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Testimony in Support of H.837
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On Behalf of Vermont Retail & Grocers Association

Chair Marcotte, Vice Chair Graning, and members of the Committee,

On behalf of the Vermont Retail & Grocers Association, we appreciate the opportunity to testify in support of H.837, which provides clear statutory authorization for symmetrical rounding of cash transactions to the nearest five cents.

This bill responds to a practical problem that retailers are already facing. With the penny no longer being minted and becoming increasingly unavailable in circulation, businesses need a consistent and legally sound way to complete cash transactions. Today, without clear statutory guidance, even common-sense rounding practices can raise concerns about whether they could be viewed as an unfair or deceptive act. H.837 addresses that uncertainty directly by creating a uniform, transparent framework.

The bill is carefully structured to balance operational practicality with consumer fairness. It allows rounding only on the final total of cash transactions, not on individual items, and keeps all electronic and card payments exact to the cent. It requires clear notice to customers at the point of sale and ensures that taxes are still calculated and remitted based on the pre-rounding amount. Just as importantly, it establishes symmetrical rounding, meaning totals are rounded both up and down, preventing any systematic advantage to the business or the consumer.

This approach is consistent with federal guidance. The U.S. Department of the Treasury has acknowledged that while pennies remain legal tender, businesses may round cash transactions when pennies are not available, and states may adopt their own frameworks.

Vermont would not be acting alone. States are actively addressing cash rounding in response to the declining availability of pennies, but there is no single required approach. Arizona has already enacted and signed a law requiring rounding, establishing a uniform statewide system. Indiana has also enacted a law in 2026, but uses a permissive model that allows, rather than requires, rounding. In Washington, legislation has passed the House and is advancing through the Senate using a similar permissive framework. Several other states, including Massachusetts, Mississippi, West Virginia, and Wyoming, have introduced bills that generally follow the “allow” model and are still moving through the legislative process. This shows that while some states have chosen to require rounding, most are opting to authorize it without

mandating it. H.837 follows that approach by providing clear legal authority and consumer protections without requiring businesses to adopt a single statewide practice.

H.837 reflects a measured, practical response to a changing currency environment. It provides clarity for businesses, transparency for consumers, and consistency across the marketplace. For retailers and grocers who handle a high volume of small cash transactions, this clarity is essential.

We respectfully urge the Committee to support H.837.