

1 SB56
2 133192-1
3 By Senator Sanford
4 RFD: Finance and Taxation Education
5 First Read: 07-FEB-12
6 PFD: 11/02/2011

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8 SYNOPSIS: This bill would recognize gold and silver
9 coin issued by the federal government as legal
10 tender in the state and would exempt the exchange
11 of such coin from certain types of state tax
12 liability.

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14 A BILL
15 TO BE ENTITLED
16 AN ACT
17

18 To recognize gold and silver coin issued by the
19 federal government as legal tender in this state and to
20 provide that the exchange of gold and silver coin for another
21 form of legal tender does not create certain income or sales
22 tax liability.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. This act shall be known and may be cited
25 as the Alabama Legal Tender Act.

26 Section 2. (a) Gold and silver coin issued by the
27 federal government is legal tender in this state.

1 (b) A person may not compel any other person to
2 tender or accept gold and silver coin that is issued by the
3 federal government.

4 Section 3. The exchange of gold and silver coin
5 issued by the federal government as a form of legal tender is
6 exempt from state sales and use taxes.

7 Section 4. (a) As used in this section, the
8 following terms shall have the following meanings:

9 (1) CAPITAL GAIN TRANSACTION. A transaction that
10 results in a short-term capital gain or a long-term capital
11 gain.

12 (2) LONG-TERM CAPITAL GAIN. A gain defined in
13 Section 1222, Internal Revenue Code.

14 (3) SHORT-TERM CAPITAL GAIN. A gain defined in
15 Section 1222, Internal Revenue Code.

16 (b) For taxable years beginning on January 1, 2012,
17 and thereafter, a claimant, estate, or trust may claim a
18 nonrefundable tax credit for a capital gain not offset by a
19 capital loss under federal law. The credit is equal to five
20 percent of the total amount of the claimant's, estate's, or
21 trust's short-term capital gain or long-term capital gain on a
22 capital gain transaction from an exchange made on or after
23 January 1, 2012, of gold or silver coin issued by the federal
24 government as a form of legal tender.

25 (c) A claimant, estate, or trust may not carry
26 forward or carry back a tax credit under this section.

1 Section 5. This act shall become effective January
2 1, 2012.