AN ACT
RELATING TO FINANCIAL INSTITUTIONS -LEGAL TENDER

Introduced By: Representative Daniel P. Gordon

Date Introduced: February 16, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Chapter 19-14 of the General Laws entitled "Licensed Activities" is hereby amended by adding thereto the following section:

19-14-34. Legal tender. — (a) Gold and silver coin issued by the federal government is legal tender in the state.

(b) A person may not compel any other person to tender or accept gold and silver coin that is issued by the federal government.

19-14-35. Nonrefundable tax credit for capital gain transactions on the exchange of gold and silver coin for another form of legal tender. — (a) As used in this section:

(1) “Capital gain transaction” means a transaction that results in a:

(i) Short-term capital gain, as defined in section 1222, Internal Revenue Code; or

(ii) Long-term capital gain, as defined in section 1222, Internal Revenue Code.

(b) For taxable years beginning on or after January 1, 2012, a claimant, estate, or trust may claim a nonrefundable tax credit equal to the product of:

(1) To the extent a capital gain is not offset by a capital loss under chapter 1, subchapter P, capital gains and losses, Internal Revenue Code, the total amount of the claimant’s, estate’s, or trust’s short-term capital gain or long-term capital gain on a capital gain transaction from an exchange made on or after January 1, 2012, of gold or silver coin issued by the federal government for another form of legal tender; and

(2) Five percent (5%).
(c) A claimant, estate, or trust may not carry forward or carry back a tax credit under this section.

SECTION 2. Severability. If any provision of this chapter or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the chapter, which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are declared to be severable.

SECTION 3. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO FINANCIAL INSTITUTIONS -LEGAL TENDER

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1 This act would make gold and silver coin issued by the federal government legal tender in the state.

2 This act would take effect upon passage.