

TESTIMONY OF MR. TOM DEBOLT
CHIEF EXECUTIVE OFFICER OF BENELLI U.S.A.
AND
PRESIDENT OF STOEGER INDUSTRIES, INC.
IN OPPOSITION TO
HOUSE BILL 0378

My name is Tom DeBolt and I am CEO of Benelli U.S.A. and President of Stoeger Industries, Inc.

Along with our sister company Beretta U.S.A., all three of these companies are headquartered in Maryland. Our offices are in Accokeek in Prince George's County. In addition, Benelli U.S.A. and Stoeger have a warehouse, shipping center and gunsmithing operation in Pocomoke City on the Eastern shore.

As currently written, HB 378 would arguably impose an 11% excise tax on the majority of retail sales of firearms sold by licensed dealers in the state of Maryland. This tax would be applied to sales for recreational shooters and hunters in our state. These sportsmen and women are law abiding citizens and have a strong heritage of enjoying shooting sports and engaging with friends and family in healthy activities that include the responsible use of firearms.

The 11% excise tax would put hardworking Maryland based sporting goods businesses at a competitive disadvantage to retailers in surrounding states that do not have this additional tax. These retailers already face a challenging environment when consumers can drive across state lines to take advantage of lower sales tax rates on major purchases. House Bill 378 would create a larger gap for these dedicated retailers to remain competitive and operate within a fair

environment. The increased tax rate brought on by HB378 will result in lost jobs and lower tax revenue when these businesses are forced to downsize or close their doors.

Additionally, there is already an 11% Federal excise tax imposed on these products at the manufacturer or importer level to fund the Pittman-Robertson Wildlife Restoration Act passed in 1937 that provides funding for wildlife conservation and management in the United States. These funds support not only wildlife conservation and management, but also hunter education and firearms safety programs. Since 1939, over \$22.5 billion dollars has been collected through this federal tax and redistributed to states across the country.

While we understand and sympathize with the use to which HB 387 taxes would be applied, there is something fundamentally unfair to the law-abiding residents of the state who alone would have to pay for the cost of firearm misuse by criminal and other persons whose conduct the law-abiding residents neither condone nor control. All Maryland residents suffer from the costs of firearm misuse. We believe all should contribute equally to address those costs.

I am a longtime Maryland resident. On behalf of the employees of Benelli U.S.A., Stoeger Industries and Beretta U.S.A. I implore this Committee to vote against HB 387.