

119TH CONGRESS
2D SESSION

S. 1525

AN ACT

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

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

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

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

7 (1) in subsection (a)—

8 (A) in paragraph (5), by striking “weighs
 9 5 grams.” and inserting the following:
 10 “weighs—

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

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

16 (B) in paragraph (6)—

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

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

21 (2) in subsection (b)—

22 (A) in the sixth sentence—

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

1 (ii) by inserting “or a composition de-
 2 scribed in subsection (c)” before the pe-
 3 riod;

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

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

10 (3) by amending subsection (c) to read as fol-
 11 lows:

12 “(c) 5-CENT COIN.—

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

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

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

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

25 (4) by adding at the end the following:

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

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

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

12 **SEC. 3. CASH TRANSACTION ROUNDING.**

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

20 (1) ROUNDING DOWN.—Except as provided in
21 paragraph (2)(B), in any case in which the covered
22 amount ends with 1 cent, 2 cents, 6 cents, or 7
23 cents as the final digit, the amount of cents in the
24 sum may be rounded down to the nearest amount di-

1 visible by 5 for any person seeking to make payment
2 with cash.

3 (2) ROUNDING UP.—

4 (A) IN GENERAL.—In any case in which
5 the covered amount ends with 3 cents, 4 cents,
6 8 cents, or 9 cents as the final digit, the
7 amount of cents in the sum may be rounded up
8 to the nearest amount divisible by 5 for any
9 person seeking to make payment with cash.

10 (B) SMALL TRANSACTIONS.—In any case
11 in which the covered amount totals \$0.01 or
12 \$0.02, such amount may be rounded up to \$.05
13 for any person seeking to make payment with
14 cash.

15 (b) ADDITIONAL AUTHORITY TO ROUND.—With re-
16 spect to a person, including a financial institution, con-
17 ducting a cash transaction with a customer of the person,
18 the amount of cents in the sum of the transaction may
19 be rounded, if such rounding is in favor of the customer,
20 as follows:

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

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

25 (c) EMPLOYER PAYMENTS TO EMPLOYEES.—

1 (1) IN GENERAL.—With respect to an employer
2 providing a cash payment to an employee in an
3 amount that is not divisible by 5 cents, if the em-
4 ployer chooses to round the amount of cents in such
5 payment, the employer shall round the amount of
6 cents in such payment up to the nearest amount di-
7 visible by 5 cents.

8 (2) NO ROUNDING REQUIREMENT.—Nothing in
9 this subsection may be construed to require round-
10 ing by an employer described in paragraph (1) who
11 provides a cash payment to an employee in an exact
12 amount.

13 (d) APPLICATION.—Subsections (a), (b), and (c) shall
14 not apply to any transaction for which payment is made
15 by any demand or negotiable instrument, electronic fund
16 transfer, check, gift card, money order, credit card, or
17 other like instrument or method.

18 (e) RULE OF CONSTRUCTION.—Nothing in this Act
19 may be construed to require any person to round a pay-
20 ment as described in subsections (a) or (b).

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

23 (1) the total transaction amount, including
24 taxes; or

1 (2) in the case of a person selling goods or serv-
 2 ices in a cash transaction or entering into any other
 3 transaction that results in a payment or transfer of
 4 cash between the parties to the transaction, the
 5 amount of change due to the customer if the cus-
 6 tomer provides a cash payment that exceeds the
 7 total transaction amount, including taxes.

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

11 (a) **FEDERAL LAW.**—Any person selling goods or
 12 services in a cash transaction, including a financial institu-
 13 tion, entering into any other transaction that results in
 14 a payment or transfer of cash between the parties to the
 15 transaction shall not be in violation of any Federal re-
 16 quirement, law, regulation, or standard based on the ad-
 17 herence to the cash rounding provisions described in sec-
 18 tion 3.

19 (b) **STATE AND TRIBAL LAW.**—Any person selling
 20 goods or services in a cash transaction, including a finan-
 21 cial institution, entering into any other transaction that
 22 results in a payment or transfer of cash between the par-
 23 ties to the transaction shall not be in violation of any re-
 24 quirement, law, regulation, or standard of a State, Tribe,

1 or a political subdivision of a State based on the adherence
 2 to the cash rounding provisions described in section 3.

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

9 **SEC. 5. STRATEGIC PLAN AND REPORT ON COIN TERMINAL**
 10 **OPERATIONS AND COIN DISTRIBUTION STA-**
 11 **BILITY.**

12 (a) STRATEGIC PLAN AND REPORT.—Not later than
 13 90 days after the date of the enactment of this Act, the
 14 Board of Governors of the Federal Reserve System shall
 15 submit to the covered committees and make publicly avail-
 16 able a report that outlines a strategic plan for the accept-
 17 ance of penny orders and deposits at commercial coin ter-
 18 minals providing services under agreements with the Fed-
 19 eral reserve banks nationwide, including—

20 (1) a description of the Board’s approach to
 21 limiting disruptions in penny supply and maintain-
 22 ing the stability of and efficiency of the coin dis-
 23 tribution system, to the greatest extent practicable;

1 (2) an evaluation of such coin terminals where
 2 the Federal reserve banks no longer accept penny
 3 deposits or penny orders;

4 (3) an assessment of whether processing penny
 5 deposits or penny orders at such coin terminals
 6 could mitigate any challenges related to ceasing the
 7 production of the penny, including challenges related
 8 to the implementation of rounding practices;

9 (4) an assessment by the Secretary of the
 10 Treasury, which the Secretary shall conduct and de-
 11 liver to the Board not less than 60 days after the
 12 date of enactment of this Act—

13 (A) on the impact of penny supply and de-
 14 mand disruptions, and rounding practices for
 15 check cashing, on low-income communities,
 16 older consumers, debanked, unbanked, and
 17 underbanked individuals, including feedback
 18 from State or local entities; and

19 (B) that includes recommendations to the
 20 Congress to address any adverse impacts identi-
 21 fied under subparagraph (A); and

22 (5) any additional considerations the Board de-
 23 termines relevant to maintaining penny distribution
 24 stability.

25 (b) EVALUATION.—

1 (1) IN GENERAL.—Not later than 6 months
 2 after submission of the report required under sub-
 3 section (a), the Board of Governors of the Federal
 4 Reserve System shall submit to the covered commit-
 5 tees and make publicly available a report that evalu-
 6 ates the progress of implementing the strategic plan
 7 described in subsection (a), including—

8 (A) any material changes to the plan; and

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

11 (2) SUCCESSIVE REPORTS.—The Board of Gov-
 12 ernors of the Federal Reserve System shall submit
 13 to the covered committees and make publicly avail-
 14 able 2 additional reports that evaluate the progress
 15 described in paragraph (1) on dates that are not
 16 later than—

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

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

21 **SEC. 6. DISCONTINUATION OF CIRCULATION OF COINS.**

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

24 (1) in subsection (a)—

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

3 (B) in paragraph (4), by striking the pe-
4 riod at the end and inserting “; and”; and

5 (C) by adding at the end the following:

6 “(5) may discontinue the minting for circula-
7 tion of any coin that is described in paragraph (1)
8 (and that is minted for circulation, as of the date of
9 enactment of this paragraph) only in accordance
10 with the procedures described in subsection (e).”;
11 and

12 (2) by adding at the end the following:

13 “(e) DISCONTINUATION.—

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

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

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

20 “(2) REQUIREMENTS.—The Secretary of the
21 Treasury may not discontinue the minting for cir-
22 culation of a coin described in subsection (a)(5) un-
23 less the Secretary—

24 “(A) not later than 60 days before that
25 discontinuation, and in coordination with the

1 Director of the United States Mint, submits to
2 the covered committees notice regarding that
3 discontinuation, which shall include—

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

7 “(ii) a comprehensive plan for phasing
8 out the circulating coin, taking into consid-
9 eration—

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

13 “(II) the potential economic im-
14 pacts of that discontinuation; and

15 “(B) not later than 30 days after the date
16 on which the Secretary submits the notice re-
17 quired under subparagraph (A), provides a
18 briefing to the covered committees regarding
19 the plan for implementing that discontinu-
20 ation.”.

21 **SEC. 7. DEFINITIONS.**

22 In this Act:

23 (1) COVERED COMMITTEES.—The term “cov-
24 ered committees” means—

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

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

5 (2) FINANCIAL INSTITUTION.—The term “fi-
6 nancial institution” means any person, other than
7 an individual, the business of which is engaging in
8 financial activities in section 4(k) of the Bank Hold-
9 ing Company Act of 1956 (12 U.S.C. 1843(k)).

Passed the Senate August 7, 2026.

Attest:

Secretary.

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