



# This Week in State Tax (TWIST)

February 2, 2026



## The Rounding Roundup – States providing guidance for a penniless world

In response to the federal phase-out of the penny, states are continuing to provide guidance for taxpayers on handling the application of sales tax to transactions that require rounding because of the inability to make exact change. We will continue to track these through TWIST, providing a list of the states as well as links to where you can find the direct guidance.

State	Guidance
Florida	<a href="#">Tax Information Publication 25A01-18</a>
Georgia	<a href="#">Policy Bulletin SUT 2025-02</a>
Iowa	<a href="#">Sales Tax Rounding</a>
Kentucky	<a href="#">Penny Shortage</a>
Michigan	<a href="#">Sales and Use Tax Notice Regarding Federal Phase Out of the Penny</a>
New Jersey	<a href="#">Cash Transaction Rounding Guidance Due to Penny Supply Changes</a>
North Carolina	<a href="#">Sales and Use Tax Directive 26-1</a>
Tennessee	<a href="#">End of Penny Production</a>

Learn about us:



[kpmg.com](https://www.kpmg.com)

The following information is not intended to be "written advice concerning one or more federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

© 2025 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS011027-1AG