

112TH CONGRESS
1ST SESSION

H. R. 1098

To repeal the legal tender laws, to prohibit taxation on certain coins and bullion, and to repeal superfluous sections related to coinage.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2011

Mr. PAUL introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To repeal the legal tender laws, to prohibit taxation on certain coins and bullion, and to repeal superfluous sections related to coinage.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Free Competition in
5 Currency Act of 2011”.

6 **SEC. 2. REPEAL OF LEGAL TENDER LAWS.**

7 (a) IN GENERAL.—Section 5103 of title 31, United
8 States Code (relating to legal tender), is hereby repealed.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for subchapter I of chapter 51 of title 31, United States
3 Code, is amended by striking the item relating to section
4 5103 and inserting the following new item:

“5103. [Repealed].”.

5 **SEC. 3. NO TAX ON CERTAIN COINS AND BULLION.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
7 sion of law—

8 (1) no tax may be imposed on (or with respect
9 to the sale, exchange, or other disposition of) any
10 coin, medal, token, or gold, silver, platinum, palla-
11 dium, or rhodium bullion, whether issued by a State,
12 the United States, a foreign government, or any
13 other person; and

14 (2) no State may assess any tax or fee on any
15 currency, or any other monetary instrument, which
16 is used in the transaction of interstate commerce or
17 commerce with a foreign country, and which is sub-
18 ject to the enjoyment of legal tender status under
19 article I, section 10 of the United States Constitu-
20 tion.

21 (b) EFFECTIVE DATE.—This section shall take effect
22 on December 31, 2011, but shall not apply to taxes or
23 fees imposed before such date.

1 **SEC. 4. REPEAL OF SUPERFLUOUS SECTIONS.**

2 (a) IN GENERAL.—Title 18, United States Code, is
3 amended by striking sections 486 (relating to uttering
4 coins of gold, silver, or other metal) and 489 (making or
5 possessing likeness of coins).

6 (b) CONFORMING AMENDMENT TO TABLE OF SEC-
7 TIONS.—The table of sections at the beginning of chapter
8 25 of title 18, United States Code, is amended by striking
9 the items relating to the sections stricken by subsection
10 (a).

11 (c) SPECIAL RULE CONCERNING RETROACTIVE EF-
12 FECT.—Any prosecution under the sections stricken by
13 subsection (a) shall abate upon the taking effect of this
14 section. Any previous conviction under those sections shall
15 be null and void.

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