



PENNSYLVANIA GAMING CONTROL BOARD
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Sent via Electronic Mail

Slot Machine Licensees
Interactive Gaming Certificate Holders and Operators
Sports Wagering Certificate Holders and Operators
Fantasy Contest Operators
Video Gaming Terminal Operators

**RE: Industry Guidance 2026-02
Guidance Regarding Penny Issuance and Usage**

Dear Licensees and Operators:

In early 2025, the President of the United States announced a directive winding down the production of the penny, with the final minting having occurred in the fourth quarter of 2025. Although the Treasury estimates more than 100 billion pennies remain in circulation, the Pennsylvania Gaming Control Board (“Board” or “PGCB”) has been receiving inquiries from licensees regarding permitted operations to address anticipated challenges in acquiring and maintaining a sufficient stock of pennies to meet current and growing operational needs.

On behalf of the Board, I write to clarify potential industry practices which are deemed acceptable to PGCB.

Status Quo—Licensees may continue to operate under the present status quo, issuing cash payments to the exact \$0.01 increment. The penny remains part and parcel of the US currency despite the halting of further minting; therefore, licensees may continue to use pennies.

Game Modification—Licensees may elect to have games and associated gaming devices and systems, including math models underpinning the games, updated to calculate winning outcomes based upon a nickel (\$0.05) increment. Any modification to games would require recertification that the game and associated modified payouts remain within acceptable mathematical ranges.

Rounding Up—Licensees may elect to round up to the nearest \$0.05 cent increment. Rounding up may only occur at the time of final cash out, when a patron is exchanging chips, tokens, vouchers, electronically managed gaming account balances, or other items of value for fiat currency in the form of United States bank notes and coinage. PGCB acknowledges that such a round up election would constitute an overpayment in the range of \$0.01—\$0.04 to the patron. However, such round ups could be collectively worked into the gross gaming revenue calculation as part of the winnings paid, resulting in a minimal deductible correction offset to gaming taxes remitted to the Commonwealth by the licensee.

Be advised that the Board’s position on rounding up is limited in scope. Rounding up with accompanying minimal tax offset shall not be adopted universally across all stages of gaming nor all forms of fund transfers. To clarify, during gameplay, rounding shall occur to the nearest \$0.01 as is presently conducted across gaming operations, unless the game has been recertified with a nickel incrementation configuration. Gaming and slot vouchers/tickets shall continue to be issued in true amounts to the nearest \$0.01 increment. Funds in an electronic form in players accounts and/or gaming wallets shall be credited and maintained to the nearest \$0.01 increment. Finally, electronic fund transfers, whether from a retail gaming location or through an approved gaming website/application, shall be made to the \$0.01 increment requested by the patron. To state plainly, there is no shortage of electronic pennies, therefore no electronic fund transfers shall be authorized to round.

Ticket Redemption Units

In conjunction with the options listed above, PGCB is also addressing the corollary matter of coinage in Ticket Redemption Units (“TRU”). Noting supply difficulties in stocking pennies, Licensees have also communicated their desire to limit or eliminate TRUs which dispense coins. In recognition of the penny reality, PGCB authorizes licensees to use TRUs which only dispense bank notes. Any remaining balance (\$0.99 or less¹) would remain at the discretion of the patron: 1. Patrons may print the remaining balance voucher to be redeemed at the cage; or 2. Patrons may elect to donate the remaining balance to a charitable cause, either directly through the TRU or by printing a voucher and depositing that voucher in a specifically marked charity box. Redemptions at the cage would be subject to rounding up to the next nickel increment, as outlined above.

Licensees may commence TRU reconfigurations to bank note only dispensing units subject to the following conditions:

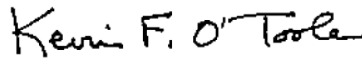
1. Licensee shall notify the Bureau of Casino Compliance (“BCC”) with a copy of the plan to modify TRU placement, including the proposed timeline for changing or exchanging, and activating bank note only TRU units;
2. Licensee shall work with BCC on scheduling implementation;
3. Licensees shall notify BCC of any irregularities during implementation, no later than one business day after irregularities become known to licensee;
4. As may be necessary, licensee shall review and modify internal controls affected by the bank note only TRU configuration. All internal control modifications under this point shall be conducted in consultation with and subject to the approval of the Bureau of Gaming Operations; and

¹ Licensees may, if practicable, configure TRUs to round up to the next whole dollar for redemptions of \$0.96--\$0.99, rather than sending patrons to the cage to redeem a \$1.00 rounded payout.

5. Licensee shall ensure that any modifications to software utilized by the TRU is reviewed and approved by the Board's Office of Gaming Laboratory Operations prior to being part of any implementation.

If you have any questions on this matter in the meantime, please do not hesitate to contact Senior Counsel, Robert Wood, via email at rmwood@pa.gov.

Sincerely,



Kevin F. O'Toole
Executive Director

KFO/rmw

cc: Tom Gohsler, Chief Counsel, Pennsylvania Department of Revenue
Steve Cook, Chief Counsel, PGCB
Cyrus Pitre, Chief Enforcement Counsel, PGCB
Claire Yantis, Administrative Director, PGCB
Paul Mauro, Director, Bureau of Investigations Enforcement, PGCB
Paul Resch, Director, Bureau of Gaming Operations, PGCB
Gregg Hazzouri, Director, Bureau of Casino Compliance, PGCB
Kevin Kile, Director, Sports Wagering Operations, PGCB
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