

Requirement for Retail Stores to Accept Cash Payments

By: Duke Chen, Principal Analyst
February 10, 2020 | 2020-R-0037

Issue

Must Connecticut retail stores accept cash payments? **This report has been updated by OLR Report [2025-R-0071](#).**

Summary

No Connecticut or federal law requires a private business to accept cash payments. According to the [U.S. Treasury Department](#), private businesses may develop their own policies on whether to accept cash unless there is a state law requiring it.

At least two states (New Jersey and Massachusetts) and [three](#) major cities (New York City, Philadelphia, and San Francisco) generally require retailers to accept cash payments and prohibit retailers from charging cash customers more than customers paying by other means.

Although Connecticut does not have a law requiring retailers to accept cash, in 2019, the legislature considered a bill that would have generally prohibited retailers from refusing cash as a form of payment.

Other States

New Jersey

New Jersey generally prohibits retailers for goods and services from requiring (1) that customers use a credit card to pay and (2) cash for payments ([N.J. Stat. Ann. § 56:8-2.33](#)). New Jersey's law does not apply to airport retailers, municipal parking facilities, parking facilities that only accept

mobile payments, and rental car companies. Additionally, telephone, mail, and internet transactions are not covered by the law.

Violators may be subject to a civil fine of up to \$2,500 for a first offense, up to \$5,000 for a second offense, and for subsequent offenses, additional penalties could apply under the state's [Consumer Fraud Act](#).

Massachusetts

Massachusetts prohibits retailers for goods and services from discriminating against customers using cash by requiring them to use cash to purchase the good or service ([Mass. Gen. Laws Ann. Ch. 255D, § 10A](#)).

Violators may be fined up to \$500, imprisoned up to six months, or both ([Mass. Gen. Laws Ann. Ch. 255D, § 30](#)).

Connecticut Legislation

In 2019, [HB 5703](#), as amended by House Amendment "A," would have generally prohibited retailers from (1) refusing cash as a form of payment, (2) posting signs stating that cash is not accepted, or (3) charging a higher price to customers who pay with cash.

The bill's prohibitions would have applied to retailers selling goods or services in person, except for transactions:

1. at parking lots and parking garages;
2. at membership-based wholesale clubs;
3. at membership-based retail stores that require payment through an affiliated mobile device application;
4. for consumer goods, services, or accommodations rentals that typically require posting collateral; and
5. for consumer goods or services provided exclusively to employees and others authorized to be on the employer's premises.

The bill also explicitly exempted transactions conducted by telephone, mail, or the internet. Under the bill, the consumer protection commissioner could adopt implementing regulations.

While an earlier version of the bill made a violation of its provisions a violation of the Connecticut Unfair Trade Practices Act, the bill as amended by House Amendment “A” did not specify a penalty.

DC:bd