

As Amended by House Committee

Session of 2026

HOUSE BILL No. 2797

By Committee on Taxation

Requested by Representative A. Smith

3-10

1 AN ACT concerning taxation; relating to sales tax; providing for the
2 rounding of final transaction amount if payment is made with cash.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. (a) As long as the one cent coin is legal tender in the
6 United States, the determination of full remittance of payment shall be
7 calculated as follows:

8 (1) For cash transactions:

9 (A) If the final transaction amount is less than \$0.05, the transaction
10 shall be rounded up to \$0.05 unless exact remittance can be provided; or

11 (B) if the final transaction amount exceeds \$0.05 and cannot be
12 provided as remittance by the payer or the exact amount of change cannot
13 be provided by the payee, the following rounding rules shall apply:

14 (i) Transactions ending in 1, 2, 6 or 7 cents shall be rounded down to
15 the nearest nickel; or

16 (ii) transactions ending in 3, 4, 8 or 9 cents shall be rounded up to the
17 nearest nickel.

18 (2) For noncash transactions, the final transaction amount shall be
19 calculated by rounding to the nearest one cent.

20 **(3) In mixed-tender transactions in which both cash and noncash**
21 **are used as payment for the transaction, rounding applies solely to the**
22 **cash portion of the payment.**

23 (b) An entity accepting cash payment shall apply rounding practices
24 in a consistent and transparent manner at the point of transaction.
25 Rounding to the nearest amount divisible by five cents under this section
26 applies solely to the payment amount tendered and does not alter the sales
27 price, the amount of tax owed or collected or any surcharges, assessments
28 or applicable fees imposed on the sale.

29 (c) An entity accepting only specific payment types shall apply such
30 policy in a consistent and transparent manner at the point of transaction.

31 (d) For the purpose of this section:

32 (1) "Cash" includes United States legal tender in the form of currency
33 and coins, including federal reserve notes;

34 (2) "cash transaction" means the use of cash as payment in a
35 transaction. "Cash transaction" includes, but is not limited to,

1 **deposits, withdrawals, exchanges of currency or other payments or**
2 **transfers;**

3 (3) "final transaction amount" includes all applicable fees, surcharges,
4 sales and use taxes, duties, rebates and other charges to be included or
5 deducted in order to calculate the total due to satisfy 100% payment of the
6 transaction; and

7 ~~(3)~~(4) "noncash" includes checks, money orders, cashier's checks,
8 coupons, rebate certificates, debit or credit cards, gift cards, any digital or
9 electronic form of payment, including, but not limited to, EBT, ACH or
10 wire transfer, and any other form of payment not considered cash under the
11 provisions of this section.

12 Sec. 2. This act shall take effect and be in force from and after its
13 publication in the statute book.