

ALASKA STATE LEGISLATURE

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Serving Chugiak-Eagle River & Peters Creek

Sectional Analysis

House Bill 281, Version A

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

Section 1: Page 1, Lines 3-15, & Page 2, Lines 1-5

Section 1 adds a new section to Title 45, AS 45.45.940, titled Cash transaction rounding.

Subsection (a) of AS 45.45.940 gives exact guidance to retailers on how to round cash transactions when pennies are not available. First, the seller must determine the total price of the transaction, including discounts and taxes. Then, if the total is not divisible by five cents, the seller will:

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

Subsection (b) of AS 45.45.940 specifies that this statute does not apply to non-cash transactions.

Subsection (c) of AS 45.45.940 states that any taxes imposed by the state or local government do not apply to a gain or loss from rounding.

Subsection (d) of AS 45.45.940 defines “seller” as a person who sells goods or services, or someone who contracts or arranges for the sale of goods or services.