



STATE BOARD OF EQUALIZATION

(916) 445-6493

January 10, 1974

[A]

Dear Mr. [B]

This letter will expand on the letter of December 5, 1973 by Mr. [C] the subject of the sale of monetized bullion exempted by Chapter 1019 (A.B. 711).

Chapter 1019 defines "monetized bullion" as "coins or other forms of money manufactured of gold, silver, or other metals and heretofore, now, or hereafter used as a medium of exchange under the laws of this State, the United States, or any foreign nation."

As you know from our earlier telephone conversation, we do not regard silver bars as monetized bullion because they are not forms of money used as a medium of exchange under the laws of this State, the United States, or (so far as we are aware) any foreign nation.

Also, the sales exempted by Chapter 1019 must be sales in bulk, which is defined in that chapter. The definition requires that the transaction total, in face amount, \$1,000 or more. It is our opinion that "face amount" means the value stamped on the coins or other forms of money pursuant to the laws of this State, the United States, or the foreign nation which establishes that form of money as a medium of exchange. "Face amount" does not mean the "spot" price of the commodity sold in the transaction. For example, 3,999 quarter dollar coins of the United States do not total, in face amount, \$1,000 or more whatever that amount of coins may be sold for in today's market.

As you also know, part (e) of sections 1 and 2 of Chapter 1019 declares the section to be expository of existing law and not amendatory thereof. This agency is requesting an Attorney General opinion on this matter.

If you have any further information or comments on this matter, please do not hesitate to contact me at the above address.

Very truly yours,

Philip R. Dougherty
Tax Counsel