

**HB 3192 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Jonathan Hart, Economist

**Meeting Dates:** 2/14

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**WHAT THE MEASURE DOES:**

Exempts receipts from sales of precious metals from commercial activity subject to Corporate Activity Tax. Applies to tax years beginning on or after January 1, 2024. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Currently, receipts from sales of precious metals are included in commercial activity and subject to the Corporate Activity Tax unless the seller is an exempt entity such as a nonprofit business. For an individual taxpayer, commercial activity up to \$1 million per year is excluded from the tax, and taxpayers are allowed a subtraction from commercial activity of 35 percent of the higher of cost of goods sold, or labor costs.

HB 3192 would create an exemption from commercial activity for receipts from the sale of precious metals or items that incorporate specified precious metals. The bill does not exempt sales of dental gold, unrefined metal ore, electronic components, or parts of mechanical systems on a motor vehicle.