



## **Vote NO on HB 166 Unless Sales Taxes on Gold and Silver Are Removed**

The Sound Money Defense League urges you to vote NO on HB 166 unless the new tax on investment gold and silver coins and bullion is removed. Here are a few key points why Ohio savers and businesses would be harmed by the imposition of sales taxes on the purchase of monetary metals.

The exchange of one dollar for four quarters is a nontaxable event. Exchanging dollars for the only form of money mentioned in the U.S. Constitution should not be taxed.

HB 166 would punish people who exchange their dollars for gold and silver. Unless this damaging provision is stripped out, passage of HB 166 would be a policy error which places Ohio at odds with the policies of 39 other states, including almost every state in the region.

Purchasers of precious metals are not “consuming” them, making a sales tax and/or use tax inappropriate in the first place. Precious metals purchasers are holding these metals for resale or exchange, like a currency or investment. Taxing gold and silver is a de facto investment penalty on Ohio citizens who seek to protect their savings. It’s also discriminatory, because purchases of stocks, bonds, and real estate are not subject to sales tax.

Taxing the purchase of monetary metals would also undermine Ohio businesses (and Ohio state revenues). Many Ohioans will buy and/or store their precious metals in nearby Indiana, Michigan, Pennsylvania, and West Virginia, which do not charge sales tax on precious metals.

There is a national trend to *remove* sales taxation from precious metals, with the vast majority of states already having done so.

Governor Jim Justice of neighboring West Virginia signed a bill to repeal sales taxes on precious metals two months ago after it passed with nearly unanimous support through both chambers. Kansas governor Laura Kelly signed a nearly identical bill last week. And Wisconsin is now considering its own bill to eliminate taxation on gold and silver.

In total, 40 states (including Ohio) now recognize precious metals should not be hit with a sales tax.

Studies have shown that states actually lose revenue when they tax the purchase of gold and silver. Louisiana briefly imposed a sales tax on precious metals recently – *but the legislature quickly reversed course after one year when businesses, coin conventions, and state revenues left the state.*

That’s why any revenue collected by HB 166’s new imposition of precious metals sales taxes would almost certainly be surpassed by the tax revenue *lost* from coin conventions and economic activity staying within the state.

Unless this new sales tax on gold and silver is stripped out, HB 166 will put Ohio at a competitive disadvantage with neighboring states and introduce new disincentives to saving or investing in monetary metals.

Feel free to call Jp Cortez at 404-948-8935 to discuss this important subject.