

CHANGES WITHOUT REGULATORY EFFECT UNDER CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100

Statement of Explanation

Title 18. Public Revenues

Regulation 1599, *Coins and Bullion*

A. Factual Basis

California Code of Regulations (CCR), title 18, section (Regulation) 1599, *Coins and Bullion*, implements, interprets, and makes specific the exemption from sales and use tax provided by Revenue and Taxation Code (RTC) section 6355 for sales in bulk of monetized bullion, nonmonetized gold or silver bullion, and numismatic coins that are substantially equivalent to transactions in securities or commodities. In 2022, the California Department of Tax and Fee Administration (Department) changed subdivision (a)(3)(A) of CCR, title 18, Regulation 1599, *Coins and Bullion*, to provide that:

- For sales occurring on or after January 1, 2009, and before January 1, 2023, a sale in bulk occurs if the total market value of the monetized bullion, nonmonetized gold or silver bullion, and numismatic coins sold in a single transaction is \$1,500 or more.
- For sales occurring on or after January 1, 2023, a sale in bulk occurs if the total market value of the monetized bullion, nonmonetized gold or silver bullion, and numismatic coins sold in a single transaction is \$2,000 or more, or is equal to or exceeds the adjusted amount as computed by RTC section 6355. For purposes of this regulation, market value means sales price as defined in RTC section 6011.

However, Senate Bill No. (SB) 889 (Stats. 2023, ch. 511) added subdivision (b)(3)(A) to RTC section 6355 to specifically make the January 1, 2023, increase in the operative bulk sale threshold operative on July 1, 2023, instead of January 1, 2023. Accordingly, the Department proposes to change Regulation 1599, by replacing “January” with “July” in the second and third paragraphs of subdivision (a)(3)(A). These proposed changes to Regulation 1599 are appropriate for processing under CCR, title 1, section (Rule 100) because they make the regulation consistent with the amendments made by SB 889 to RTC section 6355 and they do not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any CCR provision.

B. Proposed Changes

The following Rule 100 changes are proposed to title 18 of the CCR:

TEXT OF PROPOSED CHANGES

(a) ... (unchanged).

(1) ... (unchanged).

(2) ... (unchanged).

(3) ... (unchanged).

(A) The sale is in bulk amount. For sales occurring on or before December 31, 2008, a sale in bulk occurs if the total market value of the monetized bullion, nonmonetized gold or silver bullion, and numismatic coins sold in a single transaction is \$1,000 or more.

For sales occurring on or after January 1, 2009, and before ~~January~~ July 1, 2023, a sale in bulk occurs if the total market value of the monetized bullion, nonmonetized gold or silver bullion, and numismatic coins sold in a single transaction is \$1,500 or more.

For sales occurring on or after ~~January~~ July 1, 2023, a sale in bulk occurs if the total market value of the monetized bullion, nonmonetized gold or silver bullion, and numismatic coins sold in a single transaction is \$2,000 or more, or is equal to or exceeds the adjusted amount as computed by Revenue and Taxation Code Section 6355. For purposes of this regulation, market value means sales price as defined in Revenue and Taxation Code Section 6011.

(B) ... (unchanged).

(4) ... (unchanged).

(b) ... (unchanged).

(1) ... (unchanged).

(2) ... (unchanged).

(3) ... (unchanged).

(4) ... (unchanged).

(5) ... (unchanged).

(6) ... (unchanged).

(7) ... (unchanged).

(c) ... (unchanged).

(1) ... (unchanged).

(2) ... (unchanged).

(3) ... (unchanged).

(4) ... (unchanged).

(5) ... (unchanged).

NOTE: ... (unchanged).