorable

We respectfully submit this testimony in strong support of **SB 893**, which would authorize the rounding of cash transactions in Maryland. This bill provides clear legal direction on how cash purchases should be rounded in the absence of an adequate supply of pennies, ensuring fairness, clarity, and legal certainty for consumers, retailers, and state tax administration.

With the cessation of penny production by the United States Mint and increasing shortages of pennies in Federal Reserve distribution, the practical ability of businesses to make exact change for cash transactions is rapidly diminishing. These developments have forced merchants to make ad-hoc decisions about rounding, often without statutory guidance, creating legal ambiguity, administrative complexity, and potential inequities in the marketplace.

The **National Conference of State Legislatures (NCSL)** — a bipartisan body that provides state legislators with research and policy guidance — has analyzed the economic, legal, and operational implications of eliminating the penny and transitioning to rounding cash transactions. Key recommendations from their *Cents-able Considerations* policy brief include:

1. Rounding Clarity and Legal Certainty

NCSL notes that without a clear statutory framework, inconsistent rounding decisions across vendors could expose states and retail sellers to legal risks and confusion. Establishing uniform, legislated rounding practices avoids legal uncertainty and ensures consumers and businesses can transact within a clear, predictable framework.

2. Symmetrical Rounding as a Fair Method

A growing consensus among economists, retailers, and policy analysts — reflected in the NCSL analysis — favors *symmetrical rounding* to the nearest five cents for cash payments. Under this widely accepted method, total cash transaction amounts ending in 1, 2, 6, or 7 cents round down, while those ending in 3, 4, 8, or 9 cents round up. This approach treats consumers and sellers equitably over time and minimizes net impact on either party.

3. Distinction Between Cash and Electronic Payments

The NCSL report emphasizes that rounding rules should apply solely to physical cash transactions while preserving exact-to-cent calculations for sales tax and electronic payments. This distinction respects the continuing accuracy of digital payment systems and aligns with best practices adopted in other jurisdictions.

4. Maintaining Tax Calculation Integrity

State tax authorities should continue to calculate sales and excise taxes on the actual purchase price prior to rounding. Under the recommended framework, rounding is applied only at the final point of sale when paid in cash, ensuring that the correct amount of tax is remitted.

Authorizing rounding ensures fairness and transparency for consumers, reduces operational uncertainty for retailers, and prevents confusion or litigation from inconsistent practices. As pennies decline and electronic payments dominate, standardized cash rounding is a practical solution with minimal consumer impact.

For these reasons, we respectfully urge a favorable report on SB 893. The bill reflects bipartisan guidance from the [National Conference of State Legislatures](#) and provides Maryland with a clear, equitable, and administratively sound framework for cash transactions.

Thank you for your consideration.

SB 893 Written Testimony - Sen. Gile.docx.pdf

Uploaded by: Dawn Gile

Position: FAV

DAWN D. GILE
Legislative District 33
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Finance Committee

Chair

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony In Support of SB 893

SB 893 – Business Regulation – Rounding Cash Transactions – Authorization

Madam Chair, Mr. Vice Chair, and Members of the Committee:

Senate Bill 893 authorizes symmetrical rounding of cash transactions in Maryland and provides clear statutory direction for how merchants may round cash payments in the absence of an adequate supply of pennies.

With the cessation of penny production by the United States Mint and ongoing shortages in Federal Reserve distribution, the practical ability of businesses to make exact change for cash transactions is diminishing. Retailers are increasingly forced to make ad-hoc rounding decisions without statutory guidance. That creates legal ambiguity, operational inconsistency, and potential inequities across the marketplace. SB 893 provides a uniform, legislated framework.

Under the bill:

- Rounding applies only to physical cash transactions.
- Rounding occurs after all discounts and after all applicable taxes and fees are calculated.
- Amounts ending in 1, 2, 6, or 7 cents round down; amounts ending in 3, 4, 8, or 9 cents round up.
- Transactions under five cents may round up to five cents.
- Merchants may round either the total transaction amount or the change due.
- Electronic payments remain exact to the cent.
- Employers paying wages in cash may use the same symmetrical rounding method.

The National Conference of State Legislatures has analyzed the economic and legal implications of penny elimination and recommends statutory clarity to avoid inconsistent practices and legal uncertainty. Their research supports symmetrical rounding as the most equitable method, treating consumers and merchants fairly over time.

The bill explicitly requires that taxes be calculated and remitted based on the actual purchase price prior to rounding. This preserves tax integrity and ensures compliance with state revenue requirements.

Additionally, SB 893 preempts conflicting local regulations to ensure statewide consistency. Without uniformity, businesses operating in multiple jurisdictions could face conflicting rounding rules.

The Comptroller's Office has indicated that it does not plan to introduce separate legislation but has emphasized that rounding should occur after taxes are applied and that any framework should be consistent statewide. SB 893 reflects those principles.

The fiscal analysis indicates no material impact on State finances.

As pennies decline and electronic payments dominate, this legislation provides clarity, fairness, administrative certainty, and a practical path forward.

For these reasons, I respectfully request a favorable report on Senate Bill 893.

Testimony SB893 penny bill.pdf

Uploaded by: Kirk McCauley

Position: FAV



WMDA/CAR Service Station
and Automotive Repair Association

Chair Pamela Beidle and members of Senate Finance

RE: SB893 - Business Regulation - Rounding Cash Transactions - Authorization

Position: Favorable

SB893 will put retailers and customers on same page, with no loss to Maryland.

WMDA/CAR asks for a favorable vote on SB893.

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SB893_MAPDA_fav (2026).pdf

Uploaded by: Mike O'Halloran

Position: FAV



Mid-Atlantic Petroleum Distributors Association
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TO: Senate Finance Committee

FROM: Mid-Atlantic Petroleum Distributors Association

DATE: February 27, 2026

RE: **SUPPORT SENATE BILL 893** – Business Regulation – Rounding Cash Transactions - Authorization

On behalf of Maryland’s convenience stores and energy marketers, MAPDA urges the committee to issue a favorable report on SB893.

This legislation would allow retailers, such as convenience stores, round a cash transaction up or down based on the final price as stipulated in the bill.

This legislation is offered as a response to the federal government’s decision to cease manufacturing by the U.S. Mint of new pennies. While existing pennies remain legal tender and can still be used, they are gradually being removed from circulation. This will result in difficulties for our retailers when processing cash transactions that do not come to a factor of \$0.05.

The U.S. Treasury issued a “non-binding guidance” in December of 2025 on how retailers can handle the issues that will arise. However, the guidance defers to states and localities on how to amend their tax laws. SB893 offers a commonsense approach that Maryland can use to address these concerns.

The National Conference of State Legislatures (NCSL), in its report, [Elimination of the Penny: Cents-able Considerations](#), noted a growing consensus among retailers, economists, and other stakeholders that symmetrical rounding to the nearest nickel is the fairest method to all parties when applying to cash transactions. HB1026 does exactly this.

As a point of reference, Canada eliminated the penny in 2013. It addresses the issue of rounding the same way SB893 contemplates. Several other states have issued their own guidance or are actively considering similar legislation. Though there is legislation pending in Congress, Maryland retailers hope the state will take the lead on this issue before it becomes a critical problem.

For these reasons, MAPDA respectfully requests a favorable committee report on SB893.

Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.

2026 SB0893 Testimony Against 2026-02-27.pdf

Uploaded by: Alan Lang

Position: UNF

Testimony Against SB0893

Honorable Senators

Please enter an unfavorable decision about SB0893.

I am opposed to

- Authorizing a merchant to round certain cash transactions in a certain manner or round the amount of change due to a customer in a certain manner;
- authorizing an employer to round a wage that the employer pays using cash in a certain manner; and
- providing that certain provisions of the Act shall preempt existing regulations, rules, and ordinances that conflict with certain provisions of the Act.

This so-called EMERGENCY bill is a "solution" in search of a problem and is not needed. Just because no new pennies are being made does not mean that there are not enough pennies available now. Pennies are still legal tender and can still be used in cash transactions.

I cannot see how this bill was approved as emergency legislation, when no crisis exists. I believe that business leaders do not need the State's "help" in setting prices and making change.

Please enter an unfavorable decision about SB0893.

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February 25, 2026