

**Testimony of National Coin & Bullion Association**  
**Supporting LD 372 Providing a Sales and Use Tax Exemption for Sales of Gold**  
**and Silver Coins and Bullion**  
Committee On Taxation Public Hearing  
February 12, 2025

Chair Grohoski and Members of the Taxation Committee,

Thank you for the opportunity to submit testimony expressing my strong support of LD 372: An Act to Protect Maine People from Inflation by Exempting Gold and Silver Coins and Bullion from the State Sales and Use Tax. As the executive director of the National Coin & Bullion Association, I represent our Maine-based and national members, and we firmly believe that establishing this exemption will provide substantial benefits to Maine's economy, businesses, and investors.

**Aligning Maine with Other States**

Currently, 46 states—including Maine's neighbor New Hampshire—exempt coins, currency, and bullion from sales tax. Without this exemption, Maine businesses are at a significant competitive disadvantage, forcing consumers to take their investments to out-of-state dealers. This not only harms local businesses but also results in lost revenue and economic opportunities for Maine.

For example, Maine's current tax policy deters any major numismatic and precious-metal industry events from being hosted in your state. Events such as the American Numismatic Association's World's Fair of Money generate millions of dollars in economic activity for host states. By adopting this exemption, Maine can position itself to attract such events and benefit from their corresponding boosts to the economy.

**Economic Impact on Maine Businesses and Consumers**

Maine's coin and bullion dealers contribute meaningfully to the state's economy by paying business, payroll, and property taxes; supporting local suppliers; and creating jobs. Without this exemption, many small businesses lose sales to competitors in tax-free states, stifling potential job growth and economic expansion.

Providing a sales-tax exemption will

- Encourage in-state purchases, increasing sales volume and stimulating business growth;
- Promote job creation and higher payrolls within Maine's small business sector; and
- Generate additional tax revenue through increased business activity and sales of related, non-exempt items, such as numismatic supplies.

Case studies from states like Michigan illustrate that maintaining a sales-tax exemption on precious metals can drive substantial economic growth. Following Michigan's 1999 exemption, one local business, Liberty Coin Service, experienced a 2,589% increase in in-state retail sales, a 589% increase in wholesale sales, and a 706% increase in out-of-state sales from 1997 to 2011. Employment within the business grew by 243%, and payrolls and contractor payments rose by 809%. Despite an initial decrease in direct sales-tax collections from precious metals, overall state and local tax revenues increased by 238% due to the economic activity and job creation spurred by the exemption.

## **Testimony of National Coin & Bullion Association continued...**

### **Investment and Fair Taxation**

Gold and silver bullion are investment assets, not consumer goods, and should not be taxed as everyday retail purchases. Taxing precious metals creates an unfair financial burden on small investors, many of whom also face capital gains taxes when selling their assets.

Additionally, other IRS-approved investment vehicles, such as stocks and bonds, are not subject to sales tax. Taxing precious metals places investors who wish to diversify their portfolios at an unnecessary disadvantage, discouraging investment in tangible assets and sound financial planning.

### **Conclusion**

Failing to establish a sales-tax exemption for gold and silver coins and bullion places Maine businesses, investors, and the broader economy at a competitive disadvantage. Enacting the proposed exemption will create a fairer tax environment, stimulate economic growth, and encourage local investment. Our Maine-based members strongly urge this committee to support LD 372 to ensure Maine becomes competitive in the national market and fosters a thriving business and investment climate.

Thank you for your time and consideration. Please feel free to reach out should you require additional information or wish to discuss this matter further.

Sincerely,



David Crenshaw

Executive Director

(678) 430-3252

[ncba@ncbassoc.org](mailto:ncba@ncbassoc.org)