



GOLDSTAR **TRUST COMPANY**

US Gold Buffalos: Uncirculated vs. Proof

While both the proof and uncirculated Buffalo gold pieces meet the fineness and metal content requirements of the 1997 Taxpayer Relief Act, the act refers to allowable coins as being “bullion”. **The U.S. Mint Web site refers to the uncirculated version as a bullion coin but the proof version as a collector coin.**

US Mint description:

http://www.usmint.gov/mint_programs/buffalo24k/

United States Mint American Buffalo Gold Bullion Coins

American Buffalo Gold Bullion Coins are the first .9999 fine 24-karat gold coins ever struck by the United States Mint and offered for sale through a network of Authorized Purchasers. These \$50 gold coins are available to members of the public seeking a simple and tangible means to own and invest in 24-karat gold in the form of legal tender coins whose content and purity is guaranteed by the United States Government.

American Buffalo Gold Bullion Coins are available at many coin and precious metals dealers as well as many brokerage houses and participating banks. Pricing for precious metal investment coins typically depends on the market price of the metal.

United States Mint American Buffalo Gold Proof Coins

The United States Mint produces a **proof version of these coins for collectors**. The term "proof" refers to a specialized minting process that begins by manually feeding burnished coin blanks into presses fitted with special dies. Each coin is struck multiple times so the softly frosted and highly detailed images seem to float above the field.

An official Certificate of Authenticity accompanies each coin. **American Buffalo Gold Proof Coins** sell at a fixed price and can be purchased directly from the United States Mint.

Although this may seem like a minor distinction, the tax implications could be huge if it is determined that the proof version of the Gold Buffalo is in fact a collectible and consequently not IRA eligible. Because ICTA (The Industry Council for Tangible Assets) did not seek a private letter ruling, the question is still open. While the Internal Revenue Code does not specifically forbid the proof version, it makes no distinction that it is allowable either. The ICTA believes its interpretation to be “a word to the wise”.

Thus, GoldStar Trust Company’s policy is to allow only uncirculated US Gold Buffalo *bullion* coins and not the proof version. The policy may be revisited if and when the issue is more clearly defined.