The Common Cents Act

Senators Cynthia Lummis (R-WY), Kirsten Gillibrand (D-NY), James Lankford (R-OK), Ron Wyden (D-OR)

It currently costs the U.S. Mint nearly four cents to produce a one-cent coin, resulting in millions of dollars in unnecessary costs each year. Halting production is expected to save the federal government an estimated $56 million annually. As Americans increasingly rely on electronic payments, the penny has become an outdated and inefficient part of our currency system. Billions of pennies are produced annually even though many never recirculate, creating unnecessary costs for taxpayers and businesses alike.

The *Common Cents Act* (S. 1525/H.R. 3074) modernizes U.S. coinage by ending production of the penny while providing legal certainty and predictability for businesses with respect to rounding of cash transactions. By pairing common sense reforms with strong oversight and consumer safeguards, the bill helps ensure a more efficient 21st-century currency system.

The *Common Cents Act* would:

- **End penny production:** Directs the Secretary of the Treasury to cease minting one-cent coins for general circulation while continuing to allow production for collectible coins.
- **Preserve existing pennies as legal tender**: Ensure all pennies currently in circulation remain valid for all transactions.
- **Allow optional cash rounding**: Permits—but does not require—businesses to round cash transactions to the nearest five cents when exact change is unavailable. Electronic payments remain unaffected.
- **Reduce future coin production costs**: Authorizes the U.S. Mint to test and implement a lower-cost composition for the nickel that reduces costs while maintaining compatibility with existing machines.
- **Protect consumers**: Requires the Treasury Department and Federal Reserve to assess potential impacts on seniors, low-income households, and underbanked Americans.
- **Ensure an orderly transition**: Requires the Federal Reserve to develop and implement a strategic plan to ensure an orderly transition and minimize disruptions to the nation's coin distribution system.
- **Increase transparency and congressional oversight:** Require regular reports to Congress on implementation, consumer impacts, and the transition process.
- **Establish a process for future coin discontinuation**: Requires advance notice to Congress and a comprehensive transition plan before the Treasury may discontinue production of any circulating U.S. coin in the future.

The legislation passed the House by voice vote on July 14, 2026, has the support of the Senate Banking Committee (Chairman Scott and Ranking Member Warren), and has received technical assistance from the Department of the Treasury.

Endorsements: National Association of Convenience Stores, National Grocers Association, National Restaurant Association, the United Steelworkers Union (USW), International Franchise Association, National Retail Federation, American Bankers Association, Retail Industry Leaders Association (RILA).