

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 3977

with committee amendments

STATE OF NEW JERSEY

DATED: MAY 18, 2026

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 3977.

As amended, this bill establishes the rounding requirements, for businesses that choose to follow them, for cash transactions in response to the end of the production of pennies by the federal government in November of 2025. While pennies will still circulate, the bill intends to assist businesses in preparation for a phaseout in the use of the penny for cash transactions. As noted by the National Conference of State Legislatures, guidance issued by states on this issue will provide critical clarity and fairness for businesses and subsequently, consumers. Penalties are also established in the bill for businesses who adopt the rounding requirements but violate their provisions.

As amended, nothing in the bill will be construed to prohibit a program that rounds a purchase or transaction up as a donation; provided that the program is voluntary, and the consumer has the right to opt in to and opt out of the donation.

COMMITTEE AMENDMENTS:

The committee amended the bill to provide that:

(1) in a cash transaction where the price ends in three-hundredths or four-hundredths (\$.03 or \$.04) of a dollar, the transaction will be rounded up to the nearest five-hundredths of a dollar;

(2) in a cash transaction where the price ends in eight-hundredths or nine-hundredths (\$.08 or \$.09) of a dollar, the transaction will be rounded up to the nearest tenth of a dollar; and

(3) nothing in the bill will be construed to prohibit a program that rounds a purchase or transaction up as a donation; provided that the program is voluntary, and the consumer has the right to opt in to and opt out of the donation.