



HB 981
SALES AND USE TAX – EXEMPTION –
FIREARM SAFETY DEVICES

March, 1 2019

Ways and Means

Sponsored by Delegate Neil C. Parrott

Firearm safety devices help **reduce** the chances of non-owners gaining access to or using a firearm.



What Does This Bill Do?

- HB 981 provides a tax exemption under the sales tax and use tax for the sale of certain firearm safety devices
- Provides an incentive for firearm holders to purchase safety devices for their firearms



Five states already have firearm safety tax exemptions:

- Connecticut
- Massachusetts
- New Jersey
- Washington
- Michigan



A study found that in homes with children and firearms...



HAD FIREARMS IN UNLOCKED PLACES



KEPT GUNS WITH NO TRIGGER LOCKS IN UNLOCKED PLACES



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“Removing the sales and use taxes on safety devices is just one practical way to encourage and promote safe gun habits.”

- Michigan Senator Tonya Schuitmaker

SIMPLE SAFETY DEVICES CAN PREVENT ACCIDENTAL DEATHS

About a third of accidental deaths caused by firearms can be prevented by the use of a child-proof safety lock and a device that indicates whether a firearm is loaded.



CHILD-PROOF SAFETY LOCK

INDICATOR

+



LOADING INDICATOR

=

31%
FEWER ACCIDENTAL DEATHS



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Benefits of HB 981

- Creates better safety in the home
- Protects against unauthorized use and accidental discharge
- Encourages people to buy safer storage units – such as gun safes or finger print activated gun safes

Revenue Loss is Minute; Safety is Enhanced

The price of firearm safety devices vary from as little as \$10 for a simple trigger lock to \$6,000 or more for a sophisticated gun safe. It is not currently known how many gun owners in the State currently have some sort of firearm safety device and how many would purchase a device as a result of the bill.

The Department of State Police report the following sales of firearms in Maryland: 126,330 in 2013; 28,287 in 2014; and 37,259 in 2015.

Revenue Loss is Minute Safety is Enhanced

As a point of reference, Michigan passed legislation similar to this bill in 2015. The Michigan Department of Treasury estimated the revenue loss associated with the sales tax exemption to be approximately \$1.0 million per year.

Data from the U.S. Census Bureau indicates that Maryland's population is approximately 60% of Michigan's.

Assuming a similar level of per capita purchases of firearm safety devices as estimated in Michigan, general fund revenues may decrease by approximately \$600,000 annually beginning in fiscal 2017.

Revenue Loss is Minute Safety is Enhanced

- Massachusetts no longer records loss of revenue for firearm safety devices revenue loss because it is so miniscule (under 1,000,000 dollars)
- Based on similar proposals in other states and information from the Comptroller's Office, the potential revenue loss may total approximately \$550,000 annually.¹
- In terms of state revenue this is miniscule

The state should be doing **ALL** it can to promote gun safety.

Please vote favorably for HB 981.

Questions?