

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-M-95 (9) S
Sales Tax
August 28, 1995

Sale of Coins of the Republic of South Africa

Precious metal bullion sold for investment is exempt from state and local sales and compensating use taxes when it meets the specified statutory requirements of section 1115(a)(27) of the Tax Law. *Precious metal bullion* means bars, ingots or coins consisting of gold, silver, platinum, palladium, rhodium, ruthenium or iridium. It does not, however, include bars, ingots or coins when manufactured, processed, assembled, fabricated or used for industrial, professional, aesthetic or artistic purposes. Until a recent change in the Tax Law, precious metal bullion also did not include coins of the Republic of South Africa (e.g., the Krugrand).

The Tax Law was amended, effective September 1, 1995, to remove the prohibition against allowing coins of the Republic of South Africa to qualify as precious metal bullion (Chapter 147 of the Laws of 1995). Thus, coins of the Republic of South Africa, which meet the qualifying statutory requirements for exemption when sold for investment, are exempt from sales and use taxes on and after September 1, 1995.

For information on the qualifying requirements for exemption for purchases of precious metal bullion, see TSB-M-89(20)S. Disregard any references to the exclusion for *coins of the Republic of South Africa* contained in TSB-M-89(20)S and TSB-M-90(1)S for transactions occurring on and after September 1, 1995.