



**PAN**

**PENNSYLVANIA ASSOCIATION of NUMISMATISTS**

Non-profit 501(c)(4) promoting numismatics through education  
1985 Lincoln Way, Suite 23 #225, White Oak PA 15131

## **Why does the Pennsylvania Association of Numismatists oppose the repeal of the PA sales tax exemption on coins and precious metals?**

PAN was originally instrumental in having the PA sales tax removed from investment quality coins and bullion. Our commitment to keeping the exemption in place is the same now as it was in the late 1980's when this issue was brought before the PA State Legislature. The reasons remain the same as the challenge to the sales tax exemption resurfaces.

Our association hosts two major coin (trade) shows in Pennsylvania every year. These events would be severely curtailed or eliminated if the sales tax exemption is repealed. The dealers/vendors that participate in our coin shows travel from various states because of the tax friendly environment that currently exists in Pennsylvania. They would no longer travel here if the tax law changes. We have been informed of this by our out of state dealers.

Our event draws 70 out-of-state dealers and 15 Pennsylvania dealers that require hotel rooms, dining options, and entertainment choices during non-business hours. The money that they bring into the Pittsburgh and Monroeville area is substantial. This revenue would be lost if there is a repeal of the sales tax exemption.

Our association rents the Monroeville Convention Center at a large cost for the entire weekend. The convention center workers, concession stand staff, and banquet personnel would lose their earnings if our coin show is forced to cancel. PAN is a valued customer to the Monroeville Convention Center.

Additionally PAN pays for temporary help to work our registration table and hires seven Pennsylvania State Constables to guard and protect the hundreds of thousands of dollars of rare coins and precious metals that are brought to the center. We spend association funds locally for vendor gifts, promotional items, show decorations, printed handouts, and truck rentals. PAN pays out a large sum of money in advertising costs that includes newspapers, radio, television, and billboards. All of these dollars are spent in Pennsylvania and have been in place for the last 35 years.

The American Numismatic Association hosts a large national coin show that is already scheduled for Philadelphia at the Pennsylvania Convention Center in August of 2018. PAN will be one of the supporting sponsor organizations for this event. This coin/trade show is ten times the size, scope, and cost of our own coin show. The ANA will not bring their event to a precious metals sales tax state. They have already indicated that they will cancel their event and seek a new national location if the sales tax exemption is repealed.

The Pennsylvania coin shops and bullion trading businesses would immediately be impacted and could be forced out of business if the sales tax is reinstated. No one will pay an additional 6.6% for these types of items when they can easily be purchased out of state for less money. There are now 31 states including our

neighboring states of New York, Maryland, and Delaware that do not have a sales tax burden.

Many of the PA coin stores are small family owned business. Their survival relies on every advantage so that they can compete. The steady increase in Internet sales of rare coins and bullion has a continuing negative impact on daily sales for most coin shops and trade shows. The sale of precious metals is currently at a very low level because of the decline in the price of gold and silver. This lull may last a number of years. To have a tax placed on what will most likely be a soft market for these products will not be helpful or prudent. The anticipated tax revenue garnered by the state of Pennsylvania would diminish to such insignificance because these sales would go to other states and the end result left behind would be an anemic PA precious metals industry that was once solid.

Individual investors will not support any Pennsylvania business or trade show sponsor if a sales tax is levied on these products. People will pay the tax on some of the other products that PA Governor Tom Wolf has proposed because it would not be worth the time or effort to procure them elsewhere. This is not the case for a precious metals investor.

Rare coins and precious metals are viewed as a product to form a well-rounded investment portfolio that includes stocks, bonds, and mutual funds that are not subject to state sales tax. Investment advisors recommend an investment plan that has at least a 5% to 10% acquisition of these tangible assets. Precious metals are now eligible to be placed in IRA accounts and much of the national advertising is geared this direction. Repeal of the sales tax exemption will have a profound impact on this Pennsylvania industry as well.

PAN has been in existence since 1978 and has had long relationships with individuals and corporations in the rare coin industry. Our contacts start from the grandfathers that buy proof sets for their grandchildren in the hope that their loved ones have something of value which they invested for them to the high end traders that buy and sell large quantities of gold, platinum, and silver.

Please help us in this effort by writing to PA Governor Tom Wolf, your State Senator, and your State Legislator. Try to bring up one of the above points that personally effect your place in the rare coin and bullion marketplace and include that in your letter, email, or phone call.

Thank you for your help,

*Board Members of the Pennsylvania Association of Numismatists*

<http://www.pancoins.org/>

*In collaboration with:*

**Industry Council for Tangible Assets (ICTA)** <http://www.ictaonline.org/>

**American Numismatic Association (ANA)** <https://www.money.org/>

**Professional Numismatists Guild (PNG)** <http://www.pngdealers.org/>

Email: [pancoins@gmail.com](mailto:pancoins@gmail.com)



/PANcoins



@pancoinsPAN

**website: [www.pancoins.org](http://www.pancoins.org)**