



# State of Tennessee

## PUBLIC CHAPTER NO. 602

HOUSE BILL NO. 1744

By Representatives Baum, Powell

Substituted for: Senate Bill No. 1810

By Senator Reeves

AN ACT to amend Tennessee Code Annotated, Title 9; Title 45; Title 47, Chapter 50; Title 47, Chapter 18 and Title 67, relative to cash transactions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-18-111(a), is amended by adding the following as a new, appropriately designated subdivision:

( ) Rounding a cash transaction to the nearest nickel if the penny is no longer in production;

SECTION 2. Tennessee Code Annotated, Title 47, Chapter 50, is amended by adding the following as a new section:

(a) If a private entity, or its employees or contractors, is engaged in business with the public and accepts cash payments, or a financial institution provides currency in exchange for a payment instrument received, but does not have exact change available during a cash transaction, then the entity may, in lieu of calculating the total transaction amount to the nearest penny, round off all figures used in the total transaction amount to the nearest nickel, subject to the following conditions:

(1) If the total amount ends in one cent (\$0.01) or more, but less than three cents (\$0.03), then the entity may round down to the nearest five-cent interval;

(2) If the total amount ends in three cents (\$0.03) or more, but less than five cents (\$0.05), then the entity may round up to the nearest five-cent interval;

(3) If the total amount ends in more than five cents (\$0.05), but less than eight cents (\$0.08), then the entity may round down to the nearest five-cent interval; and

(4) If the total amount ends in eight cents (\$0.08) or more, but less than ten cents (\$0.10), then the entity may round up to the nearest five-cent interval.

(b) For purposes of subsection (a), the hundredths place is used to determine the cents in which a total amount ends.

(c) Rounding to the nearest nickel does not apply to transactions conducted electronically. For mixed-tender transactions, rounding to the nearest nickel applies only to the portion of the transaction paid in cash. Rounding under this section does not alter or affect the exact amounts authorized, cleared, or settled through any non-cash payment system.

(d) This section does not affect the rounding rule in § 67-6-504(h) for computing the sales tax due in a transaction, and does not relieve private entities from the duty to calculate sales tax to the penny and remit to the department of revenue the exact amount of sales tax shown on an invoice or receipt.

SECTION 3. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: March 2, 2026



CAMERON SEXTON, SPEAKER  
HOUSE OF REPRESENTATIVES



RANDY MCNALLY  
SPEAKER OF THE SENATE

APPROVED this 18<sup>th</sup> day of March 2026



BILL LEE, GOVERNOR