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# OHIO LEGISLATIVE SERVICE COMMISSION

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H.B. 481  
135<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. McClain and Seitz

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### SUMMARY

- Requires the Treasurer of State to accept bullion or specie as payment for any debt.
- Requires the Treasurer to keep in the state treasury an amount of bullion or specie greater than or equal to 2% of all state funds.
- Allows a state and local school district income tax deduction for capital gains on the sale of physically held bullion or specie.

### DETAILED ANALYSIS

#### Bullion and specie

##### Payment to the state

The bill requires the Treasurer of State to accept bullion or specie as payment for any debt, tax, fee, or obligation owed. In order to be accepted by the Treasurer, the bullion or specie must be allocated. The bill includes the following definitions:

- “Allocated bullion or specie” means bullion or specie that is stored in a secure facility and is specifically segregated, or allocated, to a particular investor.
- “Bullion” means refined precious metal, limited to gold or silver, in any shape or form, with uniform content and purity, including coins, rounds, bars, ingots, and any other products that are stamped or imprinted with the weight and purity of the precious metal that it contains, and that is valued primarily based on its metal content and not on its form and function. “Bullion” does not include gold bullion bars with a minimum purity of less than 99.5%, or gold bullion coins with a minimum purity of less than 90%.
- “Specie” means gold and silver coin that is issued by the U.S.

- “Unallocated bullion or specie” means bullion or specie that is not specifically segregated, or allocated, to a particular investor.<sup>1</sup>

### **State treasury**

The bill requires the Treasurer to keep in the custody of the state treasury an amount of bullion or specie greater than or equal to 2% of all state funds. The bullion or specie, as a form of public moneys, is subject to the requirements of the Uniform Depository Act, which governs the deposit of state funds into financial institutions.<sup>2</sup> The bill specifies that the Treasurer must not keep custody of unallocated bullion or specie or of derivative bullion or specie.

The bill require the Treasurer to adopt rules under the Administrative Procedure Act<sup>3</sup> that do all of the following:

1. Govern the acceptance of bullion or specie as payment;
2. Govern the electronic transfer of any electronic representation of actual bullion or specie;
3. Govern the deposit of bullion or specie with a financial institution eligible for such deposits under the Uniform Depository Act;
4. Any other rules the Treasurer determines necessary to implement the bill.

The bill modifies the definition of “public moneys” within the Uniform Depository Act to specify that “public moneys” includes all such moneys in the form of bullion or specie, and the electronic representation of actual allocated bullion or specie held in a depository account, which may be transferred electronically.<sup>4</sup>

### **Income tax deduction for bullion and specie**

The bill allows a state and local school district income tax deduction for capital gains received from the sale of physically held bullion or specie. The deduction extends to the sale of bullion and specie that is in the physical possession of a trustee as part of an individual retirement account that is compliant with federal law.<sup>5</sup> The deduction applies beginning with taxable years that end after the bill’s 90-day effective date.<sup>6</sup>

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<sup>1</sup> R.C. 113.07(A) and (B) and 135.01(R) and (S).

<sup>2</sup> Chapter 135 of the Revised Code, not in the bill.

<sup>3</sup> Chapter 119 of the Revised Code, not in the bill.

<sup>4</sup> R.C. 135.01(K) and 135.31(E).

<sup>5</sup> R.C. 5747.01(A)(44) and (S)(17); R.C. 5748.01, not in the bill; 26 United States Code 408.

<sup>6</sup> Section 3.

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## HISTORY

Action	Date
Introduced	04-08-24

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