



Don't Tax Maryland Savers Holding Gold & Silver Vote NO on HB 1284

The Sound Money Defense League urges you to vote NO on HB 1284 unless the new sales tax on precious metals coins and bullion is removed. Here are a few key reasons why Maryland savers and businesses would be harmed by the imposition of sales taxes on the purchase of monetary metals.

- 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 Maryland citizens (usually of humble means) who seek to hold some of their savings in real assets that are insulated from inflation and financial turmoil. It's also discriminatory, because purchases of stocks, bonds, and other financial instruments are not subject to sales tax.
- 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.
- Taxing the purchase of monetary metals would also undermine Maryland businesses (and reduce Maryland state revenues). Many Marylanders will buy and/or store their precious metals in nearby Delaware, Pennsylvania, Virginia, or West Virginia which do not charge sales tax on precious metals.
- There is a national trend to remove sales taxation from precious metals, with 39 states already having done so in whole or in part. Mississippi, Hawaii, and Tennessee are expected to consider measures to remove sales taxation from precious metals in the upcoming weeks.
- 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 1284's imposition of precious metals sales taxes would almost certainly be surpassed by the tax revenue *lost* from coin conventions, businesses, and other economic activity leaving the state.

Passage of the precious metals tax in HB 1284 would be a major policy error that harms both savers and businesses. Maryland would be put at a competitive disadvantage versus all other states in the region, and history has shown that this tax would also backfire from a fiscal standpoint.

Please feel free to call or email Jp Cortez at 404-948-8935 or jp.cortez@soundmoneydefense.org to discuss this important subject.