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SB303, Hearing in the Senate Committee on Federal and State Affairs
Proponent, with remote oral and written testimony
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Honorable Chairman and members of the Committee:

Thank you for the opportunity to be before you by video and for hearing such an important and timely issue.

“Gold and silver are honest money. They don’t make promises they can’t keep, and they don’t require the trust of a politician or central banker to maintain their value.”

–Ron Paul, Campaign for Liberty Chairman, former member of Congress

As we speak, the latest banking crisis is underway. Multiple banks have failed, the FDIC, US Treasury, and Federal Reserve are providing bailouts to attempt to stop a run on the banks, and now a coalition of central banks from around the world have agreed to work together to do the same.

If there’s one thing that most Americans are starting to realize it’s that the current monetary system is not built for us and does not protect us, particularly the poor and middle class.

But if we followed what the Constitution demands, Kansans would have a safe haven to protect themselves from the chaos currently being inflicted upon us.

That’s what this bill is about. SB303 would recognize gold and silver as money and exempt them from state taxation.

Currently, Kansans are still burdened with capital gains taxes if we buy or own precious metals.

But since money itself is not taxed, it stands to reason that we should not be taxed when we trade one currency for another, or simply because gold or silver increases in value.

That is one of the benefits of sound money and it is why precious metals can help protect against the continued devaluation of Federal Reserve Notes (also known as “dollars”).

That said, much of the increase we see in the value of gold or silver is a result of the Federal Reserve printing more dollars.

This flood of new dollars in the marketplace causes a decline in the purchasing power of the dollar, or inflation.

But currently the resulting increase in precious metals would still be considered a capital gain, and Kansans are charged a capital gains tax as a result.

Government shouldn't be picking winners and losers in the marketplace by punishing citizens who choose to use currencies that compete with the dollar, particularly when those currencies are required legal tender under the Constitution.

By exempting precious metals from taxation, you give Kansans the option to shield themselves from recession, inflation, and the banking crises currently being caused by the Federal Reserve and out of control federal government spending and debt.

It can't be overstated, the impact that the removal of sound money has had on our society.

One of those impacts is to disincentivize saving money and thrift while incentivizing risks like spending beyond our means and taking on new debt.

When the Federal Reserve manipulates interest rates by lowering them, they encourage taking on more debt while completely removing the benefits of saving money and spending responsibly.

From regular Americans, poor, middle class, or rich, to the federal government's 31 trillion-dollar national debt, the effect is devastating.

Banks and the rich are incentivized to leverage more of their wealth in increasingly risky manners.

The poor and middle class see the now fruitless and risky prospects of saving money, thanks to inflation, and are incentivized to live beyond their means or take on more debt.

When the risk and malinvestment catches up, as it always does, it is the poor and middle class that takes the brunt of the impact. The rug is pulled out from under them when it becomes more difficult to borrow money, variable interest rates on current debt, prices go up, job markets become shaky, and to top it all off they often end up being the means by which the banks and the rich are bailed out from their risky investments.

It is no wonder that the wealth gap continues to grow the way it does.

And the Federal Reserve is not blind to this, but the printing presses go on printing.

As an example, a 2020 report from the Federal Reserve Bank of St. Louis found that the Fed's policies have increased asset prices and benefited wealthy households, while low-income households have seen less benefit. (*Source:* <https://www.stlouisfed.org/on-the-economy/2020/october/how-monetary-policy-impacts-wealth-inequality>)

Whether intentional or through sheer delusion, the actions of the Federal Reserve have led to devastating consequences for working Americans.

While another of their disasters is unfolding before our eyes, you have the ability to remove power from the Federal Reserve and return it to where it belongs.

You have the power to make a significant difference for hard-working Kansans looking to preserve the value of their hard-earned money.

I strongly urge you to support SB303 to return honest, sound, constitutional money to its rightful place.

Thank you for your consideration.