

## Assembly Bill No. 843

### CHAPTER 184

An act to amend Section 6355 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 27, 2012. Filed with Secretary of State August 27, 2012.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 843, Charles Calderon. State Board of Equalization: nonmonetized bullion and numismatic coins: adjustment date.

The Sales and Use Tax Law exempts from the sales and use taxes the gross receipts from the sales in bulk of monetized bullion, nonmonetized gold and silver bullion, and numismatic coins, and the storage, use, or other consumption of those bullion and coins, as provided, and requires the State Board of Equalization to adjust the initial bulk threshold amount on or before September 1.

This bill would change the adjustment date to October 1.

*The people of the State of California do enact as follows:*

SECTION 1. Section 6355 of the Revenue and Taxation Code is amended to read:

6355. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale in bulk of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins that are substantially equivalent to transactions in securities or commodities through a national securities or commodities exchange and the storage, use, or other consumption in this state of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins so sold.

(b) (1) A sale in bulk, for purposes of this section, shall be deemed to have occurred if the amount of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins sold in the transaction totals, in market value, the sum of one thousand dollars (\$1,000) or more, or its equivalent.

(2) The board shall adjust the one thousand dollar (\$1,000) amount specified in paragraph (1) as follows:

(A) On or before September 1, 1994, and on or before each October 1 of each year thereafter, the board shall multiply the amount applicable for the current calendar year by the inflation factor adjustment determined by the Franchise Tax Board pursuant to subdivision (h) of Section 17041, the resulting amount to be the applicable amount for the succeeding calendar year. The applicable amount shall be operative as an adjustment of the

amount specified in paragraph (1) only when the applicable amount computed is equal to or exceeds a new operative threshold, as defined in subparagraph (C).

(B) When the applicable amount equals or exceeds an operative threshold specified in subparagraph (C), the resulting applicable amount, rounded to the nearest multiple of five hundred dollars (\$500), shall be operative for purposes of paragraph (1) beginning January 1 of the succeeding calendar year.

(C) For purposes of this paragraph, “operative threshold” means an amount that exceeds by at least five hundred dollars (\$500), the greater of either the amount specified in paragraph (1) or the amount computed pursuant to subparagraphs (A) and (B) as the operative adjustment to the amount specified in paragraph (1).

(c) “Monetized bullion,” for purposes of this section, means coins or other forms of money manufactured of gold, silver, or other metal and heretofore, now, or hereafter used as a medium of exchange under the laws of this state, the United States, or any foreign nation. “Monetized bullion,” for purposes of this section, also means gold medallions struck under authority of the American Arts Gold Medallion Act (Title IV of Public Law 95-630).

(d) A sale of monetized bullion, nonmonetized gold or silver bullion, or numismatic coins, for purposes of this section, shall be deemed to be substantially equivalent to a transaction in securities or commodities through a national securities or commodities exchange, if the sale is by or through a person registered pursuant to the Commodity Exchange Act (7 U.S.C. Sec. 1 et seq.) or not required to be registered under the Commodity Exchange Act.