



**Industry Council for Tangible Assets**  
**IN SUPPORT OF**  
**HB 2421: NUMISMATIC COINS/CURRENCY/BULLION**  
**SALES & USE TAX EXEMPTION**  
**Kansas House Tax Committee**  
**Monday, January 29, 2018**

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To: Kansas House Tax Committee  
From: Kathy McFadden, Executive Director  
Industry Council for Tangible Assets  
Date: January 29, 2018  
Re: Support of HB 2421, Sales and use tax exemption of bullion,  
numismatic coins and currency

Mr. Chairman and members of the committee:

Thank you for the opportunity to voice our support to House Bill 2421, sales and use tax exemption of bullion, numismatic coins and currency.

ICTA's headquarters are based in Annapolis, Maryland. Our mission is legislative and regulatory affairs for the precious metals, rare coin and currency industry in all 50 states and Congress.

It is good to be back in my home state of Kansas where I was born and raised in Silver Lake. My politically career started right here.

The trend of sales-tax exemptions on numismatic coins, currency, and precious-metals bullion is accelerating. Thanks, in part, to the Industry Council for Tangible Assets' efforts, exemptions over the past three years have been added in Virginia and Nebraska, and expanded in Texas, Oklahoma, and Louisiana. Indiana's governor signed an exemption that took effect July 1, 2016 and Ohio gained an exemption that took effect on January 1, 2017. In 2017 Virginia expanded their exemption and North Carolina and Minnesota gained their sales tax exemptions. In these states, ICTA has promoted the exemption as a legitimate jobs and economic-development issue. With the enactment of the North Carolina legislation, a dealer told me this month that he had to hire an employ before the legislation took effect in July in anticipation for the increase in volume in his store. Since then, he has hired additional employees to keep up with the demand.

A sales-tax exemption also levels the playing field for the small-business owner. Kansas's businesses would no longer lose customers to operations in Missouri, Nebraska, Oklahoma and Colorado—states that do have a sales-tax exemption. Additionally, Kansas residents would have the security of doing business and developing relationships with local vendors, sparing them the expense, inconvenience, and potential risks of

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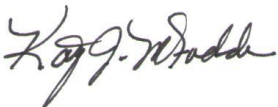
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purchasing these items out of state. It will eliminate the burden for small investors to have to drive out of state to purchase their investments.

As you can see from the following information, a positive fiscal impact results from eliminating the sales-tax on rare coins, currency, and precious-metals bullion.

Again, thank you for allowing me to testify on this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Kathy McFadden". The signature is fluid and cursive, with the first name "Kathy" being more prominent.

Kathy McFadden  
Executive Director



## **Kansas: Benefits Exempting Rare Coins, Paper Money, and Precious-Metals Bullion from Sales-Tax**

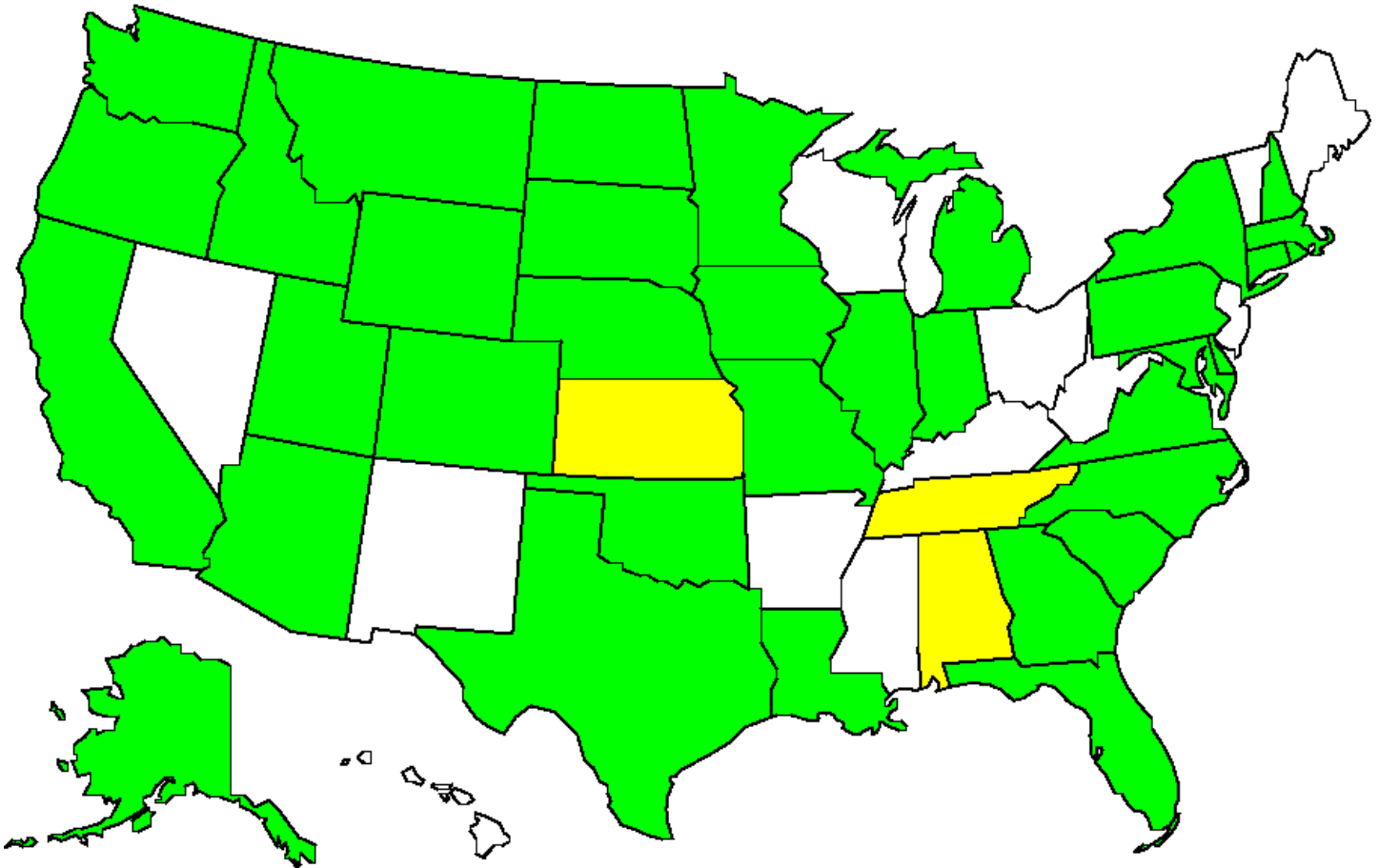
- Profits will increase for existing businesses.
- More jobs and higher pay will be available to Kansas workers.
- The increased number of in-state businesses and the related increase in employment will result in additional business-tax and sales-tax collections. (The Michigan Treasury, for example, estimates that 38.5% of payroll is spent on merchandise on which Michigan sales taxes are collected.)
- As sales of tax-exempt merchandise rises, so too will sales of merchandise that is still subject to sales tax—for example, collector supplies, jewelry, antiques, and other collectibles.
- The playing field will be leveled for small-business owners.
- The hospitality industry will benefit significantly from the opportunity to host small, medium, and large coin shows (as has been the case in the other 36 states with sales-tax exemptions).
- Kansas rare-currency and precious-metals bullion businesses will no longer lose almost all customers to businesses in states with sales-tax exemptions.
- Kansas consumers will have the security of doing business and developing relationships with local vendors, sparing them the expense, inconvenience, and potential risks of purchasing these high-value items out of state.
- Smaller-scale investors will have a chance to deal locally without the burden of sales and use taxes, which affluent investors can easily avoid by purchasing commodities or arranging for storage out of state.
- Senior citizens, who can consult local businesses for a second opinion, will have more resources to avoid scam artists.
- All Kansas consumers will benefit from the fact that local brick-and-mortar businesses have more incentives to address local customer concerns and problems than do out-of-state businesses.
- Increased tax collections by the State Treasury.

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# Industry Council for Tangible Assets States Sales Tax Map



- States that are exempt from sales/use tax or have some form of exemption from sales/use tax for rare coins, paper money, or precious-metals bullion. For more information, see [Sales-Tax Status by State](#).
- States that have ongoing initiatives to exempt sales/use tax on rare coins, paper money, or precious-metals bullion.

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Revised: July 26, 2017