

SENATE, No. 3753

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED MAY 11, 2021

Sponsored by:
Senator MICHAEL J. DOHERTY
District 23 (Hunterdon, Somerset and Warren)

SYNOPSIS

Exempts sales of investment metal bullion and investment coins from sales and use tax.

CURRENT VERSION OF TEXT

As introduced.



1 **AN ACT** exempting the sale of certain investment metal bullion and
2 coins from the sales and use tax and supplementing P.L.1966,
3 c.30 (C.54:32B-1 et seq.).

5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

8 1. a. Receipts from sales of investment metal bullion and
9 investment coins are exempt from the tax imposed under the “Sales
10 and Use Tax Act,” P.L.1996, c.30 (C.54:32B-1 et seq.).

11 b. As used in this section:

“Investment metal bullion” means any elementary precious metal that has been put through a process of smelting or refining, including, but not limited to, gold, silver, platinum, and palladium, and that is in such state or condition that its value depends upon its contents and not its form. “Investment metal bullion” shall not include any precious metal that has been assembled, fabricated, manufactured, or processed in one or more specific and customary industrial, professional, aesthetic, or artistic uses.

20 “Investment coin” means any numismatic coin manufactured of
21 gold, silver, platinum, palladium, or any other metal, including non-
22 precious metals, and having a fair market value of not less than
23 \$1,000. “Investment coin” shall not include jewelry or works of art
24 made of coins, nor shall it include commemorative medallions.

26 2. This act shall take effect immediately and apply to receipts
27 received from retail sales made on or after the first day of the fourth
28 month next following the date of enactment.

STATEMENT

33 This bill provides an exemption from the sales and use tax for
34 the sale of investment metal bullion and investment coins.

As defined in the bill, “investment metal bullion” means any elementary precious metal that has been put through a process of smelting or refining, including, but not limited to, gold, silver, platinum, and palladium, and that is in such state or condition that its value depends upon its contents and not its form. However, the exemption would not apply to the sale of precious metals that have been assembled, fabricated, manufactured, or processed in one or more specific and customary industrial, professional, aesthetic, or artistic uses.

44 The bill also defines “investment coin” as any numismatic coin
45 manufactured of gold, silver, platinum, palladium, or any other
46 metal, including non-precious metals, and having a fair market

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1 value of not less than \$1,000. However, the exemption would not
2 apply to the sale of jewelry or works of art made of coins, nor
3 would it apply the sale of commemorative medallions.

4 The bill is also intended to treat investment metal bullion and
5 investment coins similar to other investment instruments, such as
6 stocks, which are not subject to sales tax.