Georgia Department of Revenue
Policy Bulletin SUT 2025-02
Federal Government End to the Production of the Penny
Issue Date: December 5, 2025

Purpose Statement

This bulletin outlines the policy of the Georgia Department of Revenue (Department) in connection with the federal government's decision to end production of the penny. This bulletin **only** applies to **cash transactions** where exact change would require one or more pennies. While the penny remains legal tender, the Department recognizes that there are penny shortages in the marketplace due to this change and that these shortages present a challenge to Georgia dealers.

Question Presented

Is the amount of sales tax to be collected in a cash transaction impacted by a dealer's decision to round on the total amount due when one or more pennies is necessary to provide correct change?

Discussion of Issues

Dealers must calculate sales tax on the sales price of the taxable item under O.C.G.A § 48-8-30 and 48-8-31 and Ga. Comp. R. & Regs. R. 560-12-1-.05. Dealers must collect and remit this amount to the Department regardless of the method of payment used by a dealer's customers.

If the sales price plus sales tax results in a total that cannot be collected without pennies, dealers may round the total amount due to the next lowest, next highest, or nearest nickel. The sales tax to be collected and remitted should not be recalculated. Rather, tax is due on the initial sales price prior to any rounding by the dealer. This rounding adjustment will not be interpreted as impacting the sales price of the purchase under O.C.G.A. §48-8-2.

> Example: A dealer rounds the total amount due to the lowest nickel after calculating tax for the purpose of making change. If the purchase price is $199.99 for a taxable item, and the applicable tax rate is 7.0%, the tax due on the item is $14.00 and the total due is $213.99. The customer tenders $220, and the dealer returns $6.05 in change. The Department will not re-adjust the sales price due to rounding. The dealer should remit $14.00 in sales tax to the Department.

Implementation

The Department recognizes this is an evolving issue and reserves the right to change its guidance following any changes made to state or federal law or policy. Under no circumstance should this bulletin be used to justify a rounding decision that is more than 4 pennies.

For more information, please contact the Department at 1-877-423-6711 from 8:00 a.m. to 5:00 p.m. ET, Monday through Friday, excluding holidays. For forms and other information, visit the Department's website at dor.georgia.gov.