Alabama’s Dual Tax Exemption Makes State Top Destination for Precious Metals Investors

Birmingham dealer highlights how Alabama residents can buy gold and silver without paying state sales tax or state capital gains tax.

BIRMINGHAM, AL, UNITED STATES, August 16, 2026 /EINPresswire.com/ -- As inflation concerns and market volatility continue to drive interest in tangible assets, Alabama has quietly become one of the more advantageous states in the country to buy and hold physical gold and silver. According to McFarland Metals, a Birmingham-based precious metals dealership, the state offers a dual tax advantage that many investors overlook: no state sales tax on qualifying precious metals purchases, and no additional state-level capital gains tax burden beyond what's assessed federally.

"Most people don't realize their home state can make a real difference in what they actually keep when they invest in gold and silver," said Billy McFarland, owner of McFarland Metals. "Alabama removed the sales tax on precious metals a few years back, and combined with how the state treats capital gains, it puts Alabama investors in a stronger position than residents in many neighboring states."

Why the Alabama Tax Structure Matters

For investors purchasing physical bullion — coins, bars, and rounds — sales tax can add a meaningful percentage to the upfront cost of an investment. States that still charge sales tax on precious metals effectively penalize buyers before their investment has a chance to appreciate. Alabama's exemption means a resident purchasing $10,000 in gold keeps that entire amount working for them rather than losing a portion to tax at the point of sale.

On the back end, when precious metals are eventually sold at a profit, federal capital gains rules apply — but Alabama does not layer on an additional state-specific tax scheme that disadvantages metals compared to other capital assets. For long-term holders, this combination can translate into a materially better net return compared to investors in higher-tax states.

Serving Alabama Investors Directly

McFarland Metals works directly with Alabama residents and investors across the Southeast who are looking to diversify with physical precious metals, whether for retirement account diversification, long-term wealth preservation, or as a hedge against currency and market risk. The company assists with sourcing gold and silver bullion, coins, and bars, and provides guidance on how state and federal tax treatment factors into an investor's overall strategy.

"We get calls regularly from people who are shocked to learn what they've been paying in sales tax in other states," McFarland added. "Once Alabama residents understand the advantage they already have, it usually changes how they think about building a position."

About McFarland Metals

McFarland Metals is a Birmingham, Alabama-based precious metals dealership serving investors throughout Alabama and the Southeast. The company specializes in physical gold and silver bullion, coins, and bars, helping clients navigate purchasing decisions with an emphasis on Alabama's favorable tax treatment for precious metals investors. Learn more at McFarlandMetals.com.

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