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POLICY BRIEF

ADDRESSING THE PENNY SHORTAGE

ADDITIONAL SUPPORTIVE TAX REFORMS

- *27% of restaurant purchases are paid in cash (Circana/CREST, 2023).*
- *Rounding down could cost restaurants \$13–\$14 million per month.*
- *Lower-income households use cash for 28% of payments, compared to 13% for higher-income households (Federal Reserve).*
- *The average restaurant runs on a 3-5% pre-tax margin, making every penny count.*

LEARN MORE BY VISITING:

[Restaurant.org](https://www.restaurant.org)

BACKGROUND

In February 2025, President Trump issued an Executive Order for the U.S. Mint to stop producing pennies, and in mid-November, the Mint struck the final one-cent coin for circulation.

Most of the Federal Reserve coin distribution locations have stopped fulfilling penny orders and deposits, creating a shortage that continues to worsen as distribution slows.

This disruption is forcing restaurant operators to adopt ad hoc rounding practices, while navigating an inconsistent patchwork of state and federal laws governing payments and financial transactions, creating uncertainty for them and their consumers.

WHY THIS ISSUE MATTERS TO RESTAURANT OPERATORS

Restaurants are still a cash business—more than 1 in 4 purchases are paid in cash annually.

When operators can't provide exact change, it creates friction at checkout, frustrates customers, and risks compliance with state laws.

For an industry operating on razor-thin margins, rounding down because of a lack of pennies could cost restaurants an estimated \$156–\$168 million annually.

OUR TWO SOLUTIONS

The National Restaurant Association is pursuing a two-pronged approach to address the current penny shortage and prepare for a future where pennies may be harder to obtain:

1. Restore penny circulation

The shortage exists because coin distribution centers have stopped fulfilling penny orders—even though the penny remains legal tender. We are urging the Federal Reserve and their coin distribution network to resume distributing pennies to banks and credit unions. This will resolve the shortages long enough for Congress to enact a long-term solution.

■ ADDRESSING THE PENNY SHORTAGE

2. Establish a national rounding standard with a safe harbor

We are working with Congress to pass legislation that creates nationwide authority for rounding cash transactions when pennies aren't available. This legislation would:

- Create a nationwide rounding standard that applies to all cash transactions when exact change is not available.
- Preempt any state or local law that differs from the national standard.
- Create a safe harbor for restaurant and other business owners who need to round when exact change is unavailable.

Congress is currently considering a version of the bill that includes all these requirements. This law would protect small business owners from potential liability, simplify transactions, and reflect the reality of a post-penny economy.

AMERICA'S RESTAURANT OWNERS, SMALL BUSINESSES NEED ACTION

More than one million restaurants contribute over \$1 trillion annually to the U.S. economy. Interruptions in penny availability disrupt operations and erode consumer confidence. The Administration and Congress must act now to restore penny circulation and provide a national rounding standard for when exact change is not available. These steps will protect small business owners, ensure compliance, and maintain a frictionless dining experience for customers.

LEARN MORE: Visit [Restaurant.org](https://www.restaurant.org)

