

## **SENATE BILL 309**

### **Sales and Use Tax – Precious Metal Bullion or Coins – Exemption**

#### **POSITION: FAVORABLE**

#### **TO:**

House Ways and Means Committee  
Chair Jheanelle K. Wilkins  
Vice Chair Jessica Feldmark

#### **FROM:**

David Crenshaw  
Executive Director  
National Coin & Bullion Association

#### **DATE:**

April 2, 2026

#### **WRITTEN TESTIMONY IN SUPPORT OF SENATE BILL 309**

Chair Wilkins, Vice Chair Feldmark, and members of the Ways and Means Committee, thank you for the opportunity to submit testimony in support of Senate Bill 309.

My name is David Crenshaw, and I am the executive director of the National Coin & Bullion Association (NCBA), a national trade association representing businesses and individuals engaged in the sale of coins, currency, and precious metals, including many small, independent dealers throughout Maryland.

Senate Bill 309 corrects an inequitable and overly narrow sales-tax exemption that currently applies only to transactions exceeding \$1,000 that are conducted at the Baltimore Convention Center. By removing these arbitrary restrictions, SB 309 establishes uniform tax treatment for qualifying precious-metal bullion and coins across the state, regardless of price or location, while continuing to exclude jewelry and works of art.

Precious-metal bullion and many coins function as investment assets, comparable to stocks, bonds, and other financial instruments that are not subject to sales tax at the time of purchase. Imposing sales tax on these transactions effectively results in double taxation, as any gains realized upon sale may be subject to capital gains or income taxes as well. This creates inconsistent tax treatment across asset classes and places precious-metals investors at a disadvantage.

Retail profit margins on bullion are typically very thin—often between 1% and 5%—meaning the sales tax collected frequently exceeds the dealer's gross profit. Coins and bullion are also fungible products that can easily be purchased from sellers nationwide. As a result, Maryland residents routinely avoid in-state sales tax by purchasing from dealers outside of Maryland or storing metals in neighboring states. The current limitations discourage in-state commerce and place Maryland dealers at a competitive disadvantage. When purchases are taxed, transactions do not shift to taxable channels—they simply leave the state.

For this reason, fiscal estimates often overstate potential revenue losses. They assume that taxed transactions would still occur in Maryland, but real-world industry data shows that applying sales taxes to bullion purchases primarily drives transactions elsewhere rather than generating reliable revenue. These estimates also fail to account for the increased in-state sales volume, business retention, and related economic activity that typically follow enactment of a full exemption.

Maryland's coin and precious-metals dealers are overwhelmingly small businesses. Removing the sales-tax barrier allows them to compete fairly with out-of-state dealers, retain customers, and participate in events such as coin shows that generate tourism and hospitality, all things that result in broader economic benefits for the state. Other states that have repealed bullion exemptions at various times—including Florida, Ohio, Colorado, and Louisiana—ultimately reinstated them after experiencing business closures, job losses, and reduced overall tax revenue.

For these reasons, the National Coin & Bullion Association respectfully urges a **FAVORABLE** report on Senate Bill 309.