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**Position: Opposed**

Senator Guy Guzzone  
Chair  
Budget and Taxation Committee  
3 West  
Miller Senate Office Building  
Annapolis, Maryland 21401

**Re: SB 784 Comprehensive Community Safety Funding Act (Excise Tax)**

Dear Chair Guzzone and Members of the Budget and Taxation Committee:

The National Shooting Sports Foundation ("NSSF") is the trade association for America's firearms, ammunition, hunting, and recreational shooting sports industry. Its mission is to promote, protect and preserve hunting and the shooting sports. NSSF has a membership of more than 10,000 manufacturers, distributors, firearms retailers, shooting ranges, and sportsmen's organizations. Our manufacturer members make the firearms used by law-abiding Maryland sportsmen, the U.S. military and law enforcement agencies throughout the state. This is to notify you of our strong opposition to SB 784.

In the wake of continued efforts to enact new burdens on gun ownership, lawmakers in some states and localities are now seeking a back-door approach to gun control through the use of taxes. Supporters of restricting citizens' Second Amendment rights see no problem implementing a "poll tax" on the right to bear arms. What these proposals ignore is the fact that beyond the dangerous concept of pricing citizens out of a constitutional right, levying new taxes on the purchase of firearms, ammunition, and accessories poses significant negative consequences for law-abiding citizens and for the taxing jurisdictions themselves.

- **New taxes on the purchase of firearms and ammunition are unconstitutional "poll taxes."**
- **Unlike law-abiding citizens, criminals do not legally purchase guns and will not be affected.**
- **Raising taxes puts a jurisdiction at a competitive disadvantage and hurts legitimate businesses.**

Anti-gun advocates are quick to compare such tax proposals to taxes on cigarettes and other so-called "sin taxes." However, unlike cigarettes or other commercial products, owning a firearm is a constitutional right. A more apt comparison to levying an additional tax on firearms is the Jim Crow-era practice of restricting citizens' right to vote by imposing "poll taxes." Both would force law-abiding citizens to pay for exercising a constitutional right. Current law already imposes restrictions on gun ownership, like banning ownership by felons or the mentally ill. But these restrictions are not based on ability to pay. Setting conditions on the Second Amendment based on socioeconomic status sets a dangerous precedent for all Americans.

**Taxing Jurisdiction Loses**

States and localities seeking to levy these new taxes will also put themselves at a competitive disadvantage compared to their neighboring states. *In many cases, residents of the taxing area will be able to go to a business in another jurisdiction to purchase ammunition, accessories and even certain long guns, taking not only the "excise" tax revenue away, but also depressing the sales tax revenue paid by the law-abiding businesses in the jurisdiction.* This double hit on the taxing jurisdictions fiscal condition explains why some states have taken the opposite tact and established Second Amendment tax-free holidays to spur economic activity, not hamper it. States

themselves stand to lose from a decrease in the federal Pittman-Robertson excise tax revenue already paid on the sale of firearms and ammunition and dedicated to wildlife conservation efforts.

### **Pittman-Robertson Excise Tax (A Tax We Support)**

In the early 1900s, when many wildlife species were dwindling in numbers or disappearing, the firearms and ammunition industry stepped forward and asked Congress to impose an excise tax on the sale of firearms and ammunition products to help fund wildlife conservation in the United States. The Federal Aid in Wildlife Restoration Act (also known as the Pittman-Robertson Act (PR)) became law in 1937. The revenue generated from the excise tax is apportioned to state wildlife agencies for conservation efforts, hunter's education and shooting projects and programs.

Since the program's inception, \$12.5 billion has been collected from manufacturers and awarded to states through PR making the firearms and ammunition industry America's largest contributor to conservation and access. Over the past 75 years, PR revenue has helped to rebuild the population of numerous species and extend their ranges farther than they were in the 1930s. In fiscal year 2022 Maryland received nearly \$11 million in PR wildlife restoration funds with over \$4.5 million being used for wildlife restoration throughout the state. Since inception Maryland has received over \$100 million in excise tax revenue.

### **Strong Industry for the State of Maryland**

The firearm industry has contributed close to \$1 billion in economic activity to Maryland in 2022 and employs over 4,200 people in the state. While Maryland faces difficult budget choices, the firearms industry is still one of the few industries that has continued to contribute increased tax revenues to the state (to the tune of \$14 million).

An additional excise tax would result in the loss of jobs in Maryland, similar to what we have seen in other municipalities nationally, major losses of sales revenue to Maryland businesses and, as a result, the loss of substantial tax revenue for the state.

### **Taxes Will Not Stop Criminals**

Surveys conducted by the federal government show that criminals overwhelmingly gain access to firearms illegally through the black market or theft or obtain firearms from family and friends. Imposing a new tax on firearms and ammunition will have zero impact on their behavior. In fact, areas with largest increases in gun ownership also have the largest drops in violent crime. This raises the question of whether states and localities should instead seek tax rebates for gun ownership as a method of crime reduction, rather than a tax to discourage the purchase of firearms.

### **Proposals Disguise the Real Debate**

In addition to being poor policy, the proposed state excise tax is nothing more than an underhanded method of enacting more gun control policies. The result of such a policy in the form of a tax code change will have an adverse impact on firearms safety education and hunting throughout the state. Fortunately, NSSF leads the way in advocating for the industry and its businesses and jobs, keeping guns out of the wrong hands, encouraging enjoyment of recreational shooting and hunting, and helping people better understand the industry's lawful products. Tax proposals, such as the one before you, will only impact federally licensed dealers along with licensed residents with no increase to public safety.

We must all work together to help prevent those who exhibit reckless disregard for human life and values access to firearms for criminal purposes. But we must also preserve the constitutional rights of tens of millions

of law-abiding Americans to safely and responsibly own, store and use firearms for personal protection, hunting and recreation.

America's firearms industry welcomes the opportunity to be a part of a respectful and constructive dialogue on this important topic.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jake McGuigan', with a long horizontal flourish extending to the right.

Jake McGuigan  
Managing Director State Affairs

# **NSSF**<sup>®</sup> *The Firearm Industry Trade Association*

## **REAL SOLUTIONS SAFER COMMUNITIES**

The firearms industry welcomes participation in the national conversation to make our communities safer. Our trade association, **THE NATIONAL SHOOTING SPORTS FOUNDATION**<sup>®</sup>, has long advocated for effective solutions to prevent access to firearms by criminals, children and the dangerously mentally ill.

We run programs that make a real difference.



NSSF has led the way in improving the FBI National Instant Criminal Background Check System (NICS) through our **FixNICS**<sup>®</sup> Initiative that has reformed the law in 16 states and improved the reporting of disqualifying records.



**The Don't Lie for the Other Guy**<sup>™</sup> program helps firearms retailers prevent illegal straw purchases and is conducted in cooperation with Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF).



**Project ChildSafe**<sup>®</sup> has distributed more than 37 million free gun locks since 1999.



Our partnerships with federal and state agencies, as well as a leading national **suicide prevention** organization, are building public education resources for firearms retailers, shooting ranges and the firearms-owning community.



**Operation Secure Store**<sup>®</sup> is a comprehensive joint initiative with ATF to help Federal Firearms Licensees make well-informed security-related decisions to deter and prevent thefts.

**Real solutions that protect lives and preserve our citizens' liberties – making our communities safer.**

## Seattle's Failed Firearms and Ammunition Tax

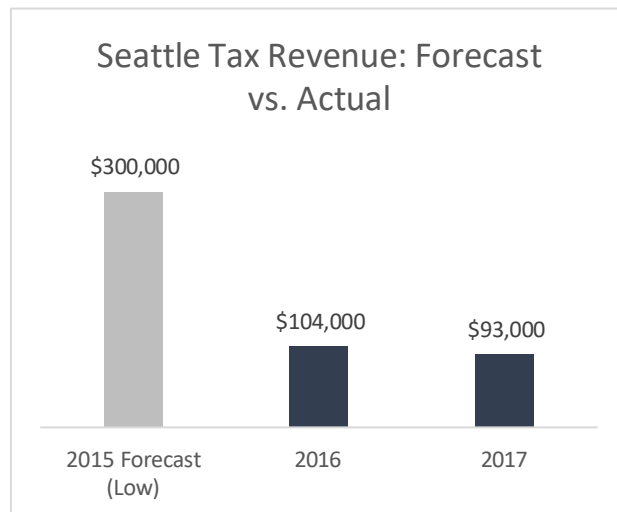
In 2015, Seattle's City Council enacted a tax of \$25 per firearm and 2-5 cents per round of ammunition.

Retail sale of firearms	Tax rate
Each firearm sold at retail	\$25
Retail sale of ammunition	Tax rate per round
.22 caliber or less sold at retail	\$0.02
All other ammunition sold at retail	\$0.05

### Revenue Impact

When the tax was adopted in 2015, then-Councilmember Tim Burgess said the city projected the tax would raise \$300,000 to \$500,000 a year.

Taking the lower end of the forecast range, revenue has come in at less than a third of the estimate.



The city collected \$104,000 in 2016, when the law took effect.

In 2017, the revenue dropped by another 11 percent to \$93,000. That year, the tax was paid on 1,929 firearms and about 1.1 million rounds of ammo, according to the Department of Finance and Administrative Services.

Meanwhile, the tax drove businesses and jobs out of the city. When the law was enacted, Seattle had 40 FFLs. As of November 2018, there were only 27.

### Violent Crime Impact

Despite falling 70% short of the revenue forecast, and driving out 13 businesses, the tax has also not had an impact on firearm-related crimes in the city.

According to the Seattle Police Department's crime data, crimes involving firearms rose by 7 percent from 2015 to 2018.

Crime Category	2015	2018
Homicide	16	16
Rape	6	13
Robbery	270	266
Aggravated Assault	218	249
Total	510	544

