

# **SALES AND USE TAX REVIEW COMMISSION**

## **RECOMMENDATION PURSUANT TO P.L. 1999, C. 416**

**BILL NUMBER: A-2222**

**DATE OF**

**INTRODUCTION: 3/20/00**

**SPONSOR:** Assemblyman Arnone  
Asssemblyman Bateman

**IDENTICAL BILL: S-1317**

**DATE OF**

**RECOMMENDATION: 6/1/00**

**SPONSOR:** Senator Littell

### **COMMITTEE:**

Assembly Banking and Insurance  
Senate Commerce

### **DESCRIPTION:**

These bills would exempt sales of certain platinum futures and options and certain coins, collectibles, ingots and paper money from sales tax.

### **ANALYSIS:**

These bills exempt from tax a portion of the collectibles economy, with no policy reason appearing for preferring that portion over another. For example, stamps, paintings and valuable antiques are not granted exemption. These bills exempt from tax luxury transactions, thus putting in the Sales Tax law a regressive provision. Collectibles are not necessities. Exempting them from tax does not reduce the burden of the tax, in the aggregate, on that part of the population least able to pay it. There is no demonstrated need to subsidize the collectibles industry that would justify either bill's adverse impact on notions of equity. These bills lack simplicity in that they use certain terms without defining them, such as "investment coins" and bullion, which will cause taxpayer confusion and create needless litigation over terms that should be defined in the legislation for clarity. Also, the bills are designed to subsidize a part of the collectibles market by making it less costly to make purchases therein as opposed to other types of markets without any apparent benefit to the citizens of this State as a whole or its economy.

**RECOMMENDATION:**

The Sales and Use Tax Review Commission does not recommend either of these bills for enactment.

**COMMISSION MEMBERS FOR PROPOSAL: 0**

**COMMISSION MEMBERS AGAINST PROPOSAL: 6**

**COMMISSION MEMBERS ABSTAINING: 0**