



FOR IMMEDIATE RELEASE

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PMANA Responds to Recent Changes in Tax Reform

Washington, D.C. – Last Friday, a joint statement from the White House and Congressional leaders charted a new path for tax reform that has fostered a new hope among PMANA and our members. Most notable is the decision to eliminate the border adjustment tax from future consideration. While PMANA shares many concerns from both sides of the argument on this issue, we also realize that the contention sparked from the BAT was hurtful to overall reform. Now, instead of dividing Congress over one issue, we are excited for the attention to shift completely to a simple and fair tax code that helps all Americans. Such reforms will allow Americans to do more with their time and money – including making investments into their future. For these investments to occur, there needs to be an equal playing field for investors that currently does not exist.

For investments in precious metal bullion, investors are taxed at either the income rate for collectibles or the small capital gains rate. Over the years, Congress has authorized exemptions that allow certain precious metal bullion to be taxed at the capital gains rate. For non-exempt bullion, taxes can be 40% higher because the tax code still treats these as collectibles rather than investments. As a result, the rate of investment in non-exempt bullion remains stagnant as investors realize that it is uneconomical for them to bear these burdensome taxes. However, precious metal bullion bars and coins, unlike rare collectibles, are mass produced to reflect the intrinsic value of the commodity they hold.

“We hope to work with Congress over the next few months to fix this burdensome discrepancy because it really is hurting investors,” said Scott Smith, president of PMANA. “Investors like precious metal bullion because it diversifies their portfolio and reduces their risk,” he continued. “Unless this discrepancy is corrected, we are going to continue to allow the tax code to determine winners and losers,” Smith concluded.

Now that the attention has shifted to tax reform, PMANA will continue its work with Members of Congress to fix inconsistencies that hurt investors.

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