

119TH CONGRESS
2D SESSION

H. R. 10167

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.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 27, 2026

Mrs. McCLAIN (for herself and Mr. GARCIA of California) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

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

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

7 Section 5112 of title 31, United States Code, is
8 amended—

1 (1) in subsection (a)—

2 (A) in paragraph (5), by striking “weighs
3 5 grams.” and inserting the following:
4 “weighs—

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

7 “(B) between 4 and 6 grams, with respect
8 to such coin as described in subsection (c).”;
9 and

10 (B) in paragraph (6)—

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

13 (ii) by striking “and weighs 3.11
14 grams”;

15 (2) in subsection (b)—

16 (A) in the sixth sentence—

17 (i) by inserting “either” before “an
18 alloy”; and

19 (ii) by inserting “or a composition de-
20 scribed in subsection (c)” before the pe-
21 riod;

22 (B) by inserting “with respect to such
23 coins that are an alloy of copper and nickel”
24 after “nickel required”; and

1 (C) by striking “Except” through “zinc”
2 and inserting “The one-cent coin is composed of
3 copper and zinc”;

4 (3) by amending subsection (c) to read as fol-
5 lows:

6 “(c) 5-CENT COIN.—

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

10 “(2) COMPOSITION.—The Secretary may pre-
11 scribe the composition of zinc and nickel in the 5-
12 cent coin, subject to testing and evaluation that such
13 composition—

14 “(A) reduces the cost incurred to produce
15 such coin; and

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

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

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

21 “(1) IN GENERAL.—Notwithstanding any other
22 provision of law, the Secretary shall cease production
23 of one-cent coins for general circulation, but may
24 continue to produce and issue one-cent coins for sale
25 as numismatic items.

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

6 **SEC. 3. CASH TRANSACTION ROUNDING.**

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

14 (1) ROUNDING DOWN.—Except as provided in
15 paragraph (2)(B), in any case in which the covered
16 amount ends with 1 cent, 2 cents, 6 cents, or 7
17 cents as the final digit, the amount of cents in the
18 sum may be rounded down to the nearest amount di-
19 visible by 5 for any person seeking to make payment
20 with cash.

21 (2) ROUNDING UP.—

22 (A) IN GENERAL.—In any case in which
23 the covered amount ends with 3 cents, 4 cents,
24 8 cents, or 9 cents as the final digit, the
25 amount of cents in the sum may be rounded up

1 to the nearest amount divisible by 5 for any
2 person seeking to make payment with cash.

3 (B) SMALL TRANSACTIONS.—In any case
4 in which the covered amount totals \$0.01 or
5 \$0.02, such amount may be rounded up to \$.05
6 for any person seeking to make payment with
7 cash.

8 (b) ADDITIONAL AUTHORITY TO ROUND.—With re-
9 spect to a person, including a financial institution, con-
10 ducting a cash transaction with a customer of the person,
11 the amount of cents in the sum of the transaction may
12 be rounded, if such rounding is in favor of the customer,
13 as follows:

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

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

18 (c) EMPLOYER PAYMENTS TO EMPLOYEES.—

19 (1) IN GENERAL.—With respect to an employer
20 providing a cash payment to an employee in an
21 amount that is not divisible by 5 cents, if the em-
22 ployer chooses to round the amount of cents in such
23 payment, the employer shall round the amount of
24 cents in such payment up to the nearest amount di-
25 visible by 5 cents.

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

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

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

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

16 (1) the total transaction amount, including
17 taxes; or

18 (2) in the case of a person selling goods or serv-
19 ices in a cash transaction or entering into any other
20 transaction that results in a payment or transfer of
21 cash between the parties to the transaction, the
22 amount of change due to the customer if the cus-
23 tomer provides a cash payment that exceeds the
24 total transaction amount, including taxes.

1 **SEC. 4. TREATMENT OF FEDERAL, STATE, AND TRIBAL LAW**
2 **WITH RESPECT TO CASH TRANSACTION**
3 **ROUNDING.**

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

12 (b) **STATE AND TRIBAL LAW.**—Any person selling
13 goods or services in a cash transaction, including a finan-
14 cial institution, entering into any other transaction that
15 results in a payment or transfer of cash between the par-
16 ties to the transaction shall not be in violation of any re-
17 quirement, law, regulation, or standard of a State, Tribe,
18 or a political subdivision of a State based on the adherence
19 to the cash rounding provisions described in section 3.

20 (c) **RULE OF CONSTRUCTION.**—Nothing in this Act
21 or of any order thereunder shall excuse noncompliance
22 with any Federal, State, Tribal, or local law, regulation,
23 ordinance, or requirement establishing a minimum wage,
24 providing for overtime pay requirements, or providing for
25 paid leave.

1 **SEC. 5. STRATEGIC PLAN AND REPORT ON COIN TERMINAL**
2 **OPERATIONS AND COIN DISTRIBUTION STA-**
3 **BILITY.**

4 (a) STRATEGIC PLAN AND REPORT.—Not later than
5 90 days after the date of the enactment of this Act, the
6 Board of Governors of the Federal Reserve System shall
7 submit to the covered committees and make publicly avail-
8 able a report that outlines a strategic plan for the accept-
9 ance of penny orders and deposits at commercial coin ter-
10 minals providing services under agreements with the Fed-
11 eral reserve banks nationwide, including—

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

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

19 (3) an assessment of whether processing penny
20 deposits or penny orders at such coin terminals
21 could mitigate any challenges related to ceasing the
22 production of the penny, including challenges related
23 to the implementation of rounding practices;

24 (4) an assessment by the Secretary of the
25 Treasury, which the Secretary shall conduct and de-

1 liver to the Board not less than 60 days after the
2 date of enactment of this Act—

3 (A) on the impact of penny supply and de-
4 mand disruptions, and rounding practices for
5 check cashing, on low-income communities,
6 older consumers, debanked, unbanked, and
7 underbanked individuals, including feedback
8 from State or local entities; and

9 (B) that includes recommendations to the
10 Congress to address any adverse impacts identi-
11 fied under subparagraph (A); and

12 (5) any additional considerations the Board de-
13 termines relevant to maintaining penny distribution
14 stability.

15 (b) EVALUATION.—

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

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

24 (B) any identified or emerging stress in
25 the penny distribution system.

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

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

9 (B) 30 months after the submission of the
10 report required under subsection (a).

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

12 Section 5111 of title 31, United States Code, is
13 amended—

14 (1) in subsection (a)—

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

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

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

20 “(5) may discontinue the minting for circula-
21 tion of any coin that is described in paragraph (1)
22 (and that is minted for circulation, as of the date of
23 enactment of this paragraph) only in accordance
24 with the procedures described in subsection (e).”;
25 and

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

2 “(e) DISCONTINUATION.—

3 “(1) DEFINITION.—In this subsection, the term

4 ‘covered committees’ means—

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

7 “(B) the Committee on Financial Services
8 of the House of Representatives.

9 “(2) REQUIREMENTS.—The Secretary of the
10 Treasury may not discontinue the minting for cir-
11 culation of a coin described in subsection (a)(5) un-
12 less the Secretary—

13 “(A) not later than 60 days before that
14 discontinuation, and in coordination with the
15 Director of the United States Mint, submits to
16 the covered committees notice regarding that
17 discontinuation, which shall include—

18 “(i) a description of the reasoning for
19 that discontinuation, including fiscal and
20 operational considerations; and

21 “(ii) a comprehensive plan for phasing
22 out the circulating coin, taking into consid-
23 eration—

1 “(I) the potential impacts of that
 2 discontinuation on consumers and
 3 businesses; and

4 “(II) the potential economic im-
 5 pacts of that discontinuation; and

6 “(B) not later than 30 days after the date
 7 on which the Secretary submits the notice re-
 8 quired under subparagraph (A), provides a
 9 briefing to the covered committees regarding
 10 the plan for implementing that discontinu-
 11 ation.”.

12 **SEC. 7. DEFINITIONS.**

13 In this Act:

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

16 (A) the Committee on Financial Services
 17 of the House of Representatives; and

18 (B) the Committee on Banking, Housing,
 19 and Urban Affairs of the Senate.

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

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