



THE STATE  
of ALASKA  
GOVERNOR MIKE DUNLEAVY

## Department of Revenue

TREASURY DIVISION

PO Box 110405  
Juneau, Alaska 99811-0405  
Main: 907.465.3749

April 27, 2022

The Honorable Sara Hannan  
Alaska State Representative  
Co-Chair, House CRA Committee  
State Capitol Room 204  
Juneau, AK 99801

The Honorable Calvin Schrage  
Alaska State Representative  
Co-Chair, House CRA Committee  
State Capitol Room 104  
Juneau, AK 99801

Dear Co-Chairs Hannan and Schrage,

The purpose of this letter is to provide you with a response to the questions asked of the Department of Revenue (DOR) during the House Bill (HB) 167 discussion in House Community and Regional Affairs. The DOR made inquiries through national networks regarding the questions posed below on HB 167. The Treasury and Tax Divisions spoke or emailed with state representatives from Utah, Louisiana, Colorado, Wyoming, Texas, Washington, Massachusetts, and New Mexico. Additional research indicates that while many states have adopted the concept of tender as "sound money" to help residents to secure their paper money with gold and silver; the legislation passed in most states allows for an exemption of local sales tax, but states are not accepting this tender as payment for taxes.

*How are state's dealing with payment to state for taxes?*

None of the states that responded, or that DOR researched, accept gold or silver for taxes.

*How would value of tender be reported?*

Although none of the states mentioned above accept gold or silver tender, those that responded indicated two key issues with doing so; value of the tender and transaction fees. There was concern about the risk of value fluctuation. The use of a third party to exchange tender for cash before being remitted to the state agency was mentioned. This would require sufficient value of the tender to pay taxes after the cash exchange occurred and any associated costs or fees would be borne by the taxpayer.

*Could this help the commercial marijuana industry? Could it wake up the banking industry?*

It is unlikely that this could assist the marijuana industry for the same reason that it is a federally prohibited industry.



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I hope you find this information to be useful. Please do not hesitate to contact me if you have further questions.

Sincerely,

*Pamela Leary*

Pam Leary  
Treasury Division Director