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Business Advisory Regarding Penny Shortage

The Division of Consumer Protection is aware of the current penny shortage and publishes this advisory letter¹ to help businesses navigate the issue. In consultation with our partners at the [Utah State Tax Commission](#) and [Department of Government Operations](#), we provide the following guidance:

- **Cash only:** Price rounding is applicable to cash purchases only where, after the total amount due is calculated (price + tax), change to the consumer is required.
- **Methodology:** If a purchase requires change to a consumer, a business may choose how to round, so long as notice is provided.

The recommended price rounding method is as follows:

- \$0.01 or \$0.02 round down to \$0.00
 - \$0.03 or \$0.04 round up to \$0.05
 - \$0.06 or \$0.07 round down to \$0.05
 - \$0.08 or \$0.09 round up to \$0.10
- **Notice:** Businesses should clearly and conspicuously disclose their rounding method for cash purchases through prominent signage within the business.
 - **Taxes:** Taxes must be calculated on the actual transaction amount. The cash rounding method occurs after the applicable taxes have been applied to the sale price.

ALL CHARGED TAXES MUST BE REMITTED AS REQUIRED BY LAW.

¹ This advisory is not legally binding and may be supplanted by future state or federal legislation or rulemaking on this issue.

The Division of Consumer Protection has prepared a [printable flyer explaining cash price rounding using the recommended method described above](#). Businesses are invited to post this flyer near cash registers or entrances to notify consumers of the rounding method in use.

Thank you for helping Utah have the best state economy in the country. Please feel free to contact Consumer Protection at 801-530-6601 or consumerprotection@utah.gov if you have questions.

Warm Regards,
Utah Division of Consumer Protection