



## Support For HB 1379 – Eliminating State Capital Gains From Gold and Silver

My name is Stefan Gleason and I am the Chairman of the Sound Money Defense League. Thank you for the opportunity to testify before you today.

I stand today in strong support of HB 1379, a measure pending before the House Finance and Taxation Committee to exempt capital gains from sales of gold and silver from North Dakota's taxable income.

HB 1379 would simply cause taxpayers to back out any "gains" on sales of gold and silver reported on their federal tax returns. This popular measure was signed into law in Nebraska in 2024, and Arkansas and Tennessee in 2023. 13 states have now ended capital gains on gold and silver.

North Dakota rightfully exempted purchases of the monetary metals from state sales taxes. Removing income tax from the precious metals is the logical next step.

By passing this bill, North Dakota would join several other states in ending income taxation of the only form of money mentioned in U.S. Constitution. South Carolina, West Virginia, Missouri, Kansas, and Iowa are just a few of the states considering such measures right now, with several bills having passed out of at least one chamber.

Several decades ago, monetary gold and silver -- and dollars formally redeemable in gold and silver -- were supplanted by the Federal Reserve note as America's currency. However, an increasing number of North Dakota citizens are realizing that holding gold and/or silver as a form of savings can help protect against the ongoing devaluation of the Federal Reserve note.

Here are a few reasons why slapping an income tax on the monetary metals is wrong:

- **Current North Dakota law assesses taxes on imaginary gains.** Under current law, a taxpayer who sells precious metals may end up with a capital "gain" in terms of Federal Reserve Notes. This capital "gain" is not necessarily a *real* gain, it's often a *nominal* gain that results from the inflation created by the Federal Reserve and the attendant decline in the dollar's purchasing power.

Yet this nominal gain is taxed at the federal level – and, because North Dakota uses federal adjusted gross income (AGI) as a starting point for North Dakota income calculations, this nominal gain is taxed again by the Peace Garden State.

- **Inflation harms the poorest among us.** Inflation is a regressive tax. The hardest hit are wage earners, savers, and pensioners on fixed incomes – as well as those who own few or no tangible assets.

- **Taxing imaginary gains is harmful to citizens attempting to protect their assets.**  
Investments in precious metals coins and bullion are rightly exempt from North Dakota's sales tax. Neutralizing the state's income tax treatment of the monetary metals would remove the last major disincentive in North Dakota that stands against the ownership and use of the monetary metals.

Policies that penalize savers in precious metals reduce the likelihood that North Dakota citizens will take prudent steps to insulate themselves from the inflation and financial turmoil caused by Congress and the Federal Reserve.

On behalf of North Dakota savers, wage earners, and all those who use gold and silver to help insure against the devastating effects of inflation, we strongly urge you to vote YES on HB 1379 and remove income taxes from gold and silver.

Sincerely,  
Stefan Gleason, Chairman  
Sound Money Defense League