

103^D CONGRESS
1ST SESSION

H. R. 3245

To amend the Internal Revenue Code of 1986 to increase the tax on firearms.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1993

Mr. REYNOLDS introduced the following bill; which was referred jointly to the
Committees on Ways and Means and Energy and Commerce

A BILL

To amend the Internal Revenue Code of 1986 to increase
the tax on firearms.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. INCREASE IN TAX ON AMMUNITION.**

4 (a) GENERAL RULE.—Section 4181 of the Internal
5 Revenue Code of 1986 (relating to imposition of tax) is
6 amended by striking all that follows “so sold:” and insert-
7 ing the following:

8 “ARTICLES TAXABLE AT 35 PERCENT—

9 Pistols, revolvers, and other firearms.

10 “ARTICLES TAXABLE AT 11 PERCENT—

11 Shells, and cartridges.”

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect on the 1st day of the 1st
3 calendar month beginning more than 30 days after the
4 date of the enactment of this Act.

5 (c) FLOOR STOCKS TAX.—

6 (1) IMPOSITION OF TAX.—In the case of any
7 firearm on which tax was imposed under section
8 4181 of the Internal Revenue Code of 1986 before
9 the tax-increase date and which is held on such date
10 for sale by any dealer, there is hereby imposed a
11 floor stocks tax on such firearm.

12 (2) AMOUNT OF TAX.—The amount of tax im-
13 posed by paragraph (1) with respect to any firearm
14 shall be equal to the excess of—

15 (A) the amount of the tax which would
16 have been imposed under section 4181 of such
17 Code on the sale by the manufacturer, pro-
18 ducer, or importer of such firearm if the
19 amendment made by subsection (a) had been
20 applicable in determining the amount of such
21 tax, over

22 (B) the amount of tax actually under sec-
23 tion 4181 of such Code with respect to such
24 firearm before the tax-increase date.

1 (3) LIABILITY FOR TAX AND METHOD OF PAY-
2 MENT.—

3 (A) LIABILITY FOR TAX.—Any dealer hold-
4 ing any firearm on the tax-increase date to
5 which any tax imposed by paragraph (1) applies
6 shall be liable for such tax.

7 (B) METHOD OF PAYMENT.—The tax im-
8 posed by paragraph (1) shall be paid in such
9 manner as the Secretary of the Treasury or his
10 delegate shall prescribe by regulations.

11 (C) TIME FOR PAYMENT.—The tax im-
12 posed by paragraph (1) shall be paid before the
13 close of the 6-month period beginning on the
14 tax-increase date.

15 (4) DEFINITIONS.—For purposes of this sub-
16 section—

17 (A) TAX-INCREASE DATE.—The term “tax-
18 increase date” means the 1st day of the 1st cal-
19 endar month beginning more than 30 days after
20 the date of the enactment of this Act.

21 (B) FIREARM.—The term ‘firearm’ means
22 any pistol, revolver, or other firearm.

23 (5) OTHER LAWS APPLICABLE.—All provisions
24 of law, including penalties, applicable with respect to
25 the taxes imposed by section 4181 of such Code

1 shall, insofar as applicable and not inconsistent with
2 the provisions of this subsection, apply to the floor
3 stocks taxes imposed by paragraph (1), to the same
4 extent as if such taxes were imposed by such section
5 4181.

6 **SEC. 2. HOSPITAL GUNSHOT COST RELIEF TRUST FUND.**

7 (a) IN GENERAL.—Subchapter A of chapter 98 of the
8 Internal Revenue Code of 1986 (relating to trust fund
9 code) is amended by adding at the end thereof the follow-
10 ing new section:

11 **“SEC. 9512. HOSPITAL GUNSHOT COST RELIEF TRUST**
12 **FUND.**

13 “(a) CREATION OF TRUST FUND.—There is estab-
14 lished in the Treasury of the United States a trust fund
15 to be known as the ‘Hospital Gunshot Cost Relief Trust
16 Fund’, consisting of such amounts as may be appropriated
17 or credited to such Trust Fund as provided in this section
18 or section 9602(b).

19 “(b) TRANSFERS TO TRUST FUND.—

20 “(1) IN GENERAL.—There are hereby appro-
21 priated to the Hospital Gunshot Cost Relief Trust
22 Fund amounts equivalent to the net revenues re-
23 ceived in the Treasury from the additional firearms
24 taxes.

1 “(2) NET REVENUES.—For purposes of para-
2 graph (1), the term ‘net revenues’ means the
3 amount established by the Secretary based on the
4 excess of—

5 “(A) the additional firearms taxes received
6 in the Treasury, over

7 “(B) the decrease in the tax imposed by
8 chapter 1 resulting from the additional firearms
9 taxes.

10 “(3) ADDITIONAL FIREARMS TAXES.—For pur-
11 poses of this section, the term ‘additional firearms
12 taxes’ means the taxes imposed by section 4181 with
13 respect to pistols, revolvers, and other firearms to
14 the extent such taxes are imposed at a rate in excess
15 of 10 percent (11 percent in the case of firearms
16 other than pistols and revolvers).

17 “(c) EXPENDITURES FROM TRUST FUND.—Amounts
18 in the Hospital Gunshot Cost Relief Trust Fund shall be
19 available, as provided in appropriation Acts, only for pur-
20 poses of making expenditures to assist hospitals located
21 in urban areas in defraying the costs incurred in providing
22 medical care to gunshot victims who are not covered under
23 any health plan.”

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for such subchapter A is amended by adding at the end
3 thereof the following new item:

“Sec. 9512. Hospital Gunshot Cost Relief Trust Fund.”

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