

# Proposed Elimination of the Penny: Frequently Asked Questions

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The Secretary of the Treasury, through the U.S. Mint, is authorized to issue circulating coins ([31 U.S.C. §5112](#)). The smallest of these denominations is the [penny](#), or one-cent piece. The [first penny](#) was issued in 1793. For more information on the penny, see CRS In Focus IF12293, *Penny: History and Current Status*, by Jacob R. Straus.

While electronic transactions are popular in today's economy, a number of industries rely on coin and cash (e.g., laundromats, vending machines), and around 16% of payment transactions [rely on cash](#).

In 2025, [President Trump announced](#) that he was ordering the [Secretary of the Treasury](#) to stop making pennies. In the 119<sup>th</sup> Congress (2025-2026), legislation has been introduced to eliminate the penny. This Insight provides answers to frequently asked questions about the penny.

## How are pennies produced?

Following a [design process](#), the Mint strikes coins on metal blanks made from [specified materials](#). For nickels, dimes, quarters, half dollars, and dollar coins, the [Mint makes blanks](#) from [Cupro-Nickel](#) or [Manganese-Brass](#). For pennies, the Mint purchases blanks through [a federal contract with a private company](#). Currently, the penny is made of [copper plated zinc](#).

## How much does it cost to produce pennies?

The cost to produce a single penny currently exceeds one cent. According to the U.S. Mint, [in 2024](#), it sold and shipped 3,172 million pennies at face value to the [Federal Reserve](#). The same year, it cost the Mint approximately [3.7 cents to produce each penny](#), for a [total gross cost of approximately \\$117 million](#). It was the [19<sup>th</sup> consecutive year](#) where it cost more than one cent for the U.S. Mint to make a penny.

[Coin production costs](#) include raw materials required to make blanks, production, sales and administrative costs, and distribution to the Federal Reserve Banks. As the cost of materials increases, the overall cost to make coins generally increases. Additionally, fewer pennies made in a given year would likely increase the per-unit cost, as the costs for design and production are generally similar.

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## Has the United States previously eliminated circulating coins?

Historic practices suggest that the United States has previously eliminated circulating coins, either by statutorily removing a coin from the list of authorized coins ([31 U.S.C. §5112](#)) or by discontinuing production as a circulating coin.

- **Amending current law to remove the coin as legal tender.** Congress has eliminated coins through statutory changes: in 1857, Congress directed the end of half cent coins ([11 Stat. 163](#)), and in 1930, Congress discontinued the Mint's ability to make \$2.50 gold coins ([46 Stat. 154](#)).
- **Discontinuing production.** In 2011, [the Secretary of the Treasury ordered the Mint](#) to suspend production of circulating \$1 coins in response to a [growing inventory of \\$1 coins](#). The \$1 coin remains [an authorized coin](#) and the Mint continues to produce [dollar coins](#) as numismatic products.

Several countries have eliminated their penny equivalents, including [Canada](#) (2012), [Australia](#) (1992), New Zealand (1987), and the [Bahamas](#) (2020).

## Has legislation to address the penny been introduced?

Historically, some Members of Congress have introduced legislation to address the cost of the penny. The most frequent proposal is to request the Government Accountability Office (GAO) to study the cost of coin production. None of these measures has been enacted.

Please note the examples of related legislation in **Table 1** may not be a comprehensive list.

**Table I. Selected Legislation to Eliminate or Suspend Penny Production**

Bill Number	Title	Latest Action	Summary
<b>119<sup>th</sup> Congress (2025-2026)</b>			
H.R. 3074/ S. 1525	Common Cents Act	H.R. 3074—Referred to House Committee on Financial Services (4/29/2025) S. 1525—Referred to Senate Committee on Banking, Housing, and Urban Affairs (4/30/2025)	Would direct the Secretary of the Treasury to suspend penny production; allow the Mint to continue to produce one-cent coins for numismatic purposes; maintain the coin as legal tender; and set policy for rounding cash transactions.
S. 1554	Make Sense Not Cents Act	Referred to the Senate Committee on Banking, Housing, and Urban Affairs (5/1/2025)	Would prohibit the minting or issuing of a one-cent coin; and would maintain one-cent coins as legal tender.
H.R. 1401	Currency Optimization, Innovation, and National Savings Act of 2025	Referred to the House Committee on Financial Services (2/18/2025)	Would temporarily suspend production of the one-cent coin for a 10-year period; allow the Mint to continue to produce one-cent coins for numismatic purposes; and maintain one-cent coins as legal tender.
H.R. 1270	To suspend the production of the penny and nickel, to require the Comptroller General of the United States to carry out a study on pennies and nickels, and for other purposes.	Referred to the House Committee on Financial Services (2/12/2025)	Would temporarily suspend production of the one-cent and five-cent coins for a 10-year period; allow the Mint to continue to produce one-cent and five-cent coins for numismatic purposes; and maintain these coins as legal tender. Would also require a Government Accountability Office (GAO) study on the effect of one-cent and five-cent coin suspension and whether production should remain suspended.
<b>115<sup>th</sup> Congress (2017-2018)</b>			
S. 759	Currency Optimization, Innovation, and National Savings Act of 2017	Read twice and referred to the Senate Committee on Banking, Housing, and Urban Affairs (3/28/2017)	Would have suspended the production of one-cent coins for a 10-year period; allowed the Mint to continue to produce one-cent coins for numismatic purposes; and required a GAO study on the future of the penny. <sup>a</sup>

Bill Number	Title	Latest Action	Summary
<b>110<sup>th</sup> Congress (2007-2008)</b>			
H.R. 4127	Make No Cents Until It Makes Sense Act	Referred to the House Committee on Financial Services (11/8/2007)	Would have amended Title 31, <i>U.S. Code</i> , to prohibit the Secretary of the Treasury from producing any one-cent coins until the Secretary and the Chairman of the Board of Governors of the Federal Reserve System separately certify, in writing, to specified congressional committees that there is no surplus of one-cent coins anywhere within the United States.
<b>101<sup>st</sup> Congress (1989-1990)</b>			
H.R. 3761	Price Rounding Act of 1989	Referred to the House Committee on Banking, Finance, and Urban Affairs, Subcommittee on Consumer Affairs and Coinage (12/15/1989)	Would have prescribed guidelines to round out prices to the nearest five cents (including taxes).

**Source:** CRS analysis of Congress.gov search results through June 13, 2025.

- a. S. 759 also would have provided for (1) modifications to the composition of the five-cent coin; and (2) the replacement, in circulation, of \$1 notes with \$1 coins.

## What are the potential economic impacts?

A couple of potential impacts might be noticed by consumers and businesses. The first is that pricing schemes might change to round prices to the next-lowest denomination (5 cents). This is not necessary, as many transactions are electronic, but merchants may still want to price items in a manner consistent with coin and currency. Further, eliminating the penny would not pull existing pennies out of circulation, so pricing changes could phase in over time. Second, there could be changes to the overall cost of producing coins, though the direction and magnitude of these changes cannot necessarily be known in advance.

Proponents cite potential cost savings as a reason to eliminate the penny. On the other hand, some observers have noted that demand for money presumably would not change, and so eliminating the penny may increase demand for nickels. If this is the case, the overall cost to produce coins could increase, as nickels are more expensive to produce than pennies ([\\$0.13 per unit total cost in 2024](#)). This could raise a similar debate about nickel production and metal composition (policymakers could of course eliminate both the penny and the nickel, which are currently the only two coins that [cost more to produce than their face value](#)).

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