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2 STATE HOUSE STATION
AUGUSTA, MAINE 04333-0002
(207) 287-1440
MAINE RELAY 711

Paul R. Flynn

78 Bessey Ridge Rd
Albion, ME 04910
Paul.Flynn@legislature.maine.gov
Cell: (207) 314-5525

Testimony on

L.D. 372, “An Act to Protect Maine People from Inflation by Exempting Gold and Silver Coins and Bullion from the State Sales and Use Tax”

**Presented by
Representative Paul R. Flynn
District 63**

Taxation Committee
Wednesday, February 12, 2025

Good afternoon, Senator Grohoski, Representative Cloutier, and distinguished members of the Joint Standing Committee on Taxation:

I am State Representative Paul R. Flynn, and I proudly represent District 63, Albion, Freedom, Unity Township, and a portion of Winslow. It is an honor to appear before you today for the purpose of supporting L.D. 372; “*An Act to Protect Maine People from Inflation by Exempting Gold and Silver Coins and Bullion from the State Sales and Use Tax.*”

Maine has been my home for the last 46 years. I have lived a dream life, enjoying all that it has to offer, including owning a general store in the western Waldo County town of Freedom for 16 years.

In 2020, I launched a childhood dream and opened a coin and precious metal shop in my hometown of Albion under the name of Freedom Coin Company. I testify before you today as an entrepreneur competing in a world market, selling coins and bullion to new collectors, sometimes less than 10 years old, and to investors of all ages that are looking for alternative investments to hedge inflation in a very tumultuous economic and social world.

With each transaction, I am required to collect sales tax from the client. That very same client has the luxury of going to neighboring New Hampshire or to avail themselves to an on-line trader that does not charge sales tax. The margin on coins and precious metals is razor thin. When faced with a \$1,000 purchase in Maine, subjected to sales tax verses a state or dealer that does not, for \$55 the client will go elsewhere.

Maine has the oldest population in the United States. This means there is a lot of coin inventory that has been in families for years. I have personally been on the receiving end of coins that have been in the same family since their ancestors first arrived in the 1790s. As such, I am now faced with pricing the purchase of this collection knowing that sales tax factors in the purchase, thus leaving the family with a lesser amount of

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District 63 Albion, Freedom and Winslow (Part) and the unorganized territories of; Unity Township

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money that could be received. I must make pricing allowances to compete in what is now a non-competitive market. The sales tax becomes a cost of doing business that dealers in other states do not have to deal with.

In summary, the assessment of sales tax on these transactions is unfairly costing this industry. It costs coin dealers business, it is costing Maine families money in lost value, and it is taking business to other states.

I ask you to support the passage of L.D. 372. Thank you for your time, and I would be happy to field any questions.