

March 13th, 2018

Testimony as proponent of S.B. 437

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To: Senate Assessment and Taxation Committee

Subject: Sales tax exemption for precious metals, numismatic coins and currency

Equity Standard Numismatics of Kansas is a full service coin, currency and bullion business located in Wichita Kansas dealing in all aspects of the industry. We are committed to providing professional and personal service to our clients, specializing in all denominations of United States coinage as well as gold and silver bullion and currency.

H.B. 2421 WILL CREATE EQUAL OPPORTUNITY FOR KANSAS BUSINESSES AND CONSUMERS

1. Kansas is surrounded by states with sales tax exemption on these products.

Customers from border states have stopped coming to Kansas to buy these products staying home or not extending stays while in Kansas. Equity standard had many customers that used to come to Kansas just to buy from us or extend their stay an extra day to buy from us. Since the profit margins on many of the items we sell are less than 10 percent (in some cases less than 3 percent)It is not possible to compete with merchants in the states with sale tax exemptions. This decline has been drastic since Nebraska and Oklahoma exempted sales in 2015. I have owned and operated this brick and mortar business in Wichita for almost 30 years. The decline began when Colorado and Missouri exempted sales of these products almost 20 years ago.

2. Kansas businesses are losing sales that will remain sales taxable.

Along with the decline in sales of products exempted by other states these customers that stopped coming to Kansas stopped bring dollars spent on food, gas, lodging, etc. In addition to these purchases the customers that used to come to my business made secondary purchases (supplies, reference materials, etc.) that with the passage of this bill will still be sales taxable.

3. Kansas investors are at risk.

Kansas consumers are motivated to buy out of state due to sales tax making them targets for telemarketing and internet scams. This sales tax exemption would allow Kansas investors (Large or small) to buy locally overcoming this vulnerability and at the same time generating revenue for the state in the form of income tax and sales tax on secondary sales.

Thank you for your consideration.

Robert Dunlap II
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