



## Tax Information Publication

# TIP

Number:  
**25A01-18**

Date Issued:  
**December 19,  
2025**

## Cash Transactions – End of Penny Production

As of November 2025, the U.S. Treasury has ended production of the penny. Although pennies remain legal tender, the number in circulation is decreasing. To maintain operations and customer satisfaction, some Florida dealers are rounding cash transactions when the total amount due (total sales price plus tax) from the customer cannot be collected or change cannot be provided because of the lack of pennies.

A key concern for dealers is compliance with their obligation to collect and remit sales and use tax. More specifically, how the amount of sales tax due on a cash transaction should be calculated when the dealer rounds the total amount due because of the penny shortage. Price rounding is only applicable to cash transactions.

### Calculating Sales Tax

Dealers must continue to calculate Florida sales tax and any applicable discretionary sales surtax (local sales tax) pursuant to current law, regardless of the customer's method of payment.

If the total amount due cannot be collected or change cannot be provided on a cash transaction due to the penny shortage, the dealer may choose how to round the total amount due from the customer to the next lowest, next highest, or nearest nickel, so long as notice is provided to the customer. Sales tax remains due on the actual sales price prior to the dealer applying rounding due to the lack of pennies.

**Example 1:** A dealer sells a taxable item for \$9.84 to a customer paying in cash. The total state and local sales tax rate applicable to this sale is 7%. The total is \$10.53 (\$9.84 plus \$0.69 sales tax). Due to the penny shortage, the dealer chooses to round the total down to

\$10.50. The sales tax due by the dealer for this transaction is \$0.69. This minor rounding adjustment to address the penny shortage does not require the sales price to be recalculated.

**Example 2:** A dealer sells a taxable item for \$9.84 to a customer paying in cash. The total state and local sales tax rate applicable to this sale is 7%. The total is \$10.53 (\$9.84 plus \$0.69 sales tax). Due to the penny shortage, the dealer chooses to round the total up to \$10.55. The sales tax due by the dealer for this transaction is \$0.69. This minor rounding adjustment to address the penny shortage does not require the sales price to be recalculated.

Dealers should clearly and conspicuously disclose their rounding method for cash transactions through prominent signage within the business. Sales tax collected must be remitted as required by law.

The Department understands that this an emerging issue under consideration at both the federal and state levels. Any changes to current law or policy could affect the guidance provided in this publication.

**References: Sections 212.05(1) and 212.12 (10), Florida Statutes**

## For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department's website at **floridarevenue.com** or call Taxpayer Services at (850) 488-6800, Monday through Friday (excluding holidays).

For a written reply to tax questions, email **fdortaxpayerservices@floridarevenue.com**.

## Want the latest tax information?

- ✓ Subscribe to our tax publications or sign up for due date reminders at **floridarevenue.com/dor/subscribe**
- ✓ Visit our website at **floridarevenue.com/taxes/education** for online guides and tutorials
- ✓ Follow us on **Facebook, Instagram, LinkedIn, X, and YouTube**