

SS SCS SB 735 -- TREATMENT AND USE OF GOLD AND SILVER

SPONSOR: Eigel (Hardwick)

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Emerging Issues by a vote of 10 to 3 and 1 present. Voted "Do Pass" by the Standing Committee on Rules-Administrative Oversight by a vote of 5 to 3 and 1 present.

This bill relates to the sole purpose of regulating the treatment and use of gold and silver.

INCOME TAXATION ON GOLD AND SILVER SPECIE (Section 143.121)

Currently, all purchases of bullion and investment coins are exempt from all state and local sales taxes. This bill additionally exempts from state income tax the portion of capital gain on the sale or exchange of gold and silver specie that are otherwise included in the taxpayer's federal adjusted gross income.

LEGAL TENDER (Section 408.010)

The bill establishes the "Constitutional Money bill" and declares that specie legal tender and electronic currency, as those terms are defined in the bill, will be accepted as payment for all public debts and may be received as payment for all private debts contracted for in the state of Missouri, atin the discretion of the receiving entity.

The Director of the Department of Revenue is required to promulgate rules on the methods of acceptance of specie legal tender as payment for any debt, tax, fee, or obligation owed. Costs incurred in the course of verification of the weight and purity of any specie during any such transaction will be borne by the receiving entity.

Except as expressly provided by contract, no person or entity will be required to use specie legal tender or electronic currency in the payment of any debt and nothing in this bill will prohibit the use of federal reserve notes in the payment of any debt.

The bill permits any entity doing business in this state to, upon request by an employee, compensate its employees, in full or in part, in the dollar equivalent specie legal tender either in physical or in electronic transfer form. Any entity choosing to compensate its employees in specie legal tender will be responsible for verifying the weight and purity of any physical specie legal tender before compensating employees.

Under no circumstance will the state of Missouri or any department, agency, court, political subdivision, or instrumentality thereof:

(1) Seize from any person any specie legal tender or electronic currency that is owned by the person, except as otherwise provided by law. Any person whose specie legal tender or electronic currency is seized in violation of this provision will have a cause of action in a court of competent jurisdiction, with any successful such action resulting in the award of attorney's fees;

(2) Enforce or attempt to enforce any federal acts, laws, executive orders, administrative orders, rules, regulations, statutes, or ordinances infringing on the right of a person to keep and use specie legal tender and electronic currency as provided in the bill;

(3) Restrict in any way the ability of a person or financial institution to acquire specie legal tender and electronic currency or use specie legal tender and electronic currency in transactions; or

(4) Enact any law discriminating or favoring one means of legal tender in the course of a transaction over another means of legal tender.

PROPONENTS: Supporters say that establishing other forms of currency would help to hedge against inflation and potential future failures of the dollar. Allowing businesses to accept currencies listed in the bill would lessen our dependence on the dollar and would therefore insulate us from the dollar's volatility. This legislation would allow businesses to accept currencies like gold-backs and bit coin, giving customers the option to pay for purchases with other forms of currency.

Testifying in person for the bill was Representative Hardwick.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.