

Alabama Department of Revenue

News Release
June 24, 2010

New License Requirement Effective July 1 for Dealers of Precious Metals/Stones

Montgomery— The Alabama Department of Revenue (ADOR) reminds dealers of precious metals and stones of a [new business privilege licensing requirement](#) that becomes effective July 1.

The new law, Act 2010-732, establishes an annual license fee of \$150 (\$100 state; \$50 county) and sets specific recordkeeping and reporting requirements for Alabama dealers of precious metals and stones, beginning July 1, 2010.

Precious metals and stones include items made in whole or in part of gold, silver, or platinum, and precious or semiprecious stones or pearls.

Manufacturers, retail merchants, wholesalers, and pawnbrokers licensed by the State Banking Department are exempt from this new category of the business privilege license.

The ADOR advises that in addition to the licensing provisions, the new law also requires dealers of precious metals and stones to maintain certain recordkeeping procedures and to report certain information to local law enforcement on a regular basis.

Dealers are required to forward a copy of their license to local law enforcement within five days after purchasing the license from the county licensing issuing official of the county where the dealer's permanent place of business is located. A permanent place of business is defined as fixed premises either owned by the dealer or leased by the dealer for at least one year. Records concerning the sale of the precious metals/stones must be maintained for six months and must be available for inspection by local law enforcement. Dealers, at least once a week in which a purchase is made, must forward a list of the items purchased to the local law enforcement which includes the following information:

- Brand name and serial number of the item(s) purchased.
- Accurate description of the item.
- Date and time item was received.

- Amount paid for each item.
- Name, address, date of birth, and signature of the person from whom the dealer purchased the item.
- Description of the person, including height, weight, race, complexion and hair color.
- Valid identification card information provided by the seller (e.g., driver license, non-driver identification card, Armed Services or other valid photo identification) to include a traceable serial number.

The new law also requires dealers to hold the items purchased in the same shape and form as received for 15 business days following notification of the purchases to law enforcement.

To obtain more information about the [new license](#), visit ADOR's Web site at www.revenue.alabama.gov or call the Alabama Department of Revenue Sales, Use and Business Tax Division, Severance Tax Section at 334.353.7827.

-30-

Media contact for more information: ADOR Media Affairs Office: Carla A. Snellgrove or Carolyn Blackstock: (334) 242-1390; FAX: (334) 242-0550
WEB site address: www.revenue.alabama.gov