

Honorable Chairman and members of the Committee:

Sound money, an alternative medium of exchange and store of value for Kansas residents is a good idea and would provide a shelter from the Federal Reserve's and the Federal Government's inflationary policies that indirectly steal the hard-earned income of ordinary citizens.

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 increasing the money supply.

This flood of new money 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.

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.

Negative effects of NOT having a sound currency alternative are:

1. Disincentivizing saving money and thrift while incentivizing risks like overspending and debt.
2. Banks and the rich are incentivized to leverage more of their wealth in increasingly risky manners.
3. The banks and the rich are bailed out from their risky investments.
4. The wealth gap continues to grow the way it does. 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>)

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 give Kansans access to sound money.

Thank you for your consideration.

Brent T. Davis, President
Complete Education, Inc.