

END OF PENNY PRODUCTION

OKLAHOMA SALES TAX GUIDANCE

The federal government stopped producing the penny in November 2025. Pennies remain legal tender; however, due to limited availability, some vendors/retailers may choose to round **cash transactions only** to the nearest nickel. See below for a breakdown of how Oklahoma sales tax applies when cash rounding occurs.

SALES TAX CALCULATION

Pursuant to state statute, retailers must continue to calculate Oklahoma sales tax to the **nearest cent**, regardless of payment method. The exact amount of sales tax shown on the receipt or invoice must be remitted.

If a cash transaction requires making change, retailers may choose to round to the nearest nickel. **Sales tax is calculated on the sales price before any rounding is applied.**

As a result, the amount of sales tax due for a cash transaction is the same as for non-cash payments. All sales tax collected must be remitted as required by law.

EXAMPLE

1

A retailer charges \$25.50 for a taxable item. The applicable state and local sales tax rate is 9.50%.

- Sales tax due: \$2.42
- Total before rounding: \$27.92
- Cash rounding policy of retailer:
Total rounded to \$27.90

The sales tax due remains \$2.42.

EXAMPLE

2

A retailer charges \$19.99 for a taxable item. The applicable state and local sales tax rate is 9.50%.

- Sales tax due: \$1.90
- Total before rounding: \$21.89
- Cash rounding policy of retailer:
Total rounded to \$21.90

The sales tax due remains \$1.90.

NOTICE

This information applies only to Oklahoma sales and use tax and does not address other state or federal laws that may relate to rounding practices. The Oklahoma Tax Commission recognizes this is an evolving issue and will update this information as needed to reflect any changes in state or federal law affecting sales tax collection.