
Finance Committee

HB 1386

Brief Description: Imposing a new tax on firearms, firearm parts, and ammunition.

Sponsors: Representatives Thai and Berry.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Imposes an 11 percent excise tax on the sale of firearms, firearm parts, and ammunition.
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Hearing Date: 1/21/25

Staff: Tracey Taylor (786-7152).

Background:

Retail Sales and Use Tax.

Retail sales taxes are imposed on retail sales of most articles of tangible personal property, digital products, and some services. A retail sale is a sale to the final consumer or end user of the property, digital product, or service. If retail sales taxes were not collected when the user acquired the property, digital products, or services, then use tax applies to the value of property, digital product, or service when used in this state. The state, all counties, and all cities levy retail sales and use taxes. The state sales and use tax rate is 6.5 percent; local sales and use tax rates vary from 0.5 percent to 4.1 percent, depending on the location.

Firearms and Ammunition Excise Tax.

There is a federal tax on the manufacture, importation, production, and sale of firearms and ammunition. The tax rate is 10 percent for pistols and revolvers, and 11 percent for other firearms, shells, and cartridges. There are exceptions to the imposition of this tax, including sales to the armed forces.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

The federal government distributes the tax revenue to states for wildlife conservation and hunter education and safety.

City of Seattle Firearm and Ammunition Tax.

The City of Seattle imposes an excise tax on persons engaging in the sale of firearms and ammunition in Seattle. For firearms, the rate is \$25 per firearm sold. For ammunition, the rate is calculated per round based on the caliber: 2 cents per round for .22 caliber or less; and 5 cents per round for all other rounds of ammunition.

An exemption to the firearm tax is granted to persons who only sell one firearm or 50 rounds or less of ammunition during a quarter. The provision of background checks by a licensed dealer to facilitate a sale between two unlicensed persons is also exempt.

Sales to out-of-state buyers; federal, state, or local government buyers; or sales of antique firearms are deducted from the measure of the tax.

Summary of Bill:

An excise tax is levied and collected on the retail sale of firearms, firearm parts, and ammunition. The rate is 11 percent of the sales price and is in addition to any other taxes levied on the sale of the item.

Sales to the government for law enforcement are exempt from the tax. This exemption is not subject to the requirements of a tax preference performance statement, a Joint Legislative Audit and Review Committee tax preference review, and the automatic 10-year expiration.

"Firearm" means a weapon or device from which a projectile or projectiles may be fired by an explosive such as gunpowder. "Firearm" does not include a flare gun or other pyrotechnic visual distress signaling device, or a powder-actuated tool or other device designed solely to be used for construction purposes. Ammunition means any projectiles with their fuses, propelling charges, or primers designed to be fired from firearms, including any shotgun shell and any rifle, pistol, or revolver cartridge.

It is the intent of the Legislature that the revenues from the tax during the 2025-27 biennium be appropriated to agencies and programs focused on gun violence prevention, including domestic violence prevention, suicide prevention programs, and victims' services.

The administrative and enforcement provisions of chapter 82.32 RCW apply to this act. The provisions covering the collection and remitting of trust fund taxes apply to this tax. The Department of Revenue may adopt any rules necessary to administer this tax.

Appropriation: None.

Fiscal Note: Requested on January 17, 2025.

Effective Date: The bill takes effect on January 1, 2026.