

**From:** Barry Polonsky <[pangloss28@gmail.com](mailto:pangloss28@gmail.com)>  
**Sent:** Saturday, January 18, 2020 11:46 AM  
**To:** Rep Nathanson <[Rep.NancyNathanson@oregonlegislature.gov](mailto:Rep.NancyNathanson@oregonlegislature.gov)>  
**Subject:** Re: your letter

Dear Representative Nathanson,

Thank you for having your aide, James Ellsworth, contact me regarding my request for exemption from the Corporate Activity Tax. As he requested, here is a brief summary of the nature of our business. I hope that our company and industry will be able to get on the same exemption list as the other investment firms with whom we compete for investor dollars. We are faced with an uneven playing field because stock brokers can sell stocks, bonds and mutual funds in Oregon without paying the Corporate Activity Tax but because we sell tangible investments it seems that we are liable for this tax.

American Metals Corporation (AMC) is a sub-chapter S Oregon corporation with four shareholders (all Oregon residents and taxpayers) and two employees. Our office is in Eugene, Oregon. We buy and sell investment quality gold, silver, platinum and palladium bars and coins with coin dealers and precious metals dealers in the U.S. and Canada.

We are in a very competitive national industry with volatile price swings. It is also a very cyclical industry from year to year. AMC has been in business since 1991 and in a typical year we net between .4% and .5% per year on our gross sales. Since this net is less than the Corporate Activity Tax of .57%, unless we get an exemption, we will be forced to stop selling product to Oregon dealers before we reach the exempt gross proceeds limit of \$1,000,000.00. In a typical year Oregon sales account for about 25% of our gross sales which translates to 5 to 10 million dollars per year. We cannot pass this tax on to our customers as many businesses can and will because our customers will purchase their product from out-of-state dealers. We normally would reach one million dollars in Oregon sales by the end of February.

When we cease selling in Oregon, the state will be deprived of the normal taxes we pay on the profit we would have made if we were able to keep selling in Oregon. I will list our last eight years fiscal information to illustrate my above points. AMC tax returns and financial statements are available for your examination as proof of my veracity.

Fiscal Year Ending	Gross Sales	Net Profit
9/30/19	\$32,769,061.00	\$27,469.49
9/30/18	\$33,654,061.00	\$9475.55
9/30/17	\$34,969,039.00	\$25250.07
9/30/16	\$28,535,965.00	loss(\$45,015.00)
9/30/15	\$28,651,117.00	loss(\$522.00)

9/30/14	\$29,500,203.00	loss(\$41,994.00)
9/30/13	\$38,118,023.00	loss(\$105,106.00)
9/30/12	\$62,283,879.00	\$137,124.00

In the last eight years, as you can see above, we had no year with a net return on gross sales anywhere near the .57% Corporate Activity Tax. We have certainly had better years in the past but this is the current reality. No employee or shareholder receives an exorbitant salary, we are not able to provide health insurance for employees and we have not made a contribution to an employee retirement plan for years.

Therefore, we are requesting an exemption from the Corporate Activity Tax in an attempt to remain profitable and continue to do business in Oregon.

Sincerely,

Barry E. Polonsky

President

American Metals Corporation