

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.

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

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

28 (d) For the purpose of this section:

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

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

35 (3) "noncash" includes checks, money orders, cashier's checks,

1 coupons, rebate certificates, debit or credit cards, gift cards, any digital or
2 electronic form of payment, including, but not limited to, EBT, ACH or
3 wire transfer, and any other form of payment not considered cash under the
4 provisions of this section.

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