
COINS, CURRENCY, & PRECIOUS METAL

The *Arvada Municipal Code* imposes a sales tax upon the purchase price paid for tangible personal property sold at retail in the City. To the extent that a sufficient, legally imposed sales/use tax was not paid at the time of purchase to the City or another municipality, Arvada use tax is due.

While some taxing jurisdictions provide an exemption for certain coins, stamps, and precious metal bullion (monetized or non-monetized), Arvada's Code provides no such exemption.

Coins & Currency

Where coins and currency constitute legal tender of the United States or another nation, and are in general circulation as a medium of payment, their exchange in the open market, at an exchange rate that reflects their relative values as currency, will not be regarded as a taxable sale of tangible personal property. The same will be true even when the transferee is charged a small fee, or does not receive the full face value of the currency exchanged.

Numismatic Items

The purchase of coins and other currency no longer in general circulation is subject to Arvada sales and use tax. Rare or commemorative coins purchased at a rate not reflective of their face value as a medium of payment, or at a value determined by their precious metal content, are also subject to Arvada sales and use tax on the price paid for their purchase, even though they may technically be acceptable as legal tender.

Precious Metal Bullion

The sale and purchase of non-monetized, precious metal bullion, such as gold, silver, platinum, and palladium, is subject to Arvada sales and use tax. (See "Numismatic Items" above for the treatment of monetized bullion). Arvada's Code does not provide an exemption for bulk purchases of precious metal bullion, or for bullion held for investment purposes.

Trading & Bartering

Persons who use precious metals or precious stones in lieu of legal tender to acquire taxable items must pay Arvada sales and use tax on the price of such items. The bartered exchange of taxable coins or currency for other taxable coins or currency is also subject to Arvada sales and use tax.

EXAMPLES

1. Person A has a jar full of change (legal, generally circulating U.S. tender) and wishes to exchange the jar for bills. Person A takes the jar to a coin counting machine. The machine returns only 95¢ for each \$1 counted. There is no Arvada sales tax due on this exchange.
2. Person B is traveling to Europe. Before his trip, he visits the bank and exchanges U.S. dollars for Euros at the current market exchange rate. There is no Arvada sales tax due on this exchange.
3. Person C purchases an American Silver Eagle coin from an online coin dealer. Person C pays \$20 for the coin. The face value of the coin as legal U.S. tender is \$1. The online dealer does not collect any sales tax. Person C must report and pay Arvada use tax on the \$20 purchase price.

ARVADA MUNICIPAL CODE – Chapter 98 – Taxation

Sec. 98-61. – Definitions

Sec. 98-66. – Property and Service Taxed

Sec. 98-70. – Exempt Sales

Sec. 98-77. – Tax on Use, Storage, Distribution, Consumption; intent.

Sec. 98-78. – Exemption

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT ARVADA TAX LAW FOR THIS SUBJECT, INDUSTRY, OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE ARVADA TAX CODE. HOWEVER, THE TAX GUIDE SHALL BE USED IN CONJUNCTION WITH THE ARVADA TAX CODE (CHAPTER 98) IN DETERMINING TAX LIABILITY.