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**HOUSE BILL 1417**

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**State of Washington**

**67th Legislature**

**2021 Regular Session**

**By** Representative Chase

1 AN ACT Relating to the taxation of precious metal bullion made of  
2 gold and silver and monetized bullion, and providing that the use of  
3 bullion as tender is voluntary; amending RCW 82.04.062 and 84.36.070;  
4 adding a new chapter to Title 43 RCW; providing an effective date;  
5 and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 NEW SECTION. **Sec. 1.** The definitions in this section apply  
8 throughout this chapter unless the context clearly requires  
9 otherwise.

10 (1) "Legal tender" means a recognized medium of exchange for  
11 payment of debt and taxes.

12 (2) "Monetized bullion" means coin or other forms of money  
13 manufactured from gold, silver, or other metals, and is used as a  
14 medium of exchange under the laws of this state, the United States,  
15 or any foreign nation. "Monetized bullion" includes, but is not  
16 limited to, nuggets, bars, sticks, dust, or other forms of processed  
17 forms of precious metals. "Monetized bullion" does not include coins  
18 or money sold to be manufactured into jewelry or works of art.

19 (3) "Precious metal bullion" means gold or silver which has been  
20 put through a process of smelting or refining and which is in such a

1 state or condition that its value depends upon its content and not  
2 upon its form.

3 NEW SECTION. **Sec. 2.** Washington courts shall require specific  
4 performance contract provisions that specifically call for payment in  
5 type or form of precious metal bullion made of gold or silver, or  
6 monetized bullion.

7 NEW SECTION. **Sec. 3.** Unless specifically provided by law or by  
8 contract, a person or legal entity may not compel any other person or  
9 legal entity to tender precious metal bullion made of gold or silver,  
10 or monetized bullion, or to accept precious metal bullion or  
11 monetized bullion as tender.

12 NEW SECTION. **Sec. 4.** The exchange of one type or form of  
13 precious metal bullion made of gold or silver, or monetized bullion,  
14 for a type or form of legal tender may not give rise to any tax  
15 liability, and is subject to the tax provisions of RCW 82.04.062 and  
16 84.36.070.

17 **Sec. 5.** RCW 82.04.062 and 1985 c 471 s 5 are each amended to  
18 read as follows:

19 (1) For purposes of this chapter, "wholesale sale," "sale at  
20 wholesale," "retail sale," and "sale at retail" do not include the  
21 sale of precious metal bullion or monetized bullion.

22 (2) In computing tax under this chapter on the business of making  
23 sales of precious metal bullion or monetized bullion, the tax shall  
24 not be imposed on the amounts received as commissions upon  
25 transactions for the accounts of customers over and above the amount  
26 paid to other dealers associated in such transactions, but ~~((no))~~ a  
27 deduction or offset is allowed on account of salaries or commissions  
28 paid to salesmen or other employees.

29 (3) For purposes of this section, ~~(("precious metal bullion"~~  
30 ~~means any precious metal which has been put through a process of~~  
31 ~~smelting or refining, including, but not limited to, gold, silver,~~  
32 ~~platinum, rhodium, and palladium, and which is in such state or~~  
33 ~~condition that its value depends upon its contents and not upon its~~  
34 ~~form. For purposes of this section, "monetized bullion" means coins~~  
35 ~~or other forms of money manufactured from gold, silver, or other~~  
36 ~~metals and heretofore, now, or hereafter used as a medium of exchange~~

1 ~~under the laws of this state, the United States, or any foreign~~  
2 ~~nation, but does not include coins or money sold to be manufactured~~  
3 ~~into jewelry or works of art)) the definitions in section 1 of this~~  
4 ~~act apply.~~

5 **Sec. 6.** RCW 84.36.070 and 1997 c 181 s 1 are each amended to  
6 read as follows:

7 (1) Intangible personal property is exempt from ad valorem  
8 taxation.

9 (2) "Intangible personal property" means:

10 (a) All moneys and credits, including mortgages, notes, accounts,  
11 certificates of deposit, tax certificates, judgments, state, county  
12 and municipal bonds and warrants and bonds and warrants of other  
13 taxing districts, bonds of the United States and of foreign countries  
14 or political subdivisions thereof ~~((and))~~, the bonds, stocks, or  
15 shares of private corporations, or precious metal bullion made of  
16 gold or silver, or monetized bullion, as defined in section 1 of this  
17 act;

18 (b) Private nongovernmental personal service contracts, private  
19 nongovernmental athletic or sports franchises, or private  
20 nongovernmental athletic or sports agreements provided that the  
21 contracts, franchises, or agreements do not pertain to the use or  
22 possession of tangible personal or real property or to any interest  
23 in tangible personal or real property; and

24 (c) Other intangible personal property such as trademarks, trade  
25 names, brand names, patents, copyrights, trade secrets, franchise  
26 agreements, licenses, permits, core deposits of financial  
27 institutions, noncompete agreements, customer lists, patient lists,  
28 favorable contracts, favorable financing agreements, reputation,  
29 exceptional management, prestige, good name, or integrity of a  
30 business.

31 (3) "Intangible personal property" does not include zoning,  
32 location, view, geographic features, easements, covenants, proximity  
33 to raw materials, condition of surrounding property, proximity to  
34 markets, the availability of a skilled workforce, and other  
35 characteristics or attributes of property.

36 (4) This section does not preclude the use of, or permit a  
37 departure from, generally accepted appraisal practices and the  
38 appropriate application thereof in the valuation of real and tangible  
39 personal property, including the appropriate consideration of

1 licenses, permits, and franchises granted by a government agency that  
2 affect the use of the property.

3 NEW SECTION. **Sec. 7.** This act may be known and cited as the  
4 Washington state sound money act.

5 NEW SECTION. **Sec. 8.** Sections 1 through 4 and 7 of this act  
6 constitute a new chapter in Title 43 RCW.

7 NEW SECTION. **Sec. 9.** This act is necessary for the immediate  
8 preservation of the public peace, health, or safety, or support of  
9 the state government and its existing public institutions, and takes  
10 effect July 1, 2021.

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