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March 6, 2026

Penny-rounding for retailers

A new [Indiana law](#) covers the federal phaseout of the penny and the resulting penny shortage, providing Hoosier retailers with procedures for rounding cash transactions.

- Rounding is for cash transactions only.
- Rounding must take place on the total price including tax.
- Retailers can choose either to round up or down to the next nickel.
 - Note: Any gain or loss from the rounding is added to or taken away from the retailer's income.
- Taxes must be paid in full to the State.

Example: If the total price plus tax is \$6.42, the retailer has the option to round up to \$6.45 or down to \$6.40 in a cash transaction. The 3 cent gain or 2 cent loss would be added to or taken away from the retailer's income, respectively. However, the tax of 42 cents is remitted to the State regardless of rounding.

The provision took effect immediately when Governor Braun signed the new law.



Indiana Department of Revenue

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