

DEPARTMENT OF STATE REVENUE

Information Bulletin #50
Sales Tax
October 2023
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(Replaces Bulletin #50, dated March 2023)

SUBJECT: Sales of Coins, Bullion, or Legal Tender

REFERENCES: [IC 6-2.5-3-5](#); [IC 6-2.5-4-1](#); [45 IAC 2.2-4-1](#); [IC 6-2.5-5-47](#)

DISCLAIMER: Information bulletins are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is not consistent with the law, regulations, or court decisions is not binding on either the department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

SUMMARY OF CHANGES

Aside from nonsubstantive, technical changes, this bulletin has been updated to clarify how the exemption applies to transactions made by auctioneers and to move the tables within the sections of this bulletin into a taxability matrix at the end of this bulletin.

INTRODUCTION

In general, Indiana sales tax is imposed on sales of tangible personal property made in Indiana. However, transactions involving the sale of or the lease or rental of storage for certain coins, bullion, or legal tender are exempt from sales tax.

Transactions involving the sale of coins or bullion are exempt from sales tax if the coins or bullion are permitted investments by an individual retirement account (IRA) or by an individually-directed account (IDA) under 26 U.S.C. 408(m). Transactions involving the sale of legal tender are always exempt from sales tax, even if sold at more than face value. The lease or rental of storage space for coins, bullion, or legal tender is exempt from sales tax if the storage space is used to store exempt coins, exempt bullion, or legal tender.

Under 26 U.S.C. 408(m), IRAs and IDAs are prohibited from investing in "collectibles," the definition of which includes **any metal** or gem and **any** stamp or **coin**. However, Congress created a limited exception to this rule by exempting certain coins and bullion from the definition of collectible. Accordingly, only specifically approved coins, as described in 26 U.S.C. 408(m)(3)(A), and specifically approved bullion, as described in 26 U.S.C. 408(m)(3)(B), which may be available in the form of coins, bars, or rounds, are permitted investments by an IRA or an IDA.

To be exempt from sales tax, coins (other than legal tender) and bullion are not required to be held by an IRA or IDA. Rather, the exemption applies to coins or bullion that are **permitted** to be held by an IRA or IDA.

EXEMPT COINS

Indiana law provides a sales tax exemption for coins that are permitted investments by an IRA or an IDA under 26 U.S.C. 408(m) ("specifically approved coins"). The specifically approved coins are commonly referred to as "American Eagles" and "American Eagle Proofs." Additionally, coins issued under the laws of any state are permitted investments by an IRA or an IDA under 26 U.S.C. 408(m) and may be purchased exempt from tax. Examples of such specifically approved coins are listed in Appendix A to this bulletin.

NOTE: American Eagle coins, American Eagle Proof coins, and coins issued under state law are the only specifically approved "coins" in which an IRA or an IDA is permitted to invest. However, other gold, silver, platinum, and palladium coins may be permitted investments by an IRA or an IDA if the coins qualify as specifically approved "bullion" that is a permitted investment by an IRA or IDA under 26 U.S.C. 408(m). Please refer to the EXEMPT BULLION section below.

NOTE: U.S. coins that are legal tender may be purchased exempt from sales tax regardless of whether they are a permitted investment by an IRA or an IDA under 26 U.S.C. 408(m). Please refer to the LEGAL TENDER section below.

EXEMPT BULLION

As a general rule, transactions involving the sale of bullion, which may be available in the form of coins, bars, or rounds are subject to tax. Notwithstanding the general rule, Indiana law provides a sales tax exemption for bullion that would be a permitted investment by an IRA or an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee ("specifically approved bullion").

Specifically approved bullion is bullion that meets the following fineness requirements:

- gold coins, bars, or rounds that are 995 parts per 1,000 (99.5%);
- silver coins, bars, or rounds that are 999 parts per 1,000 (99.9%);
- platinum coins, bars, or rounds that are 999.5 parts per 1,000 (99.95%); and
- palladium coins, bars, or rounds that are 999.5 parts per 1,000 (99.95%).

Examples of such specifically approved bullion are listed in Appendix A to this bulletin.

NOTE: Bullion of a fineness that fails to meet or exceed the minimum fineness requirements is a "collectible" and remains subject to tax. Please refer to Appendix A at the conclusion of this bulletin for examples of rare coins that are "collectibles" under 26 U.S.C. 408(m) that are not permitted investments by an IRA or an IDA.

Even if bullion does not qualify as specifically approved bullion that may be purchased exempt from sales tax, other forms of bullion, including bullion coins, may qualify for Indiana's sales tax exemption for legal tender. Please refer to the LEGAL TENDER section below.

LEGAL TENDER

Indiana law provides a sales tax exemption for transactions involving the purchase of legal tender. "Legal tender" means all United States coins and currency, regardless of age or date of circulation, including Federal Reserve Notes and circulating notes of Federal Reserve Banks. Foreign gold coins, silver coins, and other foreign currency are not considered legal tender for purposes of this exemption. They may be "legal tender" in the foreign nation, territory, or state that issued them, but the exemption is limited to United States coins and currency.

NOTE: Foreign circulating currency obtained through an exchange of currency at a bank or "Currency Exchange" is typically obtained through a like kind exchange. Transactions in which foreign currency is obtained through a like kind exchange are not subject to sales tax. Common examples of like kind exchanges include, but are not limited to, the exchange of U.S. dollars for an equivalent amount euros, pesos, yen, pounds, francs, Canadian dollars, or yuan.

EXEMPT STORAGE

In general, Indiana does not impose sales tax on the lease or rental of storage space. Therefore, lease or rental fees associated with the storage of exempt coins, exempt bullion, or legal tender are not subject to sales tax. In addition, the keeping or retention of exempt coins, exempt bullion, or legal tender in Indiana is not subject to use tax.

RETAIL MERCHANTS - RESPONSIBILITIES AND OBLIGATIONS

Persons occupationally engaged in the selling of gold, silver, platinum, or any other metal or alloy in the form of coins, bullion, bars, or in any other form, shape, size, or condition in Indiana are required to register as Indiana retail merchants and collect and remit Indiana sales tax on such transactions. Registration with the department is required regardless of whether the coins, bullion, or legal tender being sold qualify for the sales tax exemption discussed in this bulletin.

Such persons may purchase such items exempt from sales tax as a sale for resale. The purchaser may provide the seller with the Indiana General Sales Tax Exemption Certificate (Form ST-105) or SSTGB Form F0003, an exemption certificate used by states participating in the Streamlined Sales and Use Tax Agreement. Either form can be accepted by Indiana retailers and can be used by nonresident purchasers. The forms are available at in.gov/dor/tax-forms/sales-tax-forms/.

Persons not occupationally engaged in the selling of such items do not need to provide an exemption certificate when purchasing coins, bullion, or legal tender that qualify for the sales tax exemption discussed in this bulletin. Primarily, exemption certificates prove that a purchaser qualifies for an exemption, but transactions involving the sale of coins or bullion that are permitted investments by an IRA or an IDA, the specifically approved coins and bullion, and transactions involving the sale of legal tender are exempt from sales tax regardless of who the purchaser is. Retail merchants selling coins, bullion, or legal tender are still required to retain adequate documentation supporting their exempt sales. Exempt sales are to be recorded on the merchant's sales tax

NOTE: Auctioneers are retail merchants making a retail transaction when selling coins, bullion, and legal tender at auction, and the same rules apply to them as they do to any other retail merchant as described above, including registration and retaining adequate documentation supporting their exempt sales. The exemption discussed in this bulletin for coins, bullions, and legal tender is applicable to all merchant types, even when sold by an auctioneer. Please refer to Sales Tax Information Bulletin #20 for further information on the tax collection responsibilities of auctioneers, available online at: in.gov/dor/legal-resources/tax-library/information-bulletins/sales-tax-information-bulletins/.

The sale of other "collectible" coins and bullion or any other tangible personal property either stored or arranged to be stored in Indiana is subject to Indiana sales tax, regardless of whether the buyer is identified as the owner of the particular coins, bullion, or tangible personal property, unless the purchaser is occupationally engaged in the sale of such items and will sell those items in the regular course of their business as outlined above. Investors purchasing "collectible" coins, bullion or legal tender not qualifying for the exemption discussed in this bulletin as an investment in order sell such items at a later date for a profit are not considered occupationally engaged in reselling, renting or leasing such property in the regular course of their business, and therefore would not qualify for the sale for resale exemption.

If you have any questions concerning this bulletin, please contact the Tax Policy Division at taxpolicy@dor.in.gov.

Robert J. Grennes, Jr.
Commissioner
Indiana Department of Revenue

APPENDIX A - TAXABILITY MATRIX

Category	Item	Taxable		Explanation
		Yes	No	
Gold Eagle Coins	1 Troy oz. \$50.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
	1/2 Troy oz. \$25.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
	1/4 Troy oz. \$10.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
	1/10 Troy oz. \$5.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
Silver Eagle Coin	1 Troy oz. \$1.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
Platinum Eagle Coin	1 Troy oz. \$100.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
	1/2 Troy oz. \$50.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
	1/4 Troy oz. \$25.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
	1/10 Troy oz. \$10.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
Palladium Eagle Coin	1 Troy oz. \$25.00 Face Value		X	Exempt as permitted investments by an IRA or by an IDA under 26 U.S.C. 408(m) ("specifically approved coins")
Currency	United States dollar (banknotes or coinage), current or		X	Exempt as legal tender

	former (e.g. Gold or Silver Certificates, United States Notes), regardless of face value, numismatic value, or age			
	United States commemorative coins, not intended for general circulation, regardless of face value, numismatic value, or age		X	Exempt as legal tender
	Euro (banknotes or coinage)	X		Not exempt as legal tender since legal tender only includes U.S. currency (unless obtained through a Currency Exchange)
	British sterling (banknotes or coinage)	X		Not exempt as legal tender since legal tender only includes U.S. currency (unless obtained through a Currency Exchange)
	Canadian dollar (banknotes or coinage)	X		Not exempt as legal tender since legal tender only includes U.S. currency (unless obtained through a Currency Exchange)
	Mexican peso (banknotes or coinage)	X		Not exempt as legal tender since legal tender only includes U.S. currency (unless obtained through a Currency Exchange)
	Current currency of a foreign nation, territory, or state (e.g., yen, yuan, rupees, etc.)	X		Not exempt as legal tender since legal tender only includes U.S. currency (unless obtained through a Currency Exchange)
	Deutschmarks, Francs, Guilders, Lira, or any other currency replaced by the Euro	X		Not exempt as legal tender since legal tender only includes U.S. currency
	Obsolete currency of a foreign nation, territory, or state (e.g., Australian pound, Canadian pound, etc.)	X		Not exempt as legal tender since legal tender only includes U.S. currency

Collectible Coins	Austrian Corona	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	Belgian 20 Franc	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	British Britannia Coins minted before 2013	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA. NOTE: Beginning in 2013, Britannia coins have a millesimal fineness meeting the 26 U.S.C. 408(m) standards and are exempt (see section below).
	Chilean 100 Peso	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	Dutch 10 Guilder	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	French 20 Franc	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	Hungarian 100 Korona	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	Italian 20 Lira	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	Mexican 20 Peso	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	South African Krugerrand	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	Swiss 20 Franc	X		Considered a "collectible" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA.
	U.S. Buffalo Proof		X	While it is a "collectible" under 26 U.S.C. 408(m), the U.S. Buffalo Proof is U.S. legal tender.
	U.S. Liberty Gold Coin		X	While it is a "collectible" under 26 U.S.C. 408(m), the U.S. Liberty Gold Coin is U.S. legal tender.
	Other Collectible or Rare Coins	X		Considered "collectibles" under 26 U.S.C. 408(m), which are not permitted investments by an IRA or by an IDA, unless they qualify as U.S. legal tender.

Gold Bullion (Min. fineness .995)	Australian Kangaroo/Nugget Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Austrian Vienna Philharmonic Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	British Britannia Coins minted in 2013 or later		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee. NOTE: Prior to 2013, the coins had a millesimal fineness below the 26 U.S.C. 408(m) standards and are taxable (see section above).
	Canadian Maple Leaf Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Chinese Panda Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	American Buffalo Bullion Gold Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Credit Suisse/PAMP Suisse Bars		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Mexican Libertad Bullion Coins minted in 1991 or later			A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Other Gold Rounds and Bars with a minimum fineness of .995		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
Silver Bullion (Min. fineness .999)	Australian Kangaroo/Koala/Kookaburra Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Austrian Vienna Philharmonic Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Canadian Maple Leaf Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Chinese Panda Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Mexican Libertad Bullion Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Other Silver Rounds and Bars with a minimum fineness of .999		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.

Platinum Bullion (Min. fineness .9995)	Austrian Vienna Philharmonic Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Australian Koala Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Canadian Maple Leaf Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Isle of Man Noble Platinum Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Other Platinum Bars and Rounds with a minimum fineness of .9995		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Canadian Palladium Maple Leaf Coins		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.
	Other Palladium Bars and Rounds with a minimum fineness of .9995		X	A "specifically approved bullion" which is a permitted investment by an IRA or by an IDA under 26 U.S.C. 408(m) if the bullion were in the physical possession of a trustee.

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