

March 11, 2026

The Honorable Adam Smith, Chairperson  
House Committee on Taxation  
300 SW 10th Avenue, Room 346-S  
Topeka, Kansas 66612

Dear Representative Smith:

**SUBJECT:** Fiscal Note for HB 2797 by House Committee on Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2797 is respectfully submitted to your committee.

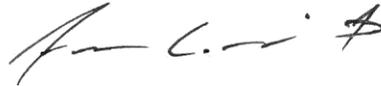
HB 2797 would allow retailers to round the final transaction to the nearest nickel for cash transactions unless the exact amount of change can be provided. For cash transactions ending in 1, 2, 6, or 7 cents, the final transaction would be rounded down to the nearest nickel and for cash transactions ending in 3, 4, 8 or 9 cents, the final transaction would be rounded up to the nearest nickel. For noncash transactions, the final transaction amount would be calculated by rounding to the nearest one cent. The bill would require that an entity accepting cash payment to apply rounding practices in a consistent and transparent manner at the point of transaction. The bill would include definitions for “cash,” “final transaction amount,” and “noncash.”

The Department of Revenue indicates HB 2797 would have no fiscal effect on state and local sales tax revenues. The Department indicates the bill would require \$670 from the State General Fund to revise publications. The Kansas Department of Transportation indicates the bill would have no fiscal effect.

The League of Kansas Municipalities and the Kansas Association of Counties indicate the bill would not have a fiscal effect on local tax revenues. Rounding of the total payment amount in cash transactions has the potential to result in slight differences between the tax collected and the amount remitted, depending on how individual retailers account for rounding adjustments. The primary cost for local governments would be programming costs to update Point of Sale (POS)

systems to accept cash payments for taxes, fees, goods, and services. However, the costs for programming are unknown and likely vary depending on how many POS systems need to be updated. The bill would have an unknown fiscal effect for programming costs to update POS systems for retailers and any other entities that accept cash payments.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt" with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Wendi Stark, League of Kansas Municipalities  
Bruce Chladny, Kansas Association of Counties  
Lynn Robinson, Department of Revenue  
Brendan Yorkey, Department of Transportation