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H.B. 737
136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Roemer and T. Hall

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SUMMARY

- Requires cash payments to the state, a state agency, or a political subdivision to be rounded to the nearest nickel and requires the amount to be accepted as payment in full.
- Permits a merchant who accepts cash payments to round to the nearest nickel for cash payments and incur no liability for doing so.
- Requires a merchant who accepts cash payments to round transactions subject to a state or local excise tax.

DETAILED ANALYSIS

Cash payments to the state – rounded to the nearest nickel

The bill requires any person who pays any tax, toll, fee, fine, or other charge to the state, a state agency, or a political subdivision, in cash, to round the payment to the nearest 5¢. The state, state agency, or political subdivision must accept the rounded amount as payment in full. The bill has no effect on electronic payments or transactions.

A “political subdivision” is defined as a county, township, municipal corporation, “or any other body corporate and politic that is responsible for government activities in a geographic area smaller than that of the state.”

Rules for rounding

The amount must be rounded as follows:

1. Amounts in which the second decimal place is “1” or “2” are rounded down to an amount in which the second decimal place is “0.”
2. Amounts in which the second decimal place is “3” or “4” are rounded up to an amount in which the second decimal place is “5.”

3. Amounts in which the second decimal place is “6” or “7” are rounded down to “5.”
4. Amounts in which the second decimal place is “8” or “9” are rounded up to “0.”

This method of rounding is sometimes called “symmetrical rounding.”¹

Cash payments to merchants

The bill permits merchants to round their final prices as described in the bill for cash payments. The bill specifies that they incur no liability for doing so, notwithstanding any other provision of the Revised Code.²

State and local taxes

If a cash payment to a merchant is subject to a tax levied by the state or a local government, e.g., a sales tax, the bill requires the merchant to round the final price as described above. The effect of the rounding must then be deducted or added to the tax the merchant remits to the state or local government. Adjustments are allocated proportionately among the state and local governments based on the respective tax rates.³

HISTORY

Action	Date
Introduced	03-04-26

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¹ R.C. 9.18(A) and (B).

² R.C. 9.18(C)(1).

³ R.C. 9.18(C)(2).