

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: SB309 Sales and Use Tax - Precious Metal Bullion or Coins - Exemption

DATE: April 2, 2026

COMMITTEE: Ways and Means

POSITION: Opposition

SUMMARY OF BILL: This bill proposes exempting the purchase of “precious metal bullion or coins” (defined in the legislation) from the Maryland general sales tax. Under current law, the purchase of precious metal bullion or coins is a taxable transaction unless the sale occurs at the Baltimore Convention Center and the purchase price is greater than \$1,000. Under Maryland law prior to July 1, 2025, the purchase of metal bullion or coins was taxable if the price was less than \$1,000, and exempt from the sales tax if the price was greater than \$1,000 (regardless of the location of the sale).

EXPLANATION: The Department of Budget and Management opposes HB790 because it will reduce state tax revenue. The legislation’s fiscal note estimates this policy change will decrease general fund revenue by at least \$2.5 million in FY 2027 and \$2.8 million in FY 2031. Additionally, Blueprint for Maryland’s Future Fund revenues will decrease by \$0.3 million in FY 2027 and \$0.4 million in FY 2031.

Given the significant uncertainty in federal policy and the escalating fiscal shortfalls forecasted through FY 2028, the Department urges caution against legislation that increases expenditures or diverts revenue without sustainable funding offsets. In light of the current fiscal crisis, the State must remain disciplined and strategic in its funding decisions to protect essential services for all Marylanders.

However, if the committee decides to advance the legislation, the Department of Budget and Management respectfully requests that SB 309 be amended so that the exemption applies only to purchase of metal bullion or coins with a price greater than \$1,000 (regardless of the location of the sale). That is, **if the committee wants to reverse the legislation enacted in the 2025 legislative session, it should return to the state's previous policy and not provide a larger tax exemption than existed before the 2025 legislative session.** Applying the rules for the sale of precious metal bullion or coins as they existed prior to July 1, 2025, would achieve the goals of SB 309 in a relatively more fiscally responsible way than SB 309 in its current form.