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State Representative

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**H.B. 268 Sponsor Testimony, House Ways and Means Committee**

Chairman Merrin, Vice-Chair Riedel, Ranking Member Sobecki, and members of the House Ways and Means Committee, thank you for allowing me to provide sponsor testimony on House Bill 268. This legislation would make changes to the Ohio Revised Code by exempting the transacting of precious metals in the form of coins and bullion from state sales and use taxes.

Currently in Ohio, individuals who buy metal bullion and coins are subject to sales tax upon their purchase and are taxed again when selling these precious metals based on any capital gains they realize. This form of double taxation discourages investors from buying precious metals in Ohio and drives their business elsewhere.

For example, there are currently 40 states that have either fully or partially eliminated sales taxes on precious metals, with the most recent being Arkansas, whose governor signed their exemption into law last week. Among Ohio's neighboring states, Michigan, Pennsylvania, West Virginia and Indiana have all fully or partially exempted the metals from their sales tax.

Worse yet, under current Ohio Law, investors can buy shares of exchange traded funds (ETFs) or mutual funds that exclusively hold gold or silver as their underlying asset, and are not responsible for paying any sales tax on the transacting of these funds.

By exempting these transactions from Ohio sales tax, House Bill 268 eliminates this unfair tax practice and moves Ohio policy into a position that will allow Ohio precious metal dealers to better compete with our neighboring states as well as on the online marketplace. This exemption will also allow Ohio to attract coin shows, which generate significant amounts of economic activity.

In the 131st General Assembly, this policy was enacted with strong bipartisan support in Ohio. Prior to being signed into law by Governor Kasich, the House supported then Senate Bill 172 which I sponsored, with a vote of 84-10 and the Senate 31-2.

I believe this common-sense legislation will encourage greater investment in Ohio business and lead to a healthier precious metal industry throughout the state. Mr. Chairman, thank you again for giving me the opportunity to provide sponsor testimony on HB 268. I would be happy to answer any questions that members of the committee have at this time.