

Testimony in Support of the Comprehensive Community Safety Funding Act

The Ways and Means Committee is respectfully requested to approve the Comprehensive Community Safety Funding Act (“HB197” or “the Act”) so the House of Delegates may vote to adopt HB197 this session, establishing the Firearm, Firearm Accessory and Ammunition Tax, hereinafter “the Firearms Excise Tax” or “the Tax.”

The Act imposes an 11% excise tax on the gross receipts from the retail sales of firearms, firearm accessories, and ammunition in the State and the sales of firearms to residents of the State. The Act specifies the conditions under which the excise tax may be imposed on out-of-state federally licensed gun dealers. The Tax applies to such sales by large federally licensed gun dealers, as defined in the Act, beginning on July 1, 2027 and to all other federally licensed gun dealers on July 1, 2028. HB197 exempts gross receipts of sales of firearms, firearm accessories, and ammunition to law enforcement agencies from the Tax.

The revenues generated from the Firearms Excise Tax will be distributed to Maryland government entities and non-profit organizations that are either called upon to respond to the victims of firearms’ violence or whose primary purposes include the prevention of firearms violence, less the costs incurred by the Comptroller in administering the Tax.

The tradition of establishing taxes and fees to fund and support specific government activities such as the Federal Highway Trust Fund and the Maryland Highway Trust Fund is long-established. The Firearms Excise Tax is consistent with this tradition: HB197 establishes a funding mechanism to provide financial support to government and other entities that respond to and support the victims of gun violence or work to prevent gun violence in our communities.

While it is true that federally licensed gun dealers broadly conduct their activities consistent with applicable law and best practices and that a substantial majority of gun owners are responsible in storing, carrying and using their firearms, the reality is that the misuse of firearms causes death or substantial injury, both physical and psychological, to the victims, the immediate survivors of gun violence and their communities.

It is a rational and sound policy to assess the Tax on the gross receipts of firearms sales in the State of Maryland and sales to Maryland residents as provided under HB197. The societal costs attributable to the misuse of firearms resulting in significant injury, both physical and psychological, or death are substantial, if not incalculable. The Firearms Excise Tax on the gross receipts of firearms, firearm accessories and ammunition properly requires the firearms industry and user community to bear a greater share of the societal costs to respond to the injury caused by the misuse of firearms and to prevent the misuse of firearms in our State.

Respectfully submitted,

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