

Eliminating all State Taxes on Gold and Silver

According to the Sound Money Defense League (soundmoneydefense.org), 45 states have eliminated taxes on some or all purchases of gold and silver and most of the remaining states are expected to eliminate some or all of such taxes during 2025. Note that in order to fully eliminate state taxes on capital gains from the sale of precious metals in states whose income taxes are based upon federal adjusted gross income, the state income tax provisions need to be changed in order to back out capital gain income on the sale of precious metals from income subject to taxation.

Elimination of sales and use tax on purchase of precious metals [based upon Nebraska's code provision]:

Currency or bullion; exemption.

(1) Sales and use taxes shall not be imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption in this state of currency or bullion.

(2) For purposes of this section:

(a) Bullion means coins, bars, ingots, [notes, leaf, foil, film]³, or commemorative medallions of gold, silver, platinum, or palladium, or a combination of these, for which the value depends primarily on its content and not the form; and

(b) Currency means a coin or currency made of gold, silver, or other metal [or paper which is or has been used as legal tender]⁴.

The following provisions are based upon Wyoming Legal Tender Act:

-- Exemption of specie legal tender from personal property definition

(a) No specie or specie legal tender shall be characterized as personal property for the purposes of property taxation.

(b) The exchange of one (1) type or form of legal tender for another type or form of legal tender shall not give rise to any tax liability of any kind.

(c) The purchase, sale or exchange of any type or form of specie or specie legal tender shall not give rise to any tax liability of any kind.

-- Exemption of gold, silver, specie and specie legal tender from personal property taxes

() The following shall be exempt from property taxation:

() Any of the following intangible items:

(A) Money and cash on hand including currency, gold, silver and other coin, specie and specie legal tender as provided in [Statute] Section _____, bank drafts, certified checks and cashier's checks;

As used in this article:

(___) "Intangible personal property" includes:

(A) Money and cash on hand including currency, gold, silver and other coin, specie and specie

legal tender as provided in [statute] Section ____, bank drafts, certified checks and cashier's checks

Providing State Tax Credit for Federal Capital Gain Tax on Precious Metals (based upon Utah Legal Tender Act)

(___) A person may not compel any other person to tender or accept gold and silver coin that is issued by the federal government. *[not recommended unless there's an exception "except as agreed between parties pursuant to contract"]*

Section _____ is enacted to read:

Nonrefundable credit -- Sales tax exemption.

(1) There is a nonrefundable credit established for any capital gains incurred from the exchange of gold and silver coin issued by the federal government for another form of legal tender as provided in Section _____.

(2) The exchange of gold and silver coin issued by the federal government for another form of legal tender is exempt from sales and use taxes as provided in Subsection _____.

Apportionment of tax credits for non-residents

(1) A nonresident individual or a part-year resident individual that claims a tax credit in accordance with Section ____, may only claim an apportioned amount of the tax credit equal to:

(a) for a nonresident individual, the product of:

(i) the state income tax percentage for the nonresident individual; and

(ii) the amount of the tax credit that the nonresident individual would have been allowed to claim but for the apportionment requirements of this section; or

(b) for a part-year resident individual, the product of:

(i) the state income tax percentage for the part-year resident individual; and

(ii) the amount of the tax credit that the part-year resident individual would have been allowed to claim but for the apportionment requirements of this section.

(2) A nonresident estate or trust that claims a tax credit in accordance with Section ____ may only claim an apportioned amount of the tax credit equal to the product of:

(a) the state income tax percentage for the nonresident estate or trust; and

(b) the amount of the tax credit that the nonresident estate or trust would have been allowed to claim but for the apportionment requirements of this section.

Nonrefundable tax credit for capital gain transactions on the exchange of gold and silver coin for another form of legal tender.

(1) As used in this section:

(a) "Capital gain transaction" means a transaction that results in a:

(i) short-term capital gain; or

(ii) long-term capital gain.

(b) "Long-term capital gain" is as defined in Section 1222, Internal Revenue Code.

(c) "Short-term capital gain" is as defined in Section 1222, Internal Revenue Code.

(2) Except as provided in Section [apportionment provision above], for taxable years beginning on or after January 1, [year], a claimant, estate, or trust may claim a nonrefundable tax credit equal to the product of:

(a) to the extent a capital gain is not offset by a capital loss under Chapter 1, Subchapter P, Capital Gains and Losses, Internal Revenue Code, the total amount of the claimant's, estate's, or trust's short-term capital gain or long-term capital gain on a capital gain transaction from an exchange made on or after January 1, 2012, of gold or silver coin issued by

the federal government for another form of legal tender; and

(b) [5]%.

(3) A claimant, estate, or trust may not carry forward or carry back a tax credit under this section.

(4) In accordance with [State administrative rulemaking act], the commission may make rules to implement this section.

Severability clause.

If any section of this act or the application of any section of this act to any person or circumstance is held invalid by a final decision of a court of competent jurisdiction, the remainder of this bill shall be given effect without the invalid section or application. The provisions of this bill are severable.