Penny Rounding Workgroup – Survey

Survey Date : August 19, 2026

Scope

This survey is being sent to Virginia localities (counties, cities, and towns), state agencies, and courts. Enactment 3 of HB 954 (Chapter 713, 2026 Acts of Assembly) directs Virginia Tax to recommend a uniform rounding procedure for localities only. However, the workgroup asked for a comprehensive picture of how all government entities in Virginia are managing cash payments in the post-penny environment. Responses from state agencies and courts will be analyzed separately from locality responses and will inform supplemental guidance.
Please complete all questions that apply to your entity. Your responses will be aggregated; your responses will not be identified in the November 1, 2026 report without your explicit consent (see consent question at the end of this survey).

Response Deadline: September 18, 2026
Return completed survey to: taxsurveys@tax.virginia.gov
Questions? Contact: Katherine Spivey at katherine.spivey@tax.virginia.gov

Entity Information

Entity Name: ____

Entity Type:

- ○ Locality (county/city/town)
- ○ State Agency
- ○ Court
- ○ Other: ____

Respondent Name and Title:____
Email: ____
Department or Office completing this survey: ____

Screening Question: Does your entity currently accept cash payments directly from members of the public at a payment counter, window, or office?

○ Yes — Continue to Question 1.

○ No — Skip to Question 10 (Additional Comments). Your response is still valuable to us.

1a. What is your entity's approximate volume of cash payments received directly from members of the public?
Please estimate for the most recent fiscal year. If exact data is unavailable, provide your best estimate. Provide both measures if available; either alone is helpful.

By dollar volume:

Total percentage of all payments received directly in cash (by dollar value):
_____________ %

○ Don't know / not tracked

By transaction count:

Total percentage of all payments received directly in cash (by number of transactions):
_____________ %

○ Don't know / not tracked

1b. If available, please provide the percentage of cash payments by payment type:
State agencies and courts: complete only what is applicable to your entity. Leave inapplicable rows blank or mark N/A.

- Real property tax

  Estimated percentage of cash payments (by dollar amount) ___________ %
  Estimated percentage of cash payments (by transaction count) ___________ %
  ☐ N/A (Not Collected)

- Personal property tax

  Estimated percentage of cash payments (by dollar amount) ___________ %
  Estimated percentage of cash payments (by transaction count) ___________ %
  ☐ N/A (Not Collected)

- Business license fees

  Estimated percentage of cash payments (by dollar amount) ___________ %
  Estimated percentage of cash payments (by transaction count) ___________ %
  ☐ N/A (Not Collected)

- Utility bills (water, sewer, refuse)

  Estimated percentage of cash payments (by dollar amount) ___________ %
  Estimated percentage of cash payments (by transaction count) ___________ %
  ☐ N/A (Not Collected)

- Court fees and fines

    Estimated percentage of cash payments (by dollar amount) ____________ %
    Estimated percentage of cash payments (by transaction count) ____________ %
    ◻ N/A (Not Collected)

- Other local fees and charges

    Estimated percentage of cash payments (by dollar amount) ____________ %
    Estimated percentage of cash payments (by transaction count) ____________ %
    ◻ N/A (Not Collected)

- TOTAL (all payment types combined)

    Estimated percentage of cash payments (by dollar amount) ____________ %
    Estimated percentage of cash payments (by transaction count) ____________ %
    ◻ N/A (Not Collected)

1c. Approximately how many individual cash transactions per week do you handle on average?

○ Fewer than 10
○ 10 – 50
○ 51 – 200
○ More than 200
○ Don't know

2. Has the percentage of cash payments your entity receives been changing over recent years?

Part 1 — Trend:

○ Increasing
○ Decreasing (including because of migration to electronic channels)
○ Roughly stable
○ Don't know / no data available

Part 2 — Third-party channels: Does your entity accept cash through retail kiosks or other third-party intermediaries (e.g., Walmart, CVS)?
○ Yes — and that cash arrives at our office electronically (no physical cash reaches our counter)
○ Yes — and physical cash is delivered to our office
○ No — all cash is tendered directly at our counter or window
If cash volume is declining or you use third-party channels, please briefly describe:

____

3. Does your entity use installment billing for any tax or charge type (e.g., semi-annual real property tax bills)?

Installment billing may create multiple rounding events per account per year. This question helps the workgroup assess that complication.

○ No — we bill annually or at the time of assessment for all charge types
○ Yes — we use installment billing for the following charge types:

Charge types billed in installments: ________________________
If yes: in your view, should rounding apply to each installment payment separately, or only to the final installment of the billing cycle?

○ Each installment should be rounded separately
○ Rounding should apply only to the final installment
○ No preference — either approach would work for us
○ Unsure — this creates complications we have not yet analyzed

4. Has your entity adopted a formal or informal procedure for rounding cash payments under HB 954's temporary authority?

HB 954 (effective July 1, 2026) grants localities temporary authority to adopt rounding procedures through July 1, 2027.

Note to state agencies and courts: HB 954's temporary rounding authority applies only to localities. State agencies and courts have no analogous statutory authority to adopt rounding procedures under HB 954. Please answer based on any informal administrative practice your entity has adopted in the absence of specific statutory authorization — not as a claim of statutory authority.

○ Yes — formal ordinance or resolution adopted
○ Yes — informal administrative procedure (no formal ordinance)
○ No — we have not adopted any procedure
○ No — we are waiting for the statewide uniform procedure

If a formal ordinance was adopted, please attach it or provide a link. Ordinance text will help inform the drafting of the permanent statewide procedure.

□ Ordinance attached to this survey response
□ Ordinance available at the following link or reference:
Link or reference: _______________________________
□ Not applicable

5. Which rounding approach would be most workable for your entity, and how significant would the revenue difference be?

- **Option A: Symmetric Nearest-Nickel Rounding**

  1¢/2¢ → round DOWN | 3¢/4¢ → round UP
  6¢/7¢ → round DOWN | 8¢/9¢ → round UP

  Consistent with international model (Canada, Australia) and Kentucky's approach (HB 757, 2026). Revenue-neutral over large transaction volumes.

- **Option B: Always-Down Rounding**

  All amounts → always round DOWN to nearest nickel
  Government never collects more than the exact amount owed.

  Indiana's approach for government tax collections (SB 243, 2026). May result in small cumulative revenue reductions.

Preferred approach:

○ Option A — Symmetric nearest-nickel rounding
○ Option B — Always-down rounding
○ No preference
○ Concerns about both (please explain below)

Revenue significance of the difference between Option A and Option B:

○ Very significant — always-down rounding would noticeably reduce our revenue
○ Somewhat significant — small but measurable difference
○ Not significant — negligible difference
○ Don't know

Explanation of concerns (optional): ____

6. How should sub-nickel residuals be handled, and does your entity currently write off small balances?

A "negative residual" is a balance under $0.05 left unpaid after rounding down. A "positive residual" is an overpayment under $0.05 from rounding up. HB 954's "write-down or write-off" language covers both.

Part 1 — Preferred treatment for both negative and positive residuals:

○ Write-off at point of payment — zero out any sub-nickel amount at the transaction level; no further tracking
○ Write-off in periodic batch — accumulate sub-nickel amounts and write off monthly / quarterly / annually (specify below)
○ Carry forward to next bill — roll sub-nickel balance to the next billing cycle
○ No preference
○ Other (please describe):

Part 2 — Current write-off practice: Does your entity currently write off small account balances below a threshold?

○ Yes — current threshold: $____________ | Frequency: ○ Monthly ○ Quarterly ○ Annually ○ Other: ______
○ No — we do not currently write off any balances

Part 3 — Barriers to point-of-payment write-off: Would shifting to an automatic write-off at the time of each cash transaction (rather than a periodic batch process) create a legal or systems problem for your entity?

○ Yes — our billing system cannot trigger a write-off at the transaction level; we can only batch
○ Yes — we believe we would need express statutory authority to write off at the transaction level
○ No — our system can handle transaction-level write-offs today
○ Unsure — we would need to assess our systems and consult legal counsel

Additional comments on residuals or write-off authority:
____

7. Does your entity round at the billing stage or at the point of payment, and can your systems support each approach?

These are two different implementation models with different technical requirements. Rounding at billing means the bill itself is issued in a rounded amount. Rounding at point of payment means the bill shows the exact computed amount but the cashier system rounds when cash is tendered.

Which model would your entity prefer or can support?

○ Rounding at the billing stage — the bill is issued already rounded to the nearest nickel

○ Rounding at the point of payment — the bill shows the exact amount; the cashier or payment system applies rounding when cash is tendered

○ Either model would work for us

○ Neither model is currently supported by our systems (please explain below)

Which model can your current billing and payment systems actually support today without modification?

State agencies and courts: complete only the information applicable to your entity. Leave inapplicable rows blank or mark No/Unknown.

- Real property tax system

  □ Yes, today
  □ With updates
  □ No / Unknown

- Utility billing system

  □ Yes, today
  □ With updates
  □ No / Unknown

- Court/fine payment system

  □ Yes, today
  □ With updates
  □ No / Unknown

- Cashier/POS system

  □ Yes, today
  □ With updates
  □ No / Unknown

- Other payment system

  □ Yes, today
  □ With updates
  □ No / Unknown

Vendor name(s) and any known constraints:

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8. Would your entity be ready to implement a statewide uniform rounding procedure by July 1, 2027, and if not, how much additional time would you need?

Part 1 — Readiness by July 1, 2027:

○ Yes — we would be ready by July 1, 2027
○ Possibly — depending on the approach selected and guidance received
○ No — we would need additional time beyond July 1, 2027
○ Don't know at this time

If additional time is needed, how much?

○ No additional time needed
○ 3 – 6 months beyond July 1, 2027
○ 6 – 12 months beyond July 1, 2027
○ More than 12 months beyond July 1, 2027

Part 2 — Form of transition relief most helpful (select all that apply):

□ Extension of the current temporary authority under HB 954 beyond July 1, 2027 while permanent legislation is finalized
□ An extended effective date for permanent legislation
□ Phased implementation by payment type
□ Technical assistance and model guidance from Virginia Tax
□ Model ordinance or resolution language from Virginia Tax, VACo, or VML (localities)
□ Model policy or statutory language from Virginia Tax or relevant oversight agency (state agencies and courts)
□ Financial assistance for system upgrades

- ▫ No transition relief needed
- ▫ Other (please describe):

Steps or constraints driving your timeline estimate:

____

9. What are your entity's billing system vendor(s), and do you use third-party contractors to collect delinquent amounts?

Part 1 — Primary billing/financial system vendor(s) for cash-accepting payment types:

Vendor name(s): ____________________________________

Part 2 — Third-party delinquent collectors: Does your entity use outside contractors to collect delinquent bills, and if so, would they also need to implement rounding?

- ○ We do not use third-party collectors
- ○ Yes, and we do not anticipate contractual barriers to requiring rounding
- ○ Yes, and our contracts would need to be amended
- ○ Yes, and requiring rounding would likely trigger a new procurement process
- ○ Yes, but we are unsure of the contractual implications

10. Any other comments, concerns, or recommendations for the workgroup?
This question applies to all respondents, including entities that do not accept cash. Non-cash entities: please use this space to note when your entity stopped accepting cash, and whether any legacy cash accounts remain open.

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Identification Consent
The November 1, 2026 workgroup report will aggregate responses and will not identify individual entities by name without consent. If your entity is willing to be identified in the report, please check the box below.

- ▫ I consent to my entity being identified by name in the November 1, 2026 workgroup report.

Entity name (if consenting): ____

Authorized by (name and title): ____

How to Send Us This Survey

Submit by: September 18, 2026
Return to: taxsurveys@tax.virginia.gov
Questions: Katherine Spivey at Katherine.spivey@tax.virginia.gov
Format: Please return this completed fillable PDF as an email attachment.