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February 19, 2026

*Via E-mail*

Representative Ben Bowman, Chair  
Representative Lucetta Elmer, Vice-Chair  
Representative Hai Pham, Vice-Chair  
House Committee on Rules  
Oregon House of Representatives

### **RE: Request to Improve Rounding Requirements in H.B. 4178**

Dear Chair Bowman, Vice-Chair Elmer, Vice-Chair Pham, and Committee Members:

On behalf of the Council On State Taxation (COST), I respectfully request amendments to H.B.4178 to improve its rounding requirements. With the U.S. Treasury no longer minting pennies, the resultant penny shortage requires this type of guidance; however, the rounding requirements must apply to all cash transactions.

### **About COST**

COST is a nonprofit trade association based in Washington, DC. COST was formed in 1969 as an advisory committee to the Council of State Chambers of Commerce and today has an independent membership of approximately 500 major corporations engaged in interstate and international business. COST's objective is to preserve and promote the equitable and nondiscriminatory state and local taxation of multijurisdictional business entities, with many of our members conducting business and retail operations in Oregon.

### **Penny Scarcity is not Limited to Storefronts**

Only allowing rounding in "a place of public accommodation offering goods and services" limits the rounding solution for the penny shortage to storefronts. Some businesses sell goods and services at a customer's location and accept cash payments at that location. For example, plumbers, electricians, etc., would potentially not be eligible for the rounding requirements currently in H.B. 4178 if they accept cash payments for services performed at a customer's home. This limitation to "a place of public accommodation" should be removed from the bill along with exclusions in subsection 6 of Section 1 of the bill because if cash is not used, the rounding would not apply to those types of sales.

Additionally, the rounding requirements are limited to "an in-person cash transaction" per subsection 2 and subsection 2(c) of Section 1 of the bill. With

delivery services, marketplace facilitators, and a myriad of other ways to do business, there is a risk that this necessary and helpful rounding requirement would not be available to everyone handling cash transactions. We recommend removing the phrase “in-person” from subsection 2 and subsection 2(c) of Section 1. We also ask that you review Section 2 of H.B. 4178 to confirm whether additional cash transaction locations need to be added.

### **Rounding Must Include Taxes and Fees**

The “total amount due” defined in subsection 1(f) of Section 1 must include any taxes and fees before the rounding occurs. Rounding to an amount divisible by a nickel should only occur based on the change a seller must provide to a purchaser using the total transaction amount, including taxes and fees (e.g. bicycle excise tax). We recommend amending subsection 1(f) of Section 1 to read, “‘Total amount due’ means the combined sales price for the purchase of goods or services, after any discounts, adjustments, taxes, and fees are included in the calculation.”

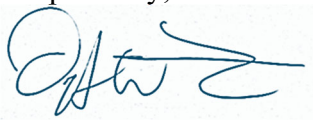
### **Sign Posting is Unwarranted**

States should refrain from requiring sellers to post rounding notices; the public is aware of the penny shortage rendering such notices unnecessary. This generates unnecessary administrative burdens for businesses, especially businesses that travel to a customer’s location and/or sell products at temporary locations. We recommend removing subsection 3 in Section 1 of the bill.

### **Conclusion**

We urge you to amend H.B. 1478 to provide guidance for all businesses in Oregon, not just storefronts, and apply rounding to the transaction at the time change is given to the customer, with it clearly applying to all taxes and fees and with no signage requirement.

Respectfully,



Dylan Waits

Cc: COST Board of Directors  
Patrick J. Reynolds, COST President & Executive Director