94TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 94–1459

COMPONENT PARTS OF AMMUNITION TAX

SEPTEMBER 1, 1976.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mrs. SULLIVAN, from the Committee on Merchant Marine and Fisheries, submitted the following

REPORT

[To accompany H.R. 9067]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H.R. 9067) to provide additional funds to the States for carrying out restoration projects and programs, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

TITLE I—WILDLIFE RESTORATION FUND

SEC. 101. The Federal Aid in Wildlife Restoration Act (16 U.S.C. 669–669i) is amended—

(1) by amending section 3 thereof—

(A) by inserting "(a)" immediately after "SEC. 3.", and

(B) by striking out the second and third sentences and inserting in lieu thereof the following:

"(b)(1) So much of any appropriation apportioned to any State (for use other than that authorized under section 10(a) of this Act) for any fiscal year as remains unexpended at the close thereof is authorized to be made available for expenditure in that State until the close of the suceeding fiscal year. Any amount so apportioned to any State which is unexpended or unobligated at the close of the period during which it is available for expenditure on any project is authorized to be made available for expenditure by the Secretary of the Interior in carrying out the provisions of the Migratory Bird Conservation Act.

"(2)(A) So much of any appropriation which is apportioned to any State for any fiscal year for use as authorized under such section 10(a) as remains unexpended at the close of such fiscal year is authorized to be made available for expenditure in that State for such use until the close of the suceeding fiscal year.

"(B) The amount of any apportioned appropriation referred to in subparagraph (A) of this paragraph of any State which is unexpended or unobligated

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at the close of the fiscal year suceeding the fiscal year in which apportioned may only be used by the Secretary of the Interior during the two fiscal years immediately following such succeeding fiscal year to assist one or more other States in carrying out one or more projects included within the hunter education program or public target range program of such State under section 10. Any amount granted to any State under this subparagraph shall be supplemental to, and may not be charged against, any funds apportioned to such State under section 4(b) of this Act. Any amount which is not paid or obligated by the Secretary of the Interior pursuant to this subparagraph before the close of the two-fiscal-year period referred to in the first sentence of this subparagraph is authorized to be made available for expenditure by the Secretary in carrying out the provisions of the Migratory Bird Conservation Act.";

(2) by amending section 4(b) to read as follows:

"(b) One-half of the revenues accruing to the fund under this Act for each fiscal year (after the fiscal year 1975) from any tax imposed on pistols, revolvers, bows, arrows, and component parts of ammunition for firearms shall be apportioned among the States in proportion to the ratio that the population of each State bears to the population of all the States; except that, each State shall be apportioned not more than 3 per centum and not less than 1 per centum of such revenues. For purposes of this subsection, population shall be determined on the basis of the latest decennial Census for which figures are available, as certified by the Secretary of Commerce.";

(3) by amending section 8 by striking out "(a)" at the beginning of such section, and by striking out subsection (b);

(4) by amending section 8A to read as follows:

"SEC. 8A. (1) The Secretary of the Interior may cooperate with the respective agencies of the Commonwealth of Puerto Rico, American Samoa, Guam, and the Virgin Islands which exercise jurisdiction over fish and wildlife resources in the conduct of wildlife restoration projects, hunter education programs, and public target range programs (as defined in section 10(b)) upon such terms and conditions as he deems fair, just, and equitable; except that the Secretary may not require any such agency to pay an amount exceeding 25 per centum of the cost of any such project or program. To carry out the purposes of the preceding sentence, the Secretary of the Interior may apportion to the Commonwealth of Puerto Rico, American Samoa, Guam, and the Virgin Islands, out of the money available for apportionment under this Act, such sums as he shall determine to be appropriate, but not to exceed—

"(A) in the case of the Commonwealth of Puerto Rico, one-half of 1 per centum of the total amount apportioned in any one year; and

"(B) in the case of American Samoa, Guam, and the Virgin Islands, each respectively, one-sixth of 1 per centum of the total amount apportioned in any one year.

"(2) Any unexpended or unobligated balance of any apportionment made pursuant to this section for any year shall be available for expenditure in the Commonwealth of Puerto Rico, American Samoa, Guam, or the Virgin Islands, as the case may be, in the succeeding year on any approved project or program, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the Secretary of the Interior in carrying out the provisions of the Migratory Bird Conservation Act."; and

(5) by redesignating section 10 as section 11 and by inserting immediately after section 9 the following new section:

"SEC. 10. (a) Each State may use the funds apportioned to it under section 4(b) of this Act (hereafter referred to in this section as 'apportioned funds') solely for the purpose of paying not more than 75 per centum of the cost of a hunter education program, or a public target range program, or both. The non-Federal share of the cost of any such program may be derived from license fees paid by hunters, but not from moneys derived by the State through any other Federal grant program.

"(b) For purposes of this section, the term 'public target range program' means any program to implement one or more of the following purposes with respect to public target ranges:

"(1) the acquisition of fee title, leasehold, easement, or other interests in real property for the purpose of developing new ranges or expanding the facilities of existing ranges;

"(2) the construction of new ranges or the renovation or other improvement of existing ranges;

"(3) the maintenance of ranges; or

"(4) the operation of ranges.

"(c) Any State may carry out a hunter education program or a public target range program, or both, with apportioned funds—

"(1) solely under State auspices;

"(2) solely in cooperation with any local government agency or any appropriate private nonprofit organization, or both; or

"(3) in part under State auspices and in part in cooperation with any such agency or organization.

"(d) (1) To the extent that any public target range program is carried out in whole or in part in cooperation with any local government agency or private nonprofit organization, apportioned funds may not be used except to pay not to exceed 75 per centum of the cost of acquiring any real property interest for any public target range and not to exceed 75 per centum of the cost of constructing or renovating or otherwise improving any such range.

"(2) No apportioned funds may be used under any public target range program to acquire land for, or to construct, any public target range in cooperation with any private nonprofit organization unless the State has satisfactory assurances that (1) such range will be available for use by the public, and (2) the fees, if any, charged to the public for such use by the organization will be commensurate with the cost incurred by the organization in operating and maintaining the range.".

SEC. 102. The amendments made by section 101 shall take effect October 1, 1976. Any appropriations apportioned to any State under the Federal Aid in Wildlife Restoration Act before fiscal year 1977 shall be treated as if such amendments had not been enacted.

TITLE II—TAX ON SALE OF COMPONENT PARTS OF FIREARM AMMUNITION

SEC. 201. (a) Section 4181 of the Internal Revenue Code of 1954 (relating to the imposition of tax on the sale of certain articles)

is amended by striking out "Shells, and cartridges.", and inserting in lieu thereof:

"Shells and cartridges.

"The following component parts of ammunition for firearms (including pistols and revolvers): cartridge cases, primers, percussion caps, bullets, shot, wads, and powders.".

(b) Subsection (b) of section 4182 of such Code (relating to exemptions from tax on certain firearms and ammunition) is amended by striking out "and cartridges" and inserting in lieu thereof the following: "cartridges, and component parts of ammunition for firearms".

(c) The amendments made by subsections (a) and (b) of this section shall apply with respect to articles sold by the manufacturer, producer, or importer thereof on or after October 1, 1976.

PURPOSE OF THE LEGISLATION

The purpose of the legislation is to provide additional funds for the carrying out of wildlife restoration projects and hunter education and target range programs. In accomplishing this purpose, the legislation would provide for the imposition of an eleven percent Federal excise tax by manufacturers and importers on the sales of component parts of ammunition.

LEGISLATIVE BACKGROUND

H.R. 9067 was introduced on July 30, 1975, by Mr. Karth (for himself) Mr. Forsythe, Mr. Dingell, Mr. Leggett, Mr. Bauman, Mr. Anderson of California, Mr. Emery, Mr. Breaux, Mr. Lent, Mr. Studds, Mr. Eilberg, Mr. Bonker, and Mr. Oberstar.

H.R. 9067, as introduced, is substantially the same as its predecessor bill, H.R. 1319, introduced on January 14, 1975, by Mr. Karth (for himself) Mr. Forsythe, and Mr. Dingell.

Hearings were held on H.R. 1319 by the Subcommittee on Fisheries and Wildlife Conservation and the Environment on June 17, 1975.

Those testifying in support of the legislation were Mr. Daniel A. Poole, President, Wildlife Management Institute; Mr. Harry Shaver, Past President, North American Association of Hunter Safety Coordinators; Mr. John Gottschalk, Executive Vice President, International Association of Game, Fish and Conservation Commissioners; and Mr. Spencer M. Smith, Secretary, Citizens Committee on Natural Resources. Mr. Richard Corigan, Director, Federal Affairs Division, National Rifle Association of America, submitted a statement in support of the legislation.

No witnesses testified in opposition to the legislation. Subsequent to the hearings, certain anti-hunting and gun control groups expressed some objection to the removal of the "option" feature contained in existing law. Under present law, the States have an option of using up to one-half of the funds apportioned based on the revenues accruing from the tax imposed on pistols and revolvers and bows and arrows for carrying out hunter education and target range programs, or they could elect to use all of such apportioned funds for carrying out wildlife restoration projects.

In its report on the legislation, the Department of the Interior recommended enactment if the legislation was amended to accomplish the following purposes: change the effective date of the legislation from July 1, 1976, to October 1, 1977; retain "the option" feature of existing law; make American Samoa a participant under the Act; and authorize American Samoa, as well as Puerto Rico, Guam, and the Virgin Islands for the first time to carry out hunter education and target range programs.

In its report, the Department of the Treasury opposed the bill. It mainly objected to the earmarking feature of the bill that would have the effect of restricting the use of certain Federal receipts for unrelated purposes. Should the Committee decide to report the bill, it recommended that the "option" feature of existing law be retained and that the words "wads" be included in the taxable items under Title II of the bill.

After giving careful consideration to the evidence presented at the hearings, the Departmental reports, and additional information received by the Subcommittee, on July 21, 1975, the Subcommittee ordered reported to the Full Committee H.R. 1319, with amendments. H.R. 1319, as ordered reported by the Subcommittee, in essence is as follows: it contained the original language of the bill, except the effective date of the legislation was changed from July 1, 1976, to October 1, 1976; it included one of the amendments suggested by the Department of the Interior that would authorize American Samoa (along with Puerto Rico, Guam, and the Virgin Islands) to participate under the Act and, for the first time, allow all of these areas to participate in the hunter education and public target range programs; and it included one of the amendments suggested by the Department of the Treasury that would add the word "wads" to the items to be taxed under Title II of the bill.

Upon ordering H.R. 1319 reported to the Full Committee, with amendments, the Subcommittee also ordered a clean bill to be introduced that would reflect the changes to H.R. 1319. Upon its introduction on July 30, 1975, H.R. 1319, with amendments, became H.R. 9067.

On August 1, 1975, the Subcommittee Chairman wrote to the Chairman of the Ways and Means Committee advising of the action taken with respect to H.R. 9067, and requested the Ways and Means Committee to consider Title II of the legislation, and provide the Committee with comments and recommendations.

The Committee on Ways and Means considered Title II of H.R. 9067 on March 3, 1976, and agreed to favorably recommend adoption of Title II, with certain amendments. The Chairman of the Committee on Ways and Means transmitted the amendments to the Committee, all of which were technical in nature, along with report language for Title II to be included in the Committee Report to be submitted by the Committee on Merchant Marine and Fisheries on the bill.

On August 25, 1976, the Committee considered H.R. 9067 and ordered the bill reported, with an amendment. This was accomplished by striking out all after the enacting clause of the bill and substituting new language.

As ordered reported, H.R. 9067 is identical to the bill as ordered reported by the Subcommittee, except for the technical amendments recommended to Title II by the Committee on Ways and Means.

H.R. 9067 was ordered reported by the Committee by voice vote with only one person voting against the bill.

Background and Need for the Legislation

The sports of fishing and hunting are among the most popular forms of outdoor recreation. Over 40 million citizens of this country participate in these forms of recreation each year. The activities of these sportsmen are made possible by the availability of game and the habitat which supports them. The management of these resources are considered to be primarily the responsibility of State game and fish departments.

The protection, conservation, and management of these resources are financed largely from State hunting and fishing license fees. Congress in 1937 enacted the Pittman-Robertson Act, and in 1950 enacted the Dingell-Johnson Act. Both of these Acts supplement the States' fee system and enable the States to carry out more effective programs.

The Federal Aid in Wildlife Restoration Act of 1937 (Pittman-Robertson) has made available over $650 million to State fish and game departments for wildlife restoration projects through fiscal year 1976. During fiscal year 1975, $51,169,700 was collected from the excise taxes on sporting arms and ammunition. Excise taxes collected on archery and handguns contributed another $11,876,946. It is estimated that H.R. 9067 will result in an additional $6 million per year being collected from the excise tax on component parts of ammunition.

Some highlights of accomplishments to date are as follows: State fish and game departments now control and manage over 2,700 wildlife management areas. These areas cover about 35 million acres, all of which are open to public hunting. Wildlife research programs continue to increase our know-how for managing game populations and decision making by State administrators. An added output from this research effort has been the publication of over 7,000 technical articles on wildlife and associated subjects. These publications present a substantial portion of the world's total knowledge on the subject of game animal biology and wildlife management.

To illustrate the progress in acquiring land for public use under this program, in Fiscal Year 1975, 31,283 acres were acquired in fee title at a total cost—State and Federal—of $5,271,912. An additional 8,001 acres were acquired in combination with Federal aid in sportfish-restoration funds—the Dingell-Johnson program—at a total cost of $1,346,094. An additional 2,285,701 million acres were made available through lease or easement at a total cost of $176,471. In addition to the acquisition program mentioned above, these funds supported coordination development and research programs by State fish and game agencies which contributed a substantial share in the total output of hunter-days.

The restoration of wildlife has been a major activity over the years. Since 1938, about 1,300,000 game birds and animals have been stocked or transplanted under the Federal Aid in Wildlife Restoration Program. These efforts have resulted in the establishment of species of wildlife in areas where they had not existed before, and the reestablishment of many species where they had been severely reduced or entirely depleted through the combined effects of man and nature.

The Federal Aid in Wildlife Restoration Program has been a central force in the management of white-tailed deer which today total about twelve million and occur in 48 States. Eastern, Merriam's and Rio Grande wild turkeys have been established far beyond their ancestral range so they are now important sources of recreation in at least two-thirds of the 48 coterminous States. Elk and antelope have been reestablished in suitable habitats throughout the western half of the nation in numbers that probably far exceed those that existed prior to white man's coming to this continent. Chukar and Hungarian partridges from Europe have been successfully established in many Western and Midwestern States and, of course, the ubiquitous Chinese ring-necked pheasant has been spread from coast to coast and from Canada to Mexico.

Accompanying these achievements are those in the new area of grant-in-aid for hunter education training and target range activities. Although it has been in existence only since July 1, 1971, more than 2.5 million students have been trained by a volunteer corps of 50,000 instructors. The States have built or improved 40 target range facilities and entered into more than 1,000 cooperative agreements with gun clubs, local governments, and other organizations at a total cost of over $800,000 during the past 4 years for target ranges.

All 50 States have hunter safety training programs, an increase of 15 within the past three years. Thirty-one States have voluntary programs and 18 States require hunter safety training as a prerequisite to hunting. To date 44 States are participating in the Federal grant-in-aid to hunter safety training and target range activities, a very significant increase over the 26 in fiscal year 1972, the initial year for Federal assistance.

Following is a table submitted by the Department of the Interior, which shows the total distribution of the Federal Aid in Wildlife Restoration funds to the States since the start of the program in Fiscal Year 1939 through Fiscal Year 1976:

FEDERAL AID IN WILDLIFE RESTORATION APPORTIONMENTS TO STATES AND TERRITORIAL AREAS, JULY 1, 1939 TO JUNE 30, 1976

State	Fiscal year— 1939–73	1974	1975	1976	Total
Alabama	$9, 090, 893. 18	$854, 682. 54	$986, 026. 53	$1, 071, 273. 94	$12, 002, 876. 19
Alaska	16, 993, 980. 32	2, 202, 610. 00	2, 491, 500. 00	2, 692, 800. 00	24, 380, 890. 32
Arizona	10, 848, 183. 03	1, 023, 653. 93	1, 141, 170. 06	1, 272, 333. 55	14, 285, 340. 57
Arkansas	8, 153, 069. 55	806, 971. 07	936, 742. 49	1, 041, 476. 46	10, 938, 259. 57
California	23, 081, 510. 09	2, 131, 495. 35	2, 308, 010. 01	2, 511, 183. 97	30, 032, 199. 42
Colorado	13, 160, 528. 15	1, 121, 015. 79	1, 267, 453. 68	1, 444, 173. 43	16, 993, 171. 05
Connecticut	2, 557, 417. 82	308, 445. 76	345, 463. 17	391, 137. 45	3, 602, 464. 20
Delaware	2, 451, 938. 89	257, 755. 00	290, 100. 00	322, 650. 00	3, 322, 443. 89
Florida	7, 570, 154. 06	862, 434. 75	957, 248. 03	1, 069, 390. 34	10, 459, 227. 18
Georgia	9, 136, 309. 77	932, 098. 73	1, 085, 177. 18	1, 201, 987. 00	12, 355, 572. 68
Hawaii	2, 073, 532. 43	257, 755. 00	290, 100. 00	322, 650. 00	2, 944, 037. 43
Idaho	9, 579, 716. 10	905, 644. 67	1, 034, 991. 51	1, 129, 037. 56	12, 649, 389. 84
Illinois	12, 413, 565. 97	1, 143, 704. 40	1, 278, 516. 84	1, 385, 190. 63	16, 220, 977. 84
Indiana	11, 326, 905. 27	979, 957. 61	1, 072, 102. 22	1, 186, 876. 31	14, 565, 841. 41
Iowa	9, 846, 556. 98	944, 522. 78	1, 000, 456. 92	1, 097, 663. 48	12, 889, 200. 16
Kansas	9, 845, 312. 77	936, 469. 06	1, 050, 074. 88	1, 129, 318. 22	12, 961, 174. 93
Kentucky	7, 300, 625. 08	728, 436. 80	826, 277. 25	913, 322. 63	9, 768, 661. 76
Louisiana	8, 388, 499. 70	887, 714. 94	990, 227. 92	1, 084, 564. 17	11, 351, 006. 73
Maine	5, 606, 411. 98	526, 530. 43	588, 657. 47	643, 392. 97	7, 364, 992. 85
Maryland	3, 618, 466. 06	445, 372. 67	486, 674. 04	537, 819. 98	5, 088, 332. 75
Massachusetts	2, 915, 826. 37	341, 075. 00	381, 100. 00	441, 250. 00	4, 079, 251. 37
Michigan	20, 536, 630. 81	1, 559, 471. 16	1, 697, 934. 63	1, 972, 965. 85	25, 767, 002. 45
Minnesota	14, 060, 133. 69	1, 120, 869. 87	1, 394, 711. 07	1, 496, 688. 48	18, 072, 403. 11
Mississippi	7, 505, 237. 18	793, 621. 74	917, 243. 70	971, 571. 46	10, 187, 674. 08
Missouri	11, 815, 154. 27	1, 201, 966. 43	1, 388, 793. 81	1, 479, 806. 76	15, 885, 721. 27
Montana	14, 482, 249. 90	1, 309, 146. 97	1, 489, 425. 27	1, 621, 444. 03	18, 902, 266. 17
Nebraska	9, 253, 697. 10	836, 708. 65	934, 298. 36	1, 004, 385. 69	12, 029, 089. 80
Nevada	9, 442, 314. 66	882, 557. 98	1, 000, 488. 50	1, 081, 366. 20	12, 406, 727. 34
New Hampshire	2, 541, 313. 76	257, 755. 00	290, 100. 00	322, 650. 00	3, 411, 818. 76
New Jersey	3, 625, 090. 06	454, 141. 57	473, 200. 71	518, 546. 83	5, 070, 979. 17
New Mexico	11, 048, 459. 40	1, 035, 258. 14	1, 193, 271. 01	1, 295, 013. 81	14, 572, 002. 36
New York	16, 993, 563. 84	1, 337, 890. 15	1, 481, 735. 97	1, 696, 793. 42	21, 509, 983. 38
North Carolina	10, 289, 564. 58	1, 006, 555. 59	1, 164, 362. 11	1, 267, 149. 80	13, 727, 632. 08
North Dakota	6, 955, 954. 84	652, 885. 77	739, 617. 35	799, 526. 57	9, 147, 984. 53
Ohio	13, 708, 166. 43	1, 195, 393. 37	1, 267, 723. 98	1, 420, 167. 20	17, 591, 450. 98
Oklahoma	8, 936, 627. 58	851, 812. 52	992, 094. 62	1, 088, 005. 71	11, 868, 540. 43
Oregon	12, 452, 936. 72	1, 185, 306. 68	1, 342, 304. 11	1, 447, 003. 15	16, 427, 550. 66
Pennsylvania	19, 572, 724. 98	1, 915, 981. 66	2, 170, 094. 63	2, 328, 905. 68	25, 987, 706. 95
Rhode Island	2, 438, 313. 42	257, 755. 00	290, 100. 00	322, 650. 00	3, 308, 818. 42
South Carolina	5, 408, 112. 00	525, 314. 92	605, 685. 85	670, 324. 59	7, 209, 437. 36
South Dakota	8, 779, 812. 97	786, 033. 06	892, 307. 29	985, 521. 56	11, 443, 674. 88
Tennessee	9, 903, 247. 85	1, 008, 802. 74	1, 169, 826. 63	1, 293, 375. 51	13, 375, 252. 73
Texas	24, 450, 962. 39	2, 285, 930. 00	2, 582, 500. 00	2, 811, 400. 00	32, 130, 792. 39
Utah	9, 559, 991. 64	925, 439. 81	1, 076, 146. 92	1, 156, 953. 96	12, 718, 532. 33
Vermont	2, 684, 654. 73	277, 309. 85	332, 028. 42	377, 502. 27	3, 671, 495. 27
Virginia	9, 249, 299. 73	979, 857. 00	1, 120, 652. 91	1, 233, 441. 25	12, 583, 250. 89
Washington	10, 981, 672. 12	964, 932. 26	1, 100, 062. 22	1, 204, 667. 88	14, 251, 334. 48
West Virginia	6, 013, 173. 19	549, 655. 44	609, 913. 73	687, 128. 58	7, 859, 870. 94
Wisconsin	13, 464, 501. 04	1, 343, 678. 34	1, 505, 049. 70	1, 616, 749. 78	17, 929, 978. 86
Wyoming	9, 776, 591. 00	924, 463. 73	1, 032, 589. 64	1, 099, 885. 23	12, 833, 529. 60
Guam	259, 514. 00	72, 031. 66	81, 533. 33	87, 783. 33	500, 862. 32
Puerto Rico	589, 542. 00	216, 095. 00	244, 600. 00	263, 350. 00	1, 313, 587. 00
Virgin Islands	372, 514. 00	72, 031. 66	81, 533. 33	87, 783. 33	613, 862. 32
Total	493, 111, 125. 45	47, 385, 000. 00	53, 470, 000. 00	58, 600, 000. 00	652, 566, 125. 45

Following is a table submitted by the Department of the Interior which shows the distribution of the funds and the estimated use of such funds that will be made available to the States as a result of the 11 percent tax to be placed on component parts of ammunition:

	Hunter education and ranges	Wildlife restoration	Total
Alabama	69,000	54,000	123,000
Alaska	30,000	150,000	180,000
Arizona	45,000	66,000	111,000
Arkansas	45,000	54,000	99,000
California	90,000	132,000	222,000
Colorado	51,000	72,000	123,000
Connecticut	63,000	15,000	78,000
Delaware	30,000	15,000	45,000
Florida	90,000	51,000	141,000
Georgia	84,000	57,000	141,000
Hawaii	30,000	15,000	45,000
Idaho	30,000	60,000	90,000
Illinois	90,000	69,000	159,000
Indiana	90,000	57,000	147,000
Iowa	60,000	57,000	117,000
Kansas	51,000	60,000	111,000
Kentucky	66,000	45,000	111,000
Louisiana	72,000	54,000	126,000
Maine	33,000	33,000	66,000
Maryland	78,000	21,000	99,000
Massachusetts	90,000	15,000	105,000
Michigan	90,000	96,000	186,000
Minnesota	75,000	78,000	153,000
Mississippi	51,000	51,000	102,000
Missouri	87,000	78,000	165,000
Montana	30,000	90,000	120,000
Nebraska	39,000	54,000	93,000
Nevada	30,000	60,000	90,000
New Hampshire	30,000	15,000	48,000
New Jersey	90,000	21,000	111,000
New Mexico	33,000	69,000	102,000
New York	90,000	81,000	171,000
North Carolina	90,000	63,000	153,000
North Dakota	30,000	42,000	72,000
Ohio	90,000	69,000	159 000
Oklahoma	57,000	57,000	114,000
Oregon	48,000	78,000	126,000
Pennsylvania	90,000	126,000	216,000
Rhode Island	33,000	15,000	45,000
South Carolina	57,000	33,000	90,000
South Dakota	30,000	51,000	81,000
Tennessee	75,000	63,000	138,000
Texas	90,000	150,000	240,000
Utah	33,000	63,000	96,000
Vermont	30,000	18,000	48,000
Virginia	87,000	60,000	147,000
Washington	69,000	60,000	129,000
West Virginia	45,000	36,000	81,000
Wisconsin	84,000	84,000	168,000
Wyoming	30,000	60,000	90,000
American Samoa			
Guam		6,000	6,000
Puerto Rico		15,000	15,000
Virgin Islands		6,000	6,000
Total	3,000,000	3,000,000	6,000,000

The following exerpt from the testimony of Mr. Henry E. Shaver, Jr., Past President, North American Association of Hunter Safety Coordinator explains the need for this legislation:

> . . . My purpose here today is to urge this Committee to act favorably upon House Bill 1319, the purpose of which is to provide additional funds to the states for carrying out wildlife restoration projects and for other purposes. Under the latter category, "other purposes," those of particular interest, to the group for whom I speak, are those of hunter education and the establishment, operation and maintenance of public target ranges.
>
> The primary objective of the Hunter Education and Public Target Range Programs is to reduce the loss of life, personal injury and property damage resulting from firearms being

placed in the hands of people with little or no knowledge of how to safely use them and to develop an appreciation of the value of wildlife and create public understanding with regard to its wise use.

Since the inception of the Hunter Safety Program, in excess of 8,500,000 students have availed themselves of firearms safety training. The present national rate of annual increase is about 800,000 students. Any additional funds made available will result in an increase in the annual growth rate in direct proportion thereto.

Through this program those characteristics of honesty, self-discipline, mutual consideration and environmental concern are developed, all of which are essentials of good sportsmanship and good citizenship. The hunter safety course teaches the young hunter the proper values so his conduct afield will not be an aggravation or insult to the landowner on whose property he hunts and to other hunters as well. By adopting the proper set of values, his conduct afield will be much more enjoyable and rewarding to everyone concerned. . . .

Mr. Daniel A. Poole, President, Wildlife Management Institute, testified at the hearings in strong support of the legislation:

. . . We are pleased to join with component manufacturers, state wildlife conservation agencies, sportsmen, and conservation organizations in support of H.R. 1319.

The proposed tax, which would be paid by the purchasers of powder, shot, primers, cases, and similar products used for handloading ammunition, is a logical expansion of a long-established and successful program. A parent Act, in 1937, imposed such a tax on sporting firearms and ammunition in support of the Federal Aid in Wildlife Restoration Program. In 1970, Congress redirected a similar tax on handguns to aid that same effort. In 1972, Congress extended the tax to certain items of archery equipment used in sporthunting. . . .

Unlike the parent Act, the proceeds of which are dedicated wholely for approved state wildlife projects, the handgun and archery amendments authorized the state agencies to use "up to" 50 percent of their apportionments for hunter education and public shooting ranges. H.R. 1319 would change that provision by requiring that a full 50 percent of the handgun, archery, and components receipts be used only for hunter education and public shooting ranges. The remainder would be available for wildlife restoration under the terms and conditions of the 1937 Act. . . .

Approval of H.R. 1319 would add an estimated $6.3 million a year to the federal aid program. All of that money would come from sportsmen, not from the public at large. . . .

Another good feature of H.R. 1319 is that it would authorize state agencies to use, in addition to monies regularly available to them, other nonfederal monies to match for the federal grants that would be made available under this program. This means that interested individuals and groups,

> with private, nonprofit clubs as an example, can provide money and equivalent service, to help the state agency meet its matching requirements under the new Act. We are sure that this authority will prove to be particularly helpful to the state wildlife agencies in their successful administration of this program. . . .

Mr. Lynn A. Greenwalt, Director, U.S. Fish and Wildlife Service, stated at the hearings that the Department of the Interior:

> . . . could not support H.R. 1319, as written, for the singular reason it removes, in part, the flexibility required by State game and fish departments in managing their wildlife resources. The designation of funds for mandatory use in hunter education and target range projects reduces the States option in charting their objectives.

However, Mr. Greenwalt further pointed out at the hearings that the position of the Department:

> . . . does not place the U.S. Fish and Wildlife Service in opposition to hunter education and public target range programs. On the contrary, we not only support these activities, we are actively encouraging States to expand training and develop public shooting facilities.
>
> For many years, hunter training was a 4-hour firearm safety course designed primarily to teach the safe and proper handling of firearms. Over the past few years, this concept has given way to a comprehensive educational program. It no longer stresses only firearm safety.
>
> Today the program seeks also to enhance the wildlife resource, reduce injuries and property damage, better the relationship between the hunter and the landowner, provide safe areas for the recreational shooter, and expose more people to the actual functions of a State wildlife department and the importance of wildlife management and conservation.
>
> We believe hunter training will become a significant segment of the public school environmental education program.
>
> Fish and game departments in Florida, Georgia, Missouri, Pennsylvania, and other States are cooperating with the school systems in establishing curriculums covering firearm and archery safety, hunter responsibilities and ethics, basic wildlife management and conservation, survival, and wilderness first aid. . . .
>
> Information from the States indicates a greatly expanded effort on their part will be made to provide public target ranges throughout the Nation. . . .
>
> The Fish and Wildlife Service, in cooperation with several States, has instituted mandatory hunter training as a prerequisite for hunting on a select group of national wildlife refuges. . . .
>
> This action is being taken to improve hunting, reduce wildlife crippling losses, and assist the States in the development of better sportsmen. . . .

> We place a rather high priority on the value of hunter training and the positive impact this program has to the future of hunting. . . .
>
> The hunter must have a safe place to master the art of shooting, using inanimate targets at an approved range, not practice their shooting skills on wildlife and call it a hunting experience. This attitude must and is changing through hunter training programs and the development of target range facilities. . . .

Although there was considerable concern expressed by the Interior Department witness over the removal of the "option" feature of existing law, the Committee feels that this concern was not shared by the Directors of the State Fish and Game agencies, the ones who administer this program. In fact, all of the letters received by the Committee from State Directors throughout the country were in support of the legislation, except for one.

Following are excerpts from some of the Directors who strongly support the legislation although the "option" feature of existing law would not be carried forward in the legislation.

Mr. Herbert E. Doig, Director, Division of Fish and Wildlife, State of New York:

> . . . At a time when state wildlife agencies are being asked to assume ever increasing responsibilities, the generation of new revenues is vitally important in maintaining our ability to meet public needs. H.R. 9067 could provide New York with an additional $580,000 annually, half of which could have been expended in an important and very high priority program area, hunter training, which must receive considerably more fiscal support if it is to achieve necessary and desired changes in the recreation of hunting. The division of Fish and Wildlife views hunter behavior and understanding of resource issues as being among the most important matters demanding our attention . . . It is also pertinent to point out that added revenue for wildlife restoration is urgently needed in these difficult budget times to assure perpetuation of these resources for all to enjoy.
>
> I urge you to support the original wording which could mandate 50 percent of the funds generated by H.R. 9067 for use in state hunter training programs. Your affirmative action and initiative to revise and achieve speedy passage of this important legislation will be greatly appreciated by those dedicated to wildlife resource conservation in New York.

Mr. Chester F. Phelps, Executive Director, Commission of Game and Inland Fisheries, State of Virginia:

> . . . The point should be recognized that both wildlife and hunter education programs need additional funding at the state level. H.R. 9067, with the mandatory provision, apparently was a compromise bill that would provide additional money for both those purposes. Certainly hunter education would receive the lion's share of the new money, but wildlife would benefit initially by at least $600,000 annually.

> It would appear that any attempt to remove that [option] provision would cost the support of component manufacturers and of skeet and trap shooters who purchase more than 30 percent of component parts sold. I hope you can see fit to help revive H.R. 9067 in the form it was reported originally from the Subcommittee with the mandatory language intact. Its enactment would benefit our state, as well as others.

Mr. John W. McKean, Director, Department of Fish and Wildlife, State of Oregon:

> . . . Frankly, I share your concern for the arbitrary allocation of 50 percent of the revenue accruing from that bill being allocated for firearms safety training and rifle ranges. However, recognizing that much of the revenue will accrue from target shooting and that anything less than that is unacceptable to the interested industries and organizations, I believe the bill is worthy of your support.

In further support of the legislation, Mr. Neal Knox, Editor and Publisher of the *Rifle/Handloader* Magazine, pointed out in a letter received by the Committee that:

> . . . about 90 percent of handloaded ammunition is fired upon ranges, rather than in actual hunting, but we handloaders, and the National Reloading Manufacturers' Association, are willing for 50 percent of the proposed components tax to go into Pittman-Robertson projects—provided that the range construction provisions are included in the bill . . .
>
> Thus, if H.R. 9067 is enacted as written, not only would the States receive additional conservation monies, but many more ranges would be made available to shooters; no general tax funds would be involved, only the voluntary tax paid by handloaders, and the matching funds provided by clubs.

Mr. Knox further pointed out that:

> . . . the bill does not require the States to do anything, but they may not use their allocation for any purpose other than safety training and range construction. Without those provisions, we don't want the tax.

The allocation mentioned in Mr. Knox's letter refers to the revenues accruing to the fund from the tax imposed on pistols, revolvers, bows, arrows, and component parts of ammunition that are apportioned to the States, one-half of which are restricted for use in carrying out hunter education and target range programs; if not used for those purposes, the funds revert to the Migratory Bird Conservation Fund and are used to carry out the provisions of the Migratory Bird Conservation Act.

The Committee took note of the fact that of the one-half of the pistol and revolver funds apportioned among the States, which began with Fiscal Year 1972 the percentage of such funds used by the States on a voluntary basis for the hunter education and target range program has been on the increase. In 1972, 38.7 percent was used for this purpose; in 1973, 41.2 percent; in 1974, 50.6 percent; and in 1975, 58.4 percent. Indications are that this percentage will continue to increase, irrespective of the legislation, because of the recognized need by the various States to strengthen this program.

In view of the foregoing, the Committee deemed it appropriate to take advantage of the handloader's willingness to tax themselves in order that more funds could be obtained for carrying out wildlife restoration projects as well as for hunter education and target range programs. However, in doing so, the Committee is well aware that during the hearings on the legislation, concern was expressed on behalf of State wildlife agencies by the witness representing the International Association of Game, Fish and Conservation Commissioners and by the Director of the U.S. Fish and Wildlife Service that, given the varying needs from State to State, mandatory use of a fixed portion of a state's apportionment for hunter education and public target ranges could result, in time, in programs inconsistent with the comprehensive management objectives of the State wildlife agencies. The Committee is sensitive to this concern and, apart from its continuing oversight, will review the appropriateness of the mandatory requirements after the close of Fiscal Year 1981, which would mark the passage of five years of availability of such funds.

What the Bill Does: Section-by-Section Analysis

As indicated in the legislative background of this report, the Committee ordered reported to the House H.R. 9067, with an amendment. This was accomplished by striking out all after the enacting clause of the bill and substituting new language.

As ordered reported, the amendment resulted in no changes to the provisions of Title I of the bill and only technical changes to the provisions of Title II.

TITLE I—WILDLIFE RESTORATION FUND

Under present law (Pittman-Robertson Act), an amount equal to the revenues derived from the eleven percent tax on firearms (other than pistols and revolvers), shells, and cartridges is deposited in a special fund in the Treasury, known as the Federal Aid in Wildlife Restoration Fund. After deducting administrative expenses, not to exceed eight percent, the Secretary of the Interior is directed to distribute the remainder of the funds on an annual basis among the States for the purpose of carrying out wildlife restoration projects, such as the purchase and improvement of land and water areas for wildlife conservation and the maintenance and management of such areas and their resources. Any projects approved by the Secretary are carried out on a 75 (Federal)–25 (State) matching fund basis. One-half of the funds are apportioned among the States, based in the area size of each State and the other one-half based on the number of paid hunting license holders in each State, as compared to the area size of all States and the paid hunting license holders in all States. No State can receive less than one-half of one percent nor more than five percent of the total amount apportioned. This tax raises about $47 million per year.

In 1970, the law was amended to provide for an amount equal to the ten percent tax on pistols and revolvers—formerly deposited in the general fund of the Treasury—to be deposited in the Federal Aid in Wildlife Restoration Fund. One-half of these funds is apportioned among the States on the same basis as the tax on firearms, shells, and

cartridges—area size and paid hunting license holders. The other one-half is apportioned among the States based on the population of each State as compared to the population of all States. No State can receive less than one percent nor more than three percent of such funds. Also, under the 1970 amendment to the law, each State is authorized to use the funds apportioned to it, based on population, to pay up to 75 percent of the cost of carrying out a hunter safety program and the construction, operation, and maintenance of public outdoor target ranges, as a part of such program. This tax raises about $10 million per year.

In 1972, the Act was further amended to provide for an amount equal to the new 11 percent tax on bows and arrows—effective with fiscal year 1975—to be deposited in the Federal Aid in Wildlife Restoration Fund. These funds are treated in the same manner as the funds derived from the pistol and revolver taxes. This tax is expected to raise about $3 million per year.

As previously stated, the funds apportioned to the States on the basis of population can presently be used by such States to pay up to 75 percent of the costs of carrying out hunter safety programs and the construction, operation, and maintenance of target ranges. If a State elects not to use one-half of this apportionment for such purposes, then it could use all of such apportioned funds to carry out wildlife restoration projects. For example, if a State is apportioned $300,000 as its share, based on the pistol and revolver tax, and $100,000 as its share, based on the bow and arrow tax, it could elect to use all of the apportioned funds for carrying out wildlife restoration projects or it could elect to use up to one-half of each of the apportioned funds to carry out hunter safety and target range programs.

SECTION 101

Paragraph (1)(A) of this section would make a technical amendment to section 3 of the Act by inserting "(a)" immediately after "Sec. 3.".

Paragraph (1)(B) of this section would rewrite the second and third sentences of section 3 of the Act, which presently provide (1) for a one-year carry forward of any funds apportioned to a State that are unexpended at the end of any fiscal year in which such funds are apportioned; and (2) for the reversion of any unexpended funds at the end of the second year to the Migratory Bird Conservation Fund to carry out the provisions of the Migratory Bird Conservation Act.

Paragraph (1)(B) of this section in addition to rewriting the second and third sentences of section 3 of the Act, would add a new subsection (b) to section 3 of the Act.

New subsection (b)(1) of the Act would, in essence, retain present law as it relates to the carry forward of unused funds for one additional year and the reversion of any unused funds at the end of the second year to the Migratory Bird Conservation Fund. However, in accomplishing this purpose, new subsection (b)(1) would restrict its application to the funds apportioned based on the tax derived from the sale of firearms (other than pistol and revolvers), shells, and cartridges.

New subsection (b)(2)(A) of the Act would provide that the funds apportioned, based on the taxes derived from the sale of pistols and

revolvers, bows and arrows, and component parts of ammunition (the articles to be taxed by Title II of the bill), would remain available for one additional year after the year in which apportioned for carrying out the purposes of new section 10(a) of the Act (having to do with hunter education programs and public target range programs).

New subsection (b) (2) (B) of the Act would provide that any funds apportioned, based on the taxes derived from pistols and revolvers, bows and arrows, and component parts of ammunition, which are unexpended at the close of the fiscal year following the year in which such funds are apportioned, would remain available for an additional period of two years during which time the Secretary could authorize the use of such funds by other States to carry out hunter education or public target range programs.

Any reapportioned funds granted to any State during this second two-year period would be supplemental to, and not be charged against, any funds that would ordinarily be apportioned to such State and under the basic formula provided by the Act. Any funds not paid out or obligated at the end of this two-year period would be available for the Secretary to use in carrying out the Migratory Bird Conservation Act.

Paragraph (2) of this section would rewrite section 4(b) of the Act.

Section 4(b) of the Act now provides that one-half of the revenues accruing to the fund from any tax imposed on pistols and revolvers and bows and arrows is apportioned among the States in proportion to the ratio that the populatin of each State bears to the population of all of the States, and that no State shall receive more than three percent or less than one percent of such revenues.

In rewriting section 4(b) of the Act, paragraph (2) would retain existing law but would add language to provide that the revenues to accrue to the fund as a result of the new tax to be imposed by Title II of this legislation on component parts of ammunition for firearms would be treated in the same manner as those revenues accruing to the fund from the tax imposed on pistols and revolvers and bows and arrows.

Paragraph (3) of this section would make a technical amendment to section 8 of the Act by striking out "a" at the beginning of such section.

In addition, paragraph (3) would make a substantive change to section 8 by striking out subsection (b) in its entirety. The effect of this change will be explained in paragraph (5) of this section, which adds a new section 10 to the Act and redesignates the present section 10 as section 11.

Paragraph (4) of this section would rewrite section 8(A) of the Act.

Under present law, section 8(A) authorizes the Secretary of the Interior to cooperate with the respective agencies of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands, which exercise jurisdiction over fish and wildlife resources, in carrying out wildlife restoration projects. Paragraph (4), in rewriting this portion of section 8(A), would retain existing law but would broaden the coverage of the Act to allow American Samoa for the first time to participate under its coverage.

Under existing law, it should be stressed that section 8(A) only allows wildlife restoration projects to be carried out under the Act by Puerto Rico, Guam, and the Virgin Islands. In rewriting section 8(A), paragraph (4) would allow Puerto Rico, Guam, and the Virgin Islands, as well as American Samoa, to carry out hunter education and target range programs, as provided under new section 10 of the Act.

In carrying out wildlife restoration projects under present law, it is to be noted that the Secretary distributes the funds allotted to these areas upon such terms and conditions as he deems fair, just, and equitable; however, he can not require any such area to pay more than 25 percent of the cost of carrying out any approved project or program. This provision would be retained in section 8(A)(1) as rewritten.

Under existing law, the Secretary is authorized to apportion to these areas from funds available for apportionment such sums as he deems appropriate, but not to exceed: (A) in the case of Puerto Rico, one-half of one percent of the total amount apportioned in any one year; and (B) in the case of Guam and the Virgin Islands, one-sixth of one percent of such amount. Paragraph (4), in rewriting section 8(A), would retain existing law and add American Samoa to the list of areas to receive not to exceed one-sixth of one percent of the total amount of funds apportioned in any one year.

Paragraph (4) would restate existing law in section 8(A)(2), which provides that any unexpended or unobligated funds apportioned to these areas in any year shall remain available for expenditure in the respective areas for one additional year, and if unexpended or unobligated at the end of such year such funds are authorized to be used by the Secretary in carrying out the provisions of the Migratory Bird Conservation Act.

The Committee would like to point out that under existing law, and as rewritten by this legislation, those outlying areas do not receive funds upon the same terms and conditions as the 50 States. The 50 States receive funds under the Act based on population, area size, and paid hunting license holders; whereas the outlying areas receive a percentage of the funds available for apportionment each year. The 50 States are restricted to using only one-half of the revenues accruing to the fund from any tax imposed on pistols and revolvers and bows and arrows for hunter education and target range programs, whereas there is no such restriction on the use of such funds by the outlying areas. The Secretary can allow the use of any funds apportioned to these areas for wildlife restoration projects, or for hunter education programs or for public target range programs, as he deems appropriate. Also, with respect to the 50 States, one-half of the revenues accruing to the fund from any taxe imposed on pistols and revolvers and bows and arrows, as well as on component parts of ammunition, and apportioned to the States would (as rewritten by the legislation) be available for carrying out hunter education and target range programs for a period of four years before reverting. Any apportioned funds to the outlying areas would remain available only for a period of two years.

Paragraph (5) of this section would make a technical amendment by redesignating section 10 of the Act as section 11.

In addition, paragraph (5) would make a substantive change by inserting immediately after section 9 of the Act a new section 10 which would set forth new criteria to be considered and new procedures to be followed in carrying out hunter education and target range programs.

New section 10 of the Act would rewrite section 8(b) of the Act, which is repealed by paragraph (3) of this section.

Under section 8(b) of existing law, each State is allowed to use the funds apportioned to it under section 4(b) from revenues accruing from the tax imposed on pistols and revolvers and bows and arrows to pay up to 75 percent of the costs of carrying out a hunter safety program and the construction, operation, and maintenance of public target ranges as a part of such programs. It is to be noted that these programs are carried out in conjunction with each other, that is, target ranges are integral parts of hunter safety programs.

New section 10(a) would rewrite existing law to provide that one-half of those revenues accruing from the tax imposed on pistols and revolvers and bows and arrows, as well as on component parts of ammunition, that are apportioned to the States could be used solely for the purpose of paying up to 75 percent of the cost of carrying out a hunter education program, or a public target range program, or both.

The Committee would like to emphasize that this change in the law would allow target range programs to be carried out separate and apart from hunter education programs. There would be no requirement that such programs be carried out together. The reason for this, as was pointed out at the hearings, is that the needs of the States are different and that such needs change from time to time. One State may have a need to emphasize hunter education programs; another State may feel a need to have more target ranges; and another State may feel a need for both. New section 10(a) would allow a State to do either or both.

Also, new section 10(a) would retain that provision of existing law which allows the non-Federal share of the cost of any such program to be derived from license fees paid by hunters, but not from monies derived by the State through any other Federal program.

New section 10(b) would define the term "public target range program" as used throughout the Act. As defined, it would mean any program to implement one or more of the following purposes: operation of a range; maintenance of a range; construction of a new range, or renovation or other improvement of an existing range; and the acquisition of a range in fee title or by lease or easement, or some other interest in real property for the purpose of developing a new range or expanding the facilities of an existing range.

This definition would, in essence, incorporate into law existing practice and the present rules and regulations as they relate to the carrying out of target range programs.

New section 10(c) would make it clear that a State could carry out a hunter education program or a target range program, or both, solely under State auspices; or solely in cooperation with any local government agency or any appropriate private non-profit organization, or a combination of the two; or in part under State auspices and in part in cooperation with any such agency or organization.

This provision would, in essence, allow existing practice to continue as it relates to the carrying out of such programs in conjunction with certain counties, municipalities, and hunting clubs.

New section 10(d)(1) would make it clear that, in carrying out any public target range program in whole or in part in cooperation with a local government agency or private non-profit organization, such apportioned funds could be used only to pay up to 75 percent of the cost of acquiring, constructing, or renovating, or otherwise improving a public target range. None of these funds could be used for operation and maintenance of such ranges, which would be expected to be paid for by the local government agency or the private non-profit organization. Funds for operation and maintenance could be used when carrying out a target range program only under State auspices.

New section 10(d)(2) would make it clear that no apportioned funds could be used to acquire land for, or to construct, a range in cooperation with a private non-profit organization, such as a hunting club, unless the State has satisfactory assurances from such organization that: (1) such range will be available for the use by the public, and (2) the fees, if any, charged to the public for such use by the organization will be commensurate with the cost incurred by such organization in operating and maintaining such range.

SECTION 102

Section 102 of the bill would provide that the amendments to the Act pursuant to this legislation would take effect October 1, 1976. Any appropriated funds apportioned to any State under the Act prior to such date would be governed by the requirements of the Act in effect before the effective date of these amendments.

TITLE I—COMPLIANCE WITH CLAUSE 2(1)(3) OF RULE XI

With respect to the requirements of Clause 2(1)(3) of Rule XI of the Rules of the House of Representatives:

(A) No oversight hearings were held on the administration of this Act during this session of Congress, beyond the one day of hearings on the legislation held by the Subcommittee on Fisheries and Wildlife Conservation and the Environment. The Subcommittee does plan to hold oversight hearings on the administration of this Act in succeeding Congresses.

(B) Section 308(a) of the Congressional Budget Act of 1974 is not applicable. Therefore, no statement is furnished.

(C) The Committee on Government Operations has sent no report to the Committee on Merchant Marine and Fisheries pursuant to Clause 2(b)(2) of Rule X.

(D) The following estimate and comparison of costs has been received by the Committee from the Director of the Congressional Budget Office, pursuant to section 403 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

SEPTEMBER 1, 1976.

1. Bill number: H.R. 9067.
2. Bill title: A bill to provide additional funds to the States for carrying out restoration projects, and for other purposes.

3. Purpose of bill: This bill increases the receipts of the Wildlife Restoration Fund by imposing an 11 percent excise tax on the sale of certain component parts of firearms ammunition. The additional revenues will be used to provide greater funding by States for wildlife restoration projects. Spending and eligibility requirements are altered as well.

4. Cost estimate:

[Millions of dollars]

	Fiscal year—				
	1977	1978	1979	1980	1981
Budget authority	9.0	9	9	9	9
Outlays	4.5	9	9	9	9
Revenues	9.0	9	9	9	9

5. Basis of estimate: Section 4181 of the Internal Revenue Code of 1954 presently imposes an 11 percent excise tax on the sale of pistols, revolvers, shells and other items. Revenues flow into a receipt account (federal aid to wildlife restoration fund—#5029) and are credited to the Wildlife Restoration Fund. These revenues are then allocated to the states to be spent for wildlife restoration projects.

The extension of this excise tax to component parts of ammunition is projected to increase annual revenues by approximately $9 million. This amount, along with the other fund receipts, will then be allocated to states. Budget authority in the Fish and Wildlife Service's miscellaneous appropriation account will thus increase by the identical amount as revenues. The payout schedule between budget authority and outlays assumes that 50 percent of current fiscal year budget authority will be spent in that same year and the remaining 50 percent in the next fiscal year.

6. Financial assistance to State and local governments: The total $9 million resulting from this bill will represent financial assistance to State governments.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by Leo J. Corbett

10. Estimate approved by C. G. Nichols for James L. Blum, Assistant Director for Budget Analysis.

TITLE I—INFLATIONARY IMPACT STATEMENT

Pursuant to Clause (2) (1) (4) of Rule XI, of the Rules of the House of Representatives, the Committee estimates that the enactment of H.R. 9067 would have no inflationary impact on the prices and cost in the national economy.

TITLE II—TAX ON SALE OF COMPONENT PARTS OF FIREARM AMMUNITION

Title II of H.R. 9067 would amend the Internal Revenue Code, a matter over which the Committee on Ways and Means has jurisdiction. Pursuant to a prior agreement between the two Committees, the Committee requested the views and recommendations of the Committee on Ways and Means on the revenue aspects of the legislation.

Following is a copy of the letter received by the Committee from the Chairman of the Committee on Ways and Means, together with a brief explanation of Title II and the technical amendments adopted by that Committee:

COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 29, 1976.

Hon. LEONOR K. SULLIVAN,
Chairman, Committee on Merchant Marine and Fisheries,
U.S. House of Representatives.

DEAR MADAM CHAIRMAN: As you know, the Committee on Ways and Means has been working with your Committee on H.R. 9067, a bill to provide additional funds to the States for carrying out restoration projects and programs and for other purposes. In particular, you requested that the Committee on Ways and Means consider Title II which would provide a tax on the sale of component parts of firearm ammunition.

The Committee on Ways and Means on March 3, 1976, considered Title II of H.R. 9067 and agreed to favorably recommend adoption of that Title with certain amendments.

By direction of the Committee on Ways and Means, I am transmitting herewith the amendments which the Committee agreed to adopt Title II along with report language for that Title to be included in the Committee report which is submitted by your Committee on the bill. It is also requested that this letter be included in the report.

Further, the Committee on Ways and Means will handle Title II of the bill before the Rules Committee and in its consideration on the floor.

The foregoing is in accordance with our understanding in order to maintain the jurisdiction of our respective Committees over the matters involved in H.R. 9067.

Sincerely,

AL ULLMAN, *Chairman.*

The amendments are as follows:

Page 7, beginning in line 22, strike out "is amended" and all that follows down through line 4 on page 8 and insert: is amended by striking out "Shells, and cartridges." and inserting in lieu thereof:

"Shells and cartridges.

"The following component parts of ammunition for firearms (including pistols and revolvers): cartridge cases, primers, percussion caps, bullets, shot, wads, and powders."

Page 8, line 5, strike out "Section 4182 of such Code of 1954" and insert "Subsection (b) of section 4182 of such Code".

Page 8, line 10, strike out "amendments" and insert amendments".

SUMMARY

Title II of H.R. 9067 amends the Internal Revenue Code of 1954 to extend the present 11-percent manufacturers excise tax on firearms and prefabricated ammunition so as to apply to component parts of ammunition. This tax, which is to be effective for sales on or after

October 1, 1976, is to apply to sales of cartridge cases, primers, percussion caps, bullets, shot, wads, and powders which are used by consumers to prepare their own ammunition. The existing law's exemptions for the Defense Department and certain other sales of prefabricated ammunition are also to apply to sales of ammunition components.

General Statement

Present law

Under present law, excise taxes are imposed on sales by manufacturers and importers of certain types of recreational equipment and supplies (sec. 4181). A 10-percent tax is imposed on pistols and revolvers and an 11-percent tax is imposed on other types of firearms and upon prefabricated shells and cartridges used in firearms. In addition, there is imposed an 11-percent tax upon certain archery equipment and supplies (sec. 4161(b)). Exemptions from the firearms and ammunition taxes are provided for items sold to the Department of Defense and for sales of certain firearms which have been taxed under section 5811 of the Code (relating to transfer taxes on firearms). Additional exemptions to all of the above taxes are provided for sales to State and local governments and to nonprofit educational organizations.

Amounts equivalent to the receipts from the excise taxes on firearms, prefabricated ammunition, and archery equipment and supplies are covered into the Wildlife Restoration Fund (16 U.S.C. 669b), from which appropriations are authorized to the States (on a sharing basis) for use in carrying out wildlife restoration projects (generally to acquire and maintain wildlife habitats) and hunter safety projects, such as the construction and operation of public target ranges. This fund is administered by the Department of Interior.

Reasons for change

The purpose of the present recreational excise taxes and the earmarking of receipts from these taxes is to impose upon those who hunt the costs of financing programs which make their activities more safe and enjoyable. However, the Internal Revenue Service has ruled that the present law's excise tax on prefabricated shells and cartridges does not apply to component parts of ammunition which are sold separately.[1]

Since purchasers of component parts of ammunition use these supplies in their hunting and marksmanship activities to much the same extent as do purchasers of prefabricated ammunition, your committee believes that those who load their own ammunition should bear their share of the costs for wildlife restoration and hunter safety programs. As a result, this title, as reported by your committee, extends the present 11-percent excise tax on sales by manufacturers, producers, and importers to include component parts of firearm ammunition which are sold separately. Amounts equivalent to the revenues from this tax are to be covered into the Wildlife Restoration Fund, as are the revenues from the existing taxes on firearms, shells and cartridges, and certain archery equipment and supplies.

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[1] Rev. Rul. 68-463, 1968-2 CB 507; S. T. 561, XI-2 CB 483 (1932).

Explanation of provision

The 11-percent manufacturers excise tax imposed by this title on the sale of component ammunition parts is to apply to sales of cartridge cases, primers, percussion caps, bullets, shot, wads, and powders which are used by consumers to load or reload their own ammunition for firearms (including pistols and revolvers). The application of this tax is limited to these specified component parts and it does not apply to other expendable items (such as flints for a flintlock firearm) which might otherwise be considered to be used in the propulsion process of a firearm and be broadly construed to be an ammunition component. The tax does, however, extend not only to components which are assembled (into cartridges or shells) before insertion into the firearm, but also to components which are loaded separately into the firearm, such as powder, wads, etc., used in loading a muzzleloading weapon.

The existing exemptions for sales of prefabricated ammunition to the Department of Defense is extended by this title to apply to sales of ammunition components (sec. 4182(b)). Existing general exemptions from manufacturers taxes for (1) further manufacture, (2) export, (3) supplies for vessels or aircraft, (4) State or local governments, and (5) exempt educational institutions, automatically apply to this tax on ammunition components (sec. 4221).

Effective date

The tax imposed under this title applies to ammunition components sold by manufacturers or importers on or after October 1, 1976.

Effect of the Title on the Revenues and Vote of the Committee in Reporting Title II

In compliance with clause 7 of Rule XIII of the Rules of the House of Representatives, the following statement is made relative to the effect of this title on the revenues. Your committee estimates that the title will increase excise tax revenues by $5 million for fiscal year 1977. (Amounts equal to revenues collected are covered into the Wildlife Restoration Fund.) The Treasury Department agrees with this statement.

In compliance with clause 2(l)(2)(B) of Rule XI of the Rules of the House of Representatives, the following statement is made relative to the vote by the committee on the motion to report this title. Title II, as amended, was ordered reported by a voice vote.

COST OF THE LEGISLATION

In the event the legislation is enacted into law, it is estimated—based on information supplied by the Federal agencies—that there would be no additional cost to the Federal Government.

Other Matters Required To Be Discussed Under House Rules

In compliance with clause 2(l)(3) of Rule XI of the Rules of the House of Representatives, the following statements are made:

With respect to subdivision (A), relating to oversight findings, it was as a result of your committee's oversight activity concerning the

excise tax treatment of recreational equipment, particularly firearm ammunition, that it concluded the provisions of this title are appropriate to impose an excise tax on ammunition components.

With respect to subdivision (B), your committee states that the changes made by this title involve no new budget authority or new or increased tax expenditures.

With respect to subdivisions (C) and (D), your committee advises that no estimate or comparison has been submitted to your committee by the Director of the Congressional Budget Office with respect to the changes made by title II of H.R. 9067, nor have any oversight findings or recommendations been submitted to your committee by the Committee on Government Operations with respect to title II of H.R 9067.

In compliance with clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, your committee states that the inflation impact of the changes results from this title should be negligible.

Departmental Reports

Reports from the Departments of the Interior and Treasury were received on H.R. 1319, a predecessor bill, and follow herewith:

U.S. Department of the Interior,
Office of the Secretary,
Washington, D.C., June 16, 1975.

Hon. Leonor K. Sullivan,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

Dear Madam Chairman: This is in response to the request of your Committee for the views of this Department on H.R. 1319, a bill "To provide additional funds to the States for carrying out wildlife restoration projects and programs, and for other purposes."

We recommend enactment of H.R. 1319 if amended as suggested herein.

H.R. 1319 would amend the Federal Aid in Wildlife Restoration Act of September 2, 1937 (16 U.S.C. 669 *et. seq.;* 50 Stat. 917), as amended by the Act of October 23, 1970 (P.L. 91–503; 84 Stat. 1097) and the Act of June 8, 1974 (P.L. 93–313; 88 Stat. 238). Section 101 of H.R. 1319 would amend section 4(b) (16 U.S.C. 669c(b)) of the Act which authorizes one-half the revenues accruing to the fund established pursuant to this Act to be apportioned each fiscal year among the several States on the basis of the State's population. The amendment to this section would add component parts of ammunition for firearms to those items on which a tax may be imposed for purpose of the fund.

Section 102 would redesignate section 10 (16 U.S.C. 669i) as section 11 of the Act and would insert a new section 10 which would provide that apportioned funds as described under section 4(b) are limited to a hunter education program, or a public target range program, or both, and may not be used for wildlife restoration projects. Section 8(b) (16 U.S.C. 669g(b)) of the Act would be deleted by H.R. 1319. This section established the original hunter safety and target range program. The contents of section 8(b) are redescribed in new section 10 (Sec. 102(a) of H.R. 1319).

Section 103 of H.R. 1319 would amend section 3 (16 U.S.C. 669b) of the Act to allow an additional two-year period of availability of funds apportioned for hunter education and public target ranges before the unexpended funds are returned to the Secretary of the Interior for carrying out provisions of the Migratory Bird Conservation Act. The Act presently authorizes unexpired apportioned funds to remain available for expenditure in the State until the close of the succeeding fiscal year.

Section 104 of H.R. 1319 establishes an effective date of July 1, 1976; however, any appropriations apportioned to any State before fiscal year 1977 (October 1, 1976) are to be treated as if the amendments in H.R. 1319 had not been enacted.

Title II of the bill amends section 4181 of the Internal Revenue Code of 1954 to establish an excise tax on component parts of ammunition.

The selection, planning and execution of wildlife restoration projects and hunter safety programs are the responsibility of the State wildlife departments. Financial assistance through this program is not directly available to individuals, sportsmen clubs or local governments. States may be reimbursed by the Federal Government for up to 75 percent of the total cost of approved projects upon satisfactory completion of the work. Presently, State wildlife departments have the option to use up to 50 percent of apportioned pistol, revolver and archery tax monies for approved hunter safety programs or all of the apportionment for approved wildlife restoration work. Apportionments are available to the States for two years. Unexpected funds revert to the Secretary of the Interior for activities delineated under the Migratory Bird Conservation Act. Under the comprehensive plan option of receiving funds, administrative guidelines require that the States prepare a hunter safety program.

We are extremely proud of the accomplishments of the Federal Aid in Wildlife Restoration program, or as it is commonly known, Pittman-Robertson Act. We feel it represents a model in grant program administration and Federal/State relations. The program has had notable successes, as recognized by the hunters, wildlife managers and conservationists in this country for decades. Some of the many accomplishments by the States and Territories under the $594 million apportioned through the program since its inception in 1937 include: over 3.8 million acres of wildlife habitat acquired at a cost of some $97 million; almost $128 million spent on migratory waterfowl; over 33 million acres managed on some 2,800 management areas; and over 93,000 head of big game stocked.

The present Act levies an 11 percent excise tax on sporting arms, ammunition and archery equipment and a 10 percent excise tax on pistols and revolvers. Funds from the archery equipment tax are not yet available for apportionment. The Act authorizing the tax on archery equipment was passed late in the 92nd Congress, and in the 93rd Congress, the date to initiate tax collections was set at January 1, 1975. The tax is collected from the manufacturer by the Treasury Department, and on the basis of the formula established by the Act, apportioned to the States each succeeding year for approved wildlife restoration projects and hunter safety programs.

The Federal Aid in Wildlife Restoration Act was amended in the 91st Congress to provide for hunter safety training programs, and

although hunter safety is comparatively new to the Fish and Wildilfe Service grant-in-aid program, formal training by the States began some 24 years ago to instruct young hunters in the safe use of firearms. This concept prevailed for more than 15 years until several State wildlife departments expanded training efforts beyond basic gun safety. In fact, the term "hunter safety training" has become a misnomer, for today it is an educational program involving wildlife management, hunter ethics, survival, and hunter responsibility as well as firearm and archery safety. Programs are being conducted throughout the country in a variety of operational methods, including public schools and colleges. Adults as well as youngsters are being trained, and in most areas both hunters and non-hunters are offered classroom and target range instructions. Since the new grant-in-aid program began July 1, 1971, more than 2.5 million students have been trained by a volunteer corps of over 50,000 instructors.

A comprehensive training program must include live practice firing of rifles and shotguns, as well as archery equipment. To develop these skills, a student must have a place to practice; therefore, we are encouraging target range development as a necessary and integral part of the program. Since the trend of urbanization in this country makes it increasingly difficult to use firearms and archery equipment for recreational shooting and training, the enactment of this legislation would provide much needed revenue for the acquisition and development of public target range areas. Once built, target ranges are not used exclusively for training but are available for all recreational shooters, including users of component parts of ammunition. The States have built or improved 40 ranges and entered into cooperative agreements with 1,039 organizations for a total target range expenditure of $808,700 over the last four years.

All 50 States have hunter safety training programs, an increase of 15 within the past three years. Thirty-one States have voluntary programs and 18 States require hunter safety training as a prerequisite to hunting. To date 44 States are participating in the Federal grant-in-aid to hunter safety training and target range activities, a very significant increase over the 26 in fiscal year 1972, the initial year for Federal assistance. Seven States include mandatory practice firing with live ammunition as a requirement for the successful completion of the hunter training program.

H.R. 1319 contains an important deviation from the original Federal Aid in Wildlife Restoration Act. Under the current provisions of the Federal Aid in Wildlife Restoration Act, each State may use the funds for hunter safety training, including the construction, maintenance, or operation of target ranges as referred to in section 8(b) of the Act, or for wildlife restoration projects. H.R. 1319 removes this option. Fifty percent of the apportionment must be used for hunter education and target ranges. We oppose such a restriction. States should continue to have the option to use the funds for the management objectives they judge to be the most important in their State. We therefore suggest that Title I of H.R. 1319 be amended to read as follows:

> "SEC. 101. (a) That part of section 4(b) of the Federal Aid in Wildilfe Restoration Act (16 U.S.C. 669c(b)) which precedes the proviso is amended by striking out 'pistols, revolvers, bows, and arrows' and inserting in lieu thereof the following: 'pistols;

revolvers; component parts of ammunition for pistols, revolvers, and other firearms; bows; and arrows'.

"(b) The amendment made by subsection (a) of this section shall take effect beginning with fiscal year 1978".

In addition, Title II, section 201(c), should be amended by striking "July 1, 1976" and inserting in lieu thereof "the beginning of fiscal year 1977". This change in the effective dates will provide adequate time for the Treasury Department, Internal Revenue Service, and manufacturers to implement the tax.

The date change in Title I (section 101(b)) will provide for apportionments to begin one year after collection begins. With the changes to continue a discretionary hunter safety program, amendments in Title I related to conduct of the program are not necessary.

In fiscal year 1975, the States were apportioned $9.1 million from the 10 percent excise tax on handguns. We estimate the 11 percent tax on archery equipment will increase the apportionment to the States by $3.4 million, and enactment of H.R. 1319 will add an estimated $6.0 million to the fund. The total revenue available for apportionment to the States from handguns, archery equipment and component parts of ammunition will be in excess of $18.5 million annually. One-half the revenues derived from this tax source will be available for hunter education and target ranges and the other one-half for wildlife restoration projects.

In addition to the amendments proposed in H.R. 1319, we suggest certain other amendments be made to provide for present and possible reorganization changes in the governments of the Commonwealth of Puerto Rico and the Island Territories eligible for assistance under the Act, and clarify the eligibility of American Samoa.

The following language is suggested for addition to H.R. 1319 as Title III:

"TITLE III—WILDLIFE RESTORATION PROGRAMS

"SEC. 301. Section 8A of the Federal Aid in Wildlife Restoration Act (16 U.S.C. 669g–1; 84 Stat. 1101) is amended so that the first sentence reads as follows: "The Secretary of the Interior is authorized to cooperate with Puerto Rico, American Samoa, Guam, and the Virgin Islands, through their respective agencies empowered by its laws or designated by the Governor to exercise jurisdiction over fish and wildlife resources, in conduct of wildlife restoration projects and hunter education projects, upon such terms and conditions as he shall deem fair, just, equitable, and is authorized to apportion to Puerto Rico, American Samoa, Guam, and the Virgin Islands, out of the money available for apportionment under this Act, such sums as he shall determine, not exceeding for Puerto Rico one-half of one per centum, for American Samoa one-sixth of one per centum, for Guam one-sixth of one per centum, and for the Virgin Islands one-sixth of one per centum of the total amount apportioned, in any one year, but the Secretary shall in no event require any of said cooperating agencies to pay an amount which will exceed 25 per centum of the cost of any project."

The proposed amendment to section 8A of the Federal Aid to Wildlife Restoration Act as amended (16 U.S.C. 669g–1; 84 Stat. 1101) would add American Samoa as a beneficiary and update language of the Act which describes the eligible agencies in the Commonwealth of Puerto Rico and the Territories of Guam and the Virgin Islands.

Enactment of this proposal will allow American Samoa to receive the benefits of this Act to the same extent as Guam and the Virgin Islands. American Samoa was included in the Federal Aid in Sport Fish Restoration Act by amendments in 1970, P.L. 91–503. The proposed amendment would also provide program continuity in relation to current and possible future reorganization of fish and wildlife responsibilities in these governments.

It is our firm belief that the Federal Aid in Wildlife Restoration Program, including hunter safety and target range development, is and will continue to be a great success. Enactment of H.R. 1319 with amendments as suggested herein will benefit all interests. Any additional source of revenue for the Federal Aid in Wildlife Restoration fund, is needed and welcomed. Because of the scope of the ongoing program, additional manpower and funds needed to administer the proposed component parts of ammunition tax additions and other changes in the Act would not be required.

The Office of Management and Budget has advised that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely yours,

CURTIS BOHLEN,
Acting Assistant Secretary.

THE GENERAL COUNSEL OF THE TREASURY,
Washington, D.C., June 17, 1975.

Hon. LEONOR K. SULLIVAN,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, D.C.

DEAR MADAM CHAIRMAN: Reference is made to your request for the views of this Department on H.R. 1319, "To provide additional funds to the States for carrying out wildlife restoration projects and programs, and for other purposes."

Under the terms of present law (16 U.S.C. 669c), amounts equal to the receipts from the 11 percent tax on manufacturers' or importers' sales of firearms, shells, and cartridges, the 10 percent tax on sales of pistols and revolvers, and the tax of 11 percent on sales by manufacturers or importers of bows, arrows, and certain other archery equipment are earmarked to a special fund in the Treasury designated as the Federal aid to wildlife restoration fund. Amounts in the fund are made available to the States for designated wildlife restoration projects approved by the Secretary of the Interior, hunter safety programs and the construction and maintenance of target ranges as part of a hunter safety program. Provision also is made for paying the expense of the Department of the Interior in administering the payments to the States.

The bill would impose a new tax of 11 percent upon the sale by the manufacturer, producer, or importer of component parts of ammunition (including but not limited to, cartridge cases, primers, bullets, shot, and powders) for firearms (including pistols and revolvers). Amounts equal to the revenues collected pursuant to the tax would be paid into the Federal aid to wildlife restoration fund and would be available for expenditure out of the fund. The bill would also elimi-

nate the existing requirement that a public target range program receiving such funds be part of a hunter safety program.

The effect of the proposed legislation would be to earmark additional excise taxes for wildlife restoration. The Department has generally opposed the earmarking of Federal receipts for unrelated purposes. As a general principle of effective budgetary management, budget receipts should not be earmarked for particular purposes but should be available in the general fund of the Treasury for appropriation by the Congress for the achievement of current programs and objectives.

Legislative enactments setting aside certain budgetary receipts for particular areas or expenditure purposes tend to introduce undesirable rigidities into the budget process and thus limit the flexibility of the President and the Congress in determining priorities on the basis of their evaluation of current needs. This could promote unnecessary public spending by frustrating the application of cost-effectiveness tests. Moreover, a law requiring the earmarking of a certain type of receipt could result in substantial and unintended variations in the amounts provided for the designated purposes, since these amounts would be determined largely by the happenstance of unrelated revenue changes rather than on the basis of program needs and sound budgetary planning.

In view of the fact that revenues from the taxes on complete firearms and ammunition are now set aside for the benefit of hunters, and hunter safety programs, it might seem logical to tax parts purchased by those who prepare their own ammunition. As it is, those who prepare their own ammunition are favored over those who buy commercial ammunition. However, the proposal in the bill requires consideration of the relationship of the use made of hand loaded ammunition to the use proposed to be made of the revenues to be derived from the proposed tax.

A very large proportion of the hand loaded shotgun shells is used for trapshooting because of the cost saving involved when, as in this case, an individual uses a large number of shells. Hand loaded rifle ammunition also is used extensively for target shooting. However, under the terms of the Federal Aid in Wildlife Restoration Act of September 3, 1937 (as amended), all of the revenues from the proposed tax on ammunition components could be used for wildlife management and restoration programs rather than for facilities used by skeet and target shooters. While the States could use half of the revenues from the proposed tax for hunter safety programs and the construction, operation, and maintenance of public target ranges, use of on bows and arrows. In both cases much of the tax revenues will be a large proportion of skeet and target shooting takes place at private facilities which have have no claim to support from the proposed tax.

The Treasury Department opposed covering the revenues from the excise on pistols and revolvers into the Federal aid to wildlife restoration fund and similar use of the revenues from the newly levied tax on bows and arrows. In both cases much of the tax revenues will be derived from those who used the taxed items for purposes other than hunting. The bill would further widen the disparity between those who contribute through the purchase of taxed items to the Fed-

eral aid to wildlife restoration fund and the beneficiaries of the expenditures from the fund.

In view of the foregoing, the Department would be opposed to the bill.

Should your Committee decide to approve the legislation, the Department recommends that the definition in the bill of components of ammunition be revised by deleting in lines 19 and 20 of page 6 the words: "including but not limited to,". This would limit the extended coverage to cartridge cases, primers, bullets, shot, and powders. The only other item that we can think of that might clearly be included in the deleted words are wads for shotgun shells. These are low cost items and probably would bring in very little revenue. However, retention of the quoted words might raise a question as to the taxability of lead and other metal sold for use in the making of bullets. Since it is possible to buy metal from many sources for this purpose, it would be desirable not to have to try to identify the end use of metal purchased from varied types of outlets.

In addition, if your Committee decides to approve the legislation, the Department would agree with a recommendation which we understand is being made by the Department of the Interior, that the States be given the option to use the funds to achieve their individual objectives.

On the basis of information from trade sources, we estimate that the revenues from the proposed extension of the tax under section 4181 of the Internal Revenue Code would be $4 million. Additional administrative costs to the Treasury Department should be minimal, since the component parts, if limited as previously suggested, are made in nearly all cases by concerns which also make commercial ammunition. These concerns already file excise tax returns.

The Department has been advised by the Office of Management and Budget that there is no objection from the standpoint of the Administration's program to the submission of this report to your Committee.

Sincerely yours,

RICHARD R. ALBRECHT,
General Counsel.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, as amended, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic; existing law in which no change is proposed is shown in roman):

ACT OF SEPTEMBER 2, 1937

(16 U.S.C. 669–669i)

AN ACT To provide that the United States shall aid the States in wildlife-restoration projects, and for other purposes.

* * * * * * *

SEC. 3. (*a*) An amount equal to all revenues accruing each fiscal year (beginning with the fiscal year 1975) from any tax imposed on

specified articles by sections 4161(b) and 4181 of the Internal Revenue Code of 1954 (26 U.S.C. 4161(b), 4181) shall, subject to the exemptions in section 4182 of such Code, be covered into the Federal aid to wildlife restoration fund in the Treasury (hereinafter referred to as the 'fund') and is authorized to be appropriated and made available until expended to carry out the purposes of this Act. [So much of such appropriation apportioned to any State for any fiscal year as remains unexpended at the close thereof is authorized to be made available for expenditure in that State until the close of the succeeding fiscal year. Any amount apportioned to any State under the provisions of this Act which is unexpended or unobligated at the end of the period during which it is available for expenditure on any project is authorized to be made available for expenditure by the Secretary of Agriculture in carrying out the provisions of the Migratory Bird Conservation Act.]

(b)(1) So much of any appropriation apportioned to any State (for use other than that authorized under section 10(a) of this Act) for any fiscal year as remains unexpended at the close thereof is authorized to be made available for expenditure in that State until the close of the succeeding fiscal year. Any amount so apportioned to any State which is unexpended or unobligated at the close of the period during which it is available for expenditure on any project is authorized to be made available for expenditure by the Secretary of the Interior in carrying out the provisions of the Migratory Bird Conservation Act.

(2) (A) So much of any appropriation which is apportioned to any State for any fiscal year for use as authorized under such section 10(a) as remains unexpended at the close of such fiscal year is authorized to be made available for expenditure in that State for such use until the close of the succeeding fiscal year.

(B) The amount of any apportioned appropriation referred to in subparagraph (A) of this paragraph of any State which is unexpended or unobligated at the close of the fiscal year succeeding the fiscal year in which apportioned may only be used by the Secretary of the Interior during the two fiscal years immediately following such succeeding fiscal year to assist one or more other States in carrying out one or more projects included within the hunter education program or public target range program of such State under section 10. Any amount granted to any State under this subparagraph shall be supplemental to, and may not be charged against, any funds apportioned to such State under section 4(b) of this Act. Any amount which is not paid or obligated by the Secretary of the Interior pursuant to this subparagraph before the close of the two-fiscal-year period referred to in the first sentence of this subparagraph is authorized to be made available for expenditure by the Secretary in carrying out the provisions of the Migratory Bird Conservation Act.

Sec. 4. (a) * * *

[(b) One-half of the revenues accruing to the fund under this Act each fiscal year (beginning with the fiscal year 1975) from any tax imposed on pistols, revolvers, bows, and arrows shall be apportioned among the States in proportion to the ratio that the population of each State bears to the population of all the States: *Provided*, That each State shall be apportioned not more than 3 per centum and not less

than 1 per centum of such revenues. For the purpose of this subsection, population shall be determined on the basis of the latest decennial census for which figures are available, as certified by the Secretary of Commerce.]

(b) One-half of the revenues accruing to the fund under this Act for each fiscal year (after the fiscal year 1975) from any tax imposed on pistols, revolvers, bows, arrows, and component parts of ammunition for firearms shall be apportioned among the States in proportion to the ratio that the population of each State bears to the population of all the States; except that, each State shall be apportioned not more than 3 per centum and not less than 1 per centum of such revenues. For purposes of this subsection, population shall be determined on the basis of the latest decennial Census for which figures are available, as certified by the Secretary of Commerce.

* * * * * * *

SEC. 8. [(a)] Maintenance of wildlife-restoration projects established under the provisions of this Act shall be the duty of the States in accordance with their respective laws. Beginning July 1, 1945, the term "wildlife-restoration project", as defined in section 2 of this Act, shall include maintenance of completed projects. Notwithstanding any other provisions of this Act, funds apportioned to a State under this Act may be expended by the State for management (exclusive of law enforcement and public relations) of wildlife areas and resources.

[(b) Each State may use the funds apportioned to it under section 4(b) of this Act to pay up to 75 per centum of the costs of a hunter safety program and the construction, operation, and maintenance of public target ranges, as a part of such program. The non-Federal share of such costs may be derived from license fees paid by hunters, but not from other Federal grant programs. The Secretary shall issue not later than the 120th day after the effective date of this subsection such regulations as he deems advisable relative to the criteria for the establishment of hunter safety programs and public target ranges under this subsection.]

[SEC. 8A. The Secretary of the Interior is authorized to cooperate with the Secretary of Agriculture of Puerto Rico, the Governor of Guam, and the Governor of the Virgin Islands, in the conduct of wildlife-restoration projects, as defined in section 2 of this Act, upon such terms and conditions as he shall deem fair, just, and equitable, and is authorized to apportion to Puerto Rico, Guam, and the Virgin Islands, out of the money available for apportionment under this Act, such sums as he shall determine, not exceeding for Puerto Rico one-half of 1 per centum, for Guam one-sixth of 1 per centum, and for the Virgin Islands one-sixth of 1 per centum of the total amount apportioned, in any one year, but the Secretary shall in no event require any of said cooperating agencies to pay an amount which will exceed 25 per centum of the cost of any project. Any unexpended or unobligated balance of any apportionment made pursuant to this section shall be available for expenditure in Puerto Rico, Guam, or the Virgin Islands, as the case may be, in the succeeding year, on any approved project, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the

Secretary of the Interior in carrying out the provisions of the Migratory Bird Conservation Act.]

Sec. 8A. (1) The Secretary of the Interior may cooperate with the respective agencies of the Commonwealth of Puerto Rico, American Samoa, Guam, and the Virgin Islands which exercise jurisdiction over fish and wildlife resources in the conduct of wildlife restoration projects, hunter education programs, and public target range programs (as defined in section 10(b)) upon such terms and conditions as he deems fair, just, and equitable; except that the Secretary may not require any such agency to pay an amount exceeding 25 per centum of the cost of any such project or program. To carry out the purposes of the preceding sentence, the Secretary of the Interior may apportion to the Commonwealth of Puerto Rico, American Samoa, Guam, and the Virgin Islands, out of the money available for apportionment under this Act, such sums as he shall determine to be appropriate, but not to exceed—

(A) in the case of the Commonwealth of Puerto Rico, one-half of 1 per centum of the total amount apportioned in any one year; and

(B) in the case of American Samoa, Guam, and the Virgin Islands, each respectively, one-sixth of 1 per centum of the total amount apportioned in any one year.

(2) Any unexpended or unobligated balance of any apportionment made pursuant to this section for any year shall be available for expenditure in the Commonwealth of Puerto Rico, American Samoa, Guam, or the Virgin Islands, as the case may be, in the succeeding year on any approved project or program, and if unexpended or unobligated at the end of such year is authorized to be made available for expenditure by the Secretary of the Interior in carrying out the provisions of the Migratory Bird Conservation Act.

* * * * * * *

Sec. 10. (a) Each State may use the funds apportioned to it under section 4(b) of this Act (hereafter referred to in this section as 'apportioned funds') solely for the purpose of paying not more than 75 per centum of the cost of a hunter education program, or a public target range program, or both. The non-Federal share of the cost of any such program may be derived from license fees paid by hunters, but not from moneys derived by the State through any other Federal grant program.

(b) For purposes of this section, the term 'public target range program' means any program to implement one or more of the following purposes with respect to public target ranges:

(1) the acquisition of fee title, leasehold, easement, or other interests in real property for the purpose of developing new ranges or expanding the facilities of existing ranges;

(2) the construction of new ranges or the renovation or other improvement of existing ranges;

(3) the maintenance of ranges; or

(4) the operation of ranges.

(c) Any State may carry out a hunter education program or a public target range program, or both, with apportioned funds—

(1) solely under State auspices;

(2) solely in cooperation with any local government agency or any appropriate private nonprofit organization, or both; or

(3) in part under State auspices and in part in cooperation with any such agency or organization.

(d) (1) To the extent that any public target range program is carried out in whole or in part in cooperation with any local government agency or private nonprofit organization, apportioned funds may not be used except to pay not to exceed 75 per centum of the cost of acquiring any real property interest for any public target range and not to exceed 75 per centum of the cost of constructing or renovating or otherwise improving any such range.

(2) No apportioned funds may be used under any public target range program to acquire land for, or to construct, any public target range in cooperation with any private nonprofit organization unless the State has satisfactory assurances that (1) such range will be available for use by the public, and (2) the fees, if any, charged to the public for such use by the organization will be commensurate with the cost incurred by the organization in operating and maintaining the range.

Sec. [10.] *11.* The Secretary of Interior is authorized to make rules and regulations for carrying out the provisions of this Act.

Sections 4181 and 4182 of the Internal Revenue Code of 1954

Part III—Firearms

SEC. 4181. IMPOSITION OF TAX.

There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to the specified percent of the price for which so sold:

Articles taxable at 10 percent—

Pistols.

Revolvers.

Articles taxable at 11 percent—

Firearms (other than pistols and revolvers).

[Shells, and cartridges.]

Shells and cartridges.

The following component parts of ammunition for firearms (including pistols and revolvers): cartridge cases, primers, percussion caps, bullets, shot, wads, and powders.

SEC. 4182. EXEMPTIONS.

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(b) Sales to Defense Department.—No firearms, pistols, revolvers, shells, [and cartridges] *cartridges, and component parts of ammunition for firearms* purchased with funds appropriated for the military department shall be subject to any tax imposed on the sale or transfer of such articles.

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