
Sound Money Legislation Strikes Gold in 2023

— Jp Cortez, Policy Director
Sound Money Defense League —



**The Sound Money Defense League is
Working to Bring Back Gold and Silver
as America's Constitutional Money**

What is Sound Money?

Sound money is money that is subject to market forces and retains its purchasing power long-term.

No State shall...make any Thing but gold and silver Coin a Tender in Payment of Debts - U.S. Constitution, Article I, Section 10.

Sound money has two value propositions:

- Sound money protects capital and creates stability. Individuals and civilizations thrive when sound money is instituted because uncertainty is reduced. People can better plan, save, and invest for the future.

- Sound money acts as a bulwark against big government.

"The classical or orthodox gold standard alone is a truly effective check on the power of the government to inflate the currency. Without such a check, all other constitutional safeguards can be rendered vain." - *Theory of Money and Credit*, Ludwig von Mises, 1912

What States Can Do

- Removing taxes from transactions involving gold and silver (sales tax, capital gains tax, commercial activity tax, etc.)
- Reaffirming gold and silver as legal tender
- Establishing in-state gold bullion depository
- Empowering State Treasurer to invest state funds in physical gold
- Remit or accept payment of fees and taxes in gold and silver
- Exempting precious metals dealers from second-hand dealer harassment laws
- Enforcement of Gold Clause contracts
- Investing state reserve funds in physical gold and silver
- Investing state public pension funds in physical gold and silver
- Investing in or issuing a gold bond
- And more...

States that have introduced Sound Money Legislation in 2023

- | | | |
|--------------|--------------------|--------------------|
| 1. Alabama | 10. Maine | 19. Oregon |
| 2. Alaska | 11. Minnesota | 20. South Carolina |
| 3. Arkansas | 12. Mississippi | 21. Tennessee |
| 4. Florida | 13. Missouri | 22. Texas |
| 5. Idaho | 14. Montana | 23. Vermont |
| 6. Iowa | 15. New Jersey | 24. West Virginia |
| 7. Kansas | 16. New York | 25. Wisconsin |
| 8. Kentucky | 17. North Carolina | 26. Wyoming |
| 9. Louisiana | 18. Oklahoma | |

Sound Money Defense League Provides the Following Support for State Legislation...

- ** Draft issue-specific legislation
- ** Draft “Dear Colleague” letters to attract co-sponsors
- ** Develop state-specific talking points
- ** Testify in committee in favor of the bill
- ** Communicate with in-state precious metals dealers and investors about key hearings and votes
- ** Meet with legislators
- ** Direct in-state grassroots supporters to call and email legislators
- ** Engage with local media, podcasts, and publications

Federal Sound Money Policy Initiatives

** HR 9157 - Gold Standard Restoration Act

The legislation calls for the U.S. Treasury and the Federal Reserve to publicly disclose all gold holdings and gold transactions within 30 months, after which time the Federal Reserve note “dollar” would be pegged to a fixed weight of gold at its then-market price. Federal Reserve notes would become fully redeemable for and exchangeable with gold at the new fixed price, with the U.S. Treasury and its gold reserves backstopping Federal Reserve Banks as guarantor.

Notably, the bill would also require full disclosure of all central bank and U.S. government gold holdings and gold-related financial transactions over the last 6 decades - a seemingly taboo subject surrounded by mystery and deception.

Federal Sound Money Policy Initiatives cont.

** HR 2284 - Monetary Metals Tax Neutrality Act

This proposed legislation would remove capital gains, losses, or any other type of federal income calculation on gold and silver coins and bars.

Currently, the IRS classifies gold and silver as “collectibles,” subjecting them to a discriminatorily high 28% capital gains rate.

Federal Sound Money Policy Initiatives cont.

** HR 3526 - The Gold Reserve Transparency Act

This measure calls for the first true audit of United States gold reserves since the Eisenhower administration in the mid-1950s.

To address these concerns, H.R. 3526 also requires a full accounting of any and all sales, purchases, disbursements, or receipts, a full accounting of any and all encumbrances, including due to lease, swap, or similar transactions presently in existence or entered into in the past 15 years, and an analysis of the sufficiency of the measures taken to ensure the physical security of such reserves.

To fulfill its obligations under the Gold Reserve Transparency Act, Government Accountability Office auditors would gain access to any depository or other public or private depositories where reserves are kept as well as related records.

Sound Money Index Reveals Best & Worst States

** The Sound Money Index ranks and evaluates every state yearly on its policies relating to sound money using 13 different criteria, creating a full picture of the state of sound money across the country.

** States are ranked by their sales and income tax policies as applied to precious metals, whether the state has an in-state depository, whether the state holds monetary metals in its pension or reserve funds, whether the state maintains dealer and/or investor harassment laws, how the state enforces gold clause contracts, and more.

** The 2023 Sound Money Index introduced the “Specie Tender Mechanism” category, to award states that have created a system to remit and accept gold and silver for payment of fees and taxes.

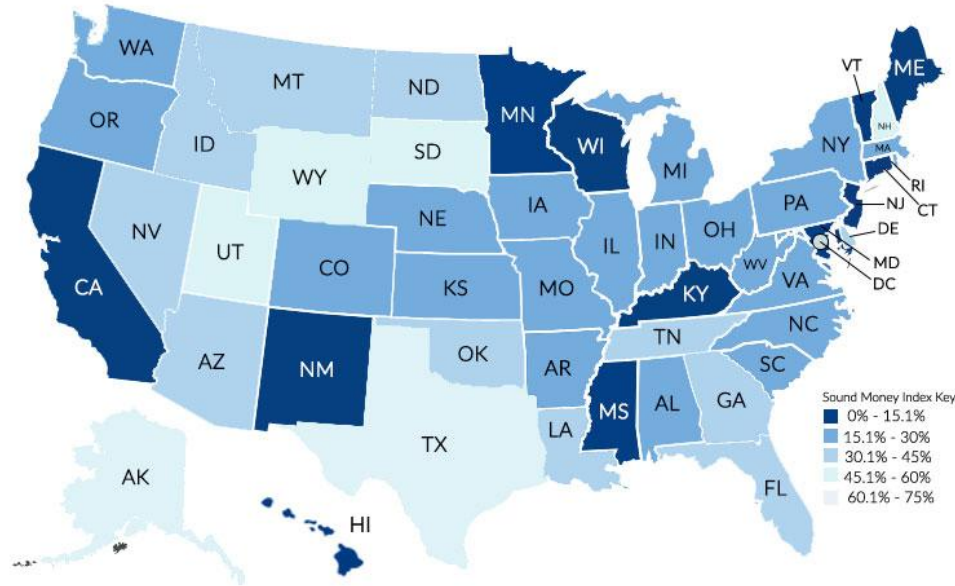
What States Are the Best on Sound Money?

Wyoming, South Dakota, Alaska, New Hampshire, and Texas round out the top states -- scoring 56%, 50%, 50%, 50%, and 49% respectively, on the 2023 Sound Money Index.

Wyoming's formal recognition of gold and silver as money and the removal of all taxes on precious metals in 2018 secured its number one ranking. The Cowboy State seeks to further cement its place as a leader on sound money by introducing the country's first measure to allow the state to accept payment of taxes in precious metals.

Kentucky, Maine, New Jersey, Minnesota, California, and Vermont are the worst states on sound money.

2023 Sound Money Index



Virginia

In 2015, Virginia passed a sales tax exemption that included a \$1,000 threshold and a 2019 sunset clause. The sunset clause was extended to 2023.

In 2022, Del. Amanda Batten passed HB 936, a measure to eliminate the \$1,000 threshold and eliminate the sunset clause entirely.

Currently ranked 23rd in 2023
Sound Money Index

#23	Virginia			28%
State Sales Tax on Gold & Silver	State Sales Tax on Platinum & Palladium	State Sales Tax Rate	State Income Tax	
16 out of 16	4 out of 4	2 out of 2	0 out of 16	
State Income Tax Rate	Gold and Silver's Status as Money	Gold and Silver Clause Contracts	State Gold and Silver Bullion Depository	
2 out of 2	0 out of 8	0 out of 4	0 out of 8	
State Reserve Funds	State Public Pension Funds	State Gold Bonds	Precious Metals Dealer and Investor Harassment Laws	
0 out of 8	0 out of 8	0 out of 4	4 out of 10	
Specie Tender Mechanism				
0 out of 10				
Points Received: 28 out of 100				

North Carolina

In 2017, North Carolina passed H 434, a measure that exempts the sales of non-coin currency, investment metal bullion, and other investment coins.

In 2023, Rep. Brody introduced H 721, a measure which calls for a study to examine the benefits to establishing an in-state bullion depository.

Currently ranked 26th in 2023
Sound Money Index

#26	North Carolina	26%	
State Sales Tax on Gold & Silver	State Sales Tax on Platinum & Palladium	State Sales Tax Rate	State Income Tax
16 out of 16	4 out of 4	2 out of 2	0 out of 16
State Income Tax Rate	Gold and Silver's Status as Money	Gold and Silver Clause Contracts	State Gold and Silver Bullion Depository
2 out of 2	0 out of 8	0 out of 4	0 out of 8
State Reserve Funds	State Public Pension Funds	State Gold Bonds	Precious Metals Dealer and Investor Harassment Laws
0 out of 8	0 out of 8	0 out of 4	2 out of 10
Specie Tender Mechanism			
0 out of 10			
Points Received: 26 out of 100			

South Carolina

South Carolina has had a longstanding sales tax exemption on purchases of gold and silver

In 2023, Rep. Stewart Jones has introduced H 3080, a measure to reaffirm gold and silver as legal tender, and H 3081, a measure to exempt sales of gold and silver from state capital gains taxes.

Currently ranked 36th in 2023
Sound Money Index

#36	South Carolina			21%
State Sales Tax on Gold & Silver	State Sales Tax on Platinum & Palladium	State Sales Tax Rate	State Income Tax	
16 out of 16	3 out of 4	0 out of 2	0 out of 16	
State Income Tax Rate	Gold and Silver's Status as Money	Gold and Silver Clause Contracts	State Gold and Silver Bullion Depository	
0 out of 2	0 out of 8	0 out of 4	0 out of 8	
State Reserve Funds	State Public Pension Funds	State Gold Bonds	Precious Metals Dealer and Investor Harassment Laws	
0 out of 8	0 out of 8	0 out of 4	2 out of 10	
Specie Tender Mechanism				
0 out of 10				
<div>Points Received: 21 out of 100</div>				

Tennessee

In 2022, TN passed HB 1874 and SB 1857, bills to end the sales tax on purchases of gold and silver.

In 2023, TN passed HB 519 and SB 1479, measures to authorize the state treasurer to invest in physical gold.

Measures were also introduced in TN to make gold and silver legal tender, allow for payment of taxes in gold, and establish an in-state bullion depository.

#9 Tennessee				40%
State Sales Tax on Gold & Silver	State Sales Tax on Platinum & Palladium	State Sales Tax Rate	State Income Tax	
16 out of 16	4 out of 4	0 out of 2	16 out of 16	
State Income Tax Rate	Gold and Silver's Status as Money	Gold and Silver Clause Contracts	State Gold and Silver Bullion Depository	
2 out of 2	0 out of 8	0 out of 4	0 out of 8	
State Reserve Funds	State Public Pension Funds	State Gold Bonds	Precious Metals Dealer and Investor Harassment Laws	
0 out of 8	0 out of 8	0 out of 4	2 out of 10	
Specie Tender Mechanism				
0 out of 10				
				Points Received: 40 out of 100

2023 Sound Money Scholarship

In 2017, Money Metals Exchange and the Sound Money Defense League introduced the *first gold-backed scholarship of the modern era*, setting aside 100 oz of physical gold for scholarships to outstanding high school seniors, undergraduate, and graduate students who display deep understanding of economics and monetary policy.

2023 Sound Money Scholarship panel:

Dr. Peter St. Onge - Economist, Heritage Foundation

Dr. Robert Wright - Sr. Research Fellow, American Institute for Economic Research

Dr. Thomas Hogan - Sr. Fellow, American Institute for Economic Research

Judge Andrew Napolitano - Former New Jersey Superior Court Judge

Deadline: October 31, 2023

www.moneymetals.com/scholarship

Contact Us

[Soundmoneydefense.org](https://www.soundmoneydefense.org)

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