



Proposed tax break for coins should be scratched

Testimony notes Governor Kasich vetoed the measure earlier

An Ohio bill that would reinstate a sales-tax exemption for investments in coins and precious metals is a special-interest tax break that has no place in the state tax code, according to testimony today by Policy Matters Ohio to the House Ways & Means Committee.

Zach Schiller, research director of the Cleveland-based research institute, noted in written testimony that Governor Kasich had vetoed a similar provision in the 2013 budget bill. Schiller called attention to the governor's reasoning. Governor Kasich said in his veto message that, "There is no reason to provide preferential treatment to one class of items and not others that could possibly increase in value, such as art, sports cards, or antiques."

"Will we next be told that we must offer additional exemptions for other collectors as well?" Schiller asked.

The Legislative Service Commission has estimated that the state might lose up to \$5.5 million a year as a result of this tax break, while local governments, public libraries and transit agencies would potentially lose an additional \$1.2 million to \$1.6 million. "Taxes pay for services that we all need," Schiller said. "We should not take support away from local governments, libraries and transit agencies to provide an advantage to this one industry."

The exemption was previously known as the Noe amendment because coin dealer Tom Noe, convicted in the Coingate scandal, helped win its approval in the General Assembly in 1989. The exemption was repealed in the 2005 budget bill after the scandal came to light.

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