

# ALASKA STATE LEGISLATURE

Alaska State Capitol  
120 4th St., Rm. 104  
Juneau, AK 99801  
(907) 465-3783



Legislative Information Office  
1500 W. Benson Blvd., Rm. 212  
Anchorage, AK 99503  
Rep.Dan.Saddler@akleg.gov

## Representative Dan Saddler

*Serving Chugiak-Eagle River & Peters Creek*

### Sponsor Statement

#### House Bill 281, Version A

*“An Act relating to rounding cash transactions to the nearest five cents.”*

On February 9, 2025, the White House directed the U.S. Department of the Treasury to cease production of the penny. By November, the U.S. Mint ran out of its supply of blanks and completed its last regular minting of the one-cent coin.

While remaining legal tender, pennies have been disappearing from circulation far faster than Treasury officials had projected, and retailers and businesses across Alaska are already facing a shortage of this smallest-denominated currency. In response, each business is deciding individually how to manage cash transactions without exact change, and many have begun rounding transactions to the nearest five cent increment.

As such practices become more common, concerns have arisen that businesses may round individual cash transactions up or down to their own advantage. While insignificant when applied individually, such adjustments over time can represent a significant advantage to commercial enterprises, at the expense of consumers as a whole.

House Bill 281 would standardize rounding rules to remove ambiguity for businesses and consumers alike when handling cash transactions. Once a transaction is totaled – including all items, discounts, and taxes – the retailer would round the final amount to the nearest nickel using the following guidelines:

- Round down to zero if the total ends in 1 or 2 cents.
- Round up to five cents if the total ends in 3 or 4 cents.
- Round down to five cents if the total ends in six or seven cents.
- Round up to zero if the total ends in eight or nine cents.

It is important to note that these rounding standards would apply to cash transactions only. Credit cards, debit cards, Venmo, Pay Pal, taxes or other electronic/digital financial transaction systems would not be subject to rounding under this bill.

By implementing a symmetrical rounding system, HB 281 would clarify procedures for cash transactions in a way that is fair for both consumers and businesses.