

February 14, 2023

House Committee on Revenue

Testimony in support of HB 3192

Chair Nathanson, Vice Chairs Reschke and Walters and Members of the Committee:

For the record, my name is Rick Gately and my business for over forty years is LaGrande Gold & Silver in LaGrande, Oregon.

I am testifying today in support of House Bill 3192.

As a result of the Corporate Activity Tax being applied to precious metals, it has created an uneven playing field with other investment professionals. The tax is applied differently if it is purchased through an investment professional or a precious metals dealer.

In the beautiful Northeast corner of our state, our client base is made up of every day working people: school teachers, mill workers, ranchers and farmers. Many of these folks want to add precious metals to their investment portfolio, along with their stock, bonds and mutual funds.

This tax penalizes those investors, treating their investment like they are purchasing a retail item. This results in driving clients out of state to make their investments in gold and silver.

Being in the Northeast corner of the state, very close to the Washington border and not far from Idaho either, we are losing business to them as these states have an exemption or no similar tax on the sale of precious metals.

The Corporate Activity Tax on precious metals also kills “in-state” dealer-to-dealer or dealer-to-wholesaler transactions.

Before the enactment of the tax on precious metals sales, I would purchase an investment back from a client (that is when they wanted to divest of their precious metals investment). Then I would most often sell that investment back into the market place through a wholesaler here in Oregon. Now I always sell to an out-of-state trading floor. That way I don’t have to discount what I can pay to my clients on a purchase back from them. This is best for my client, but also keeps me in line with all of my nearby out-of-state competitors.

Also in regard to these “in-state” dealer-to-dealer” or dealer-to-wholesaler transactions, having those dollars circulate in our state would have an exponential benefit to our state’s economy.

I would like to thank you for the opportunity to testify, and I would appreciate your support of HB 3192.