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115TH CONGRESS
2D SESSION

H. R. 5103

To amend the Internal Revenue Code of 1986 to increase the excise tax and special occupational tax in respect of firearms and to increase the transfer tax on any other weapon, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2018

Mr. DANNY K. DAVIS of Illinois (for himself, Mr. PASCRELL, Mr. JOHNSON of Georgia, Ms. KELLY of Illinois, Mr. LANGEVIN, Mr. BLUMENAUER, Ms. BASS, Ms. NORTON, Mr. COHEN, and Mr. LYNCH) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Natural Resources, the Judiciary, Education and the Workforce, and Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To amend the Internal Revenue Code of 1986 to increase the excise tax and special occupational tax in respect of firearms and to increase the transfer tax on any other weapon, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Gun Violence Prevention and Safe Communities Act of 2018''.

SEC. 2. INCREASE IN EXCISE TAXES RELATING TO FIREARMS.

(a) IN GENERAL.—Section 4181 of the Internal Revenue Code of 1986 is amended to read as follows:

"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:

"(1) Articles taxable at 20 percent:

"(A) Pistols.

"(B) Revolvers.

"(C) Firearms (other than pistols and revolvers).

"(D) Any lower frame or receiver for a firearm, whether for a semiautomatic pistol, rifle, or shotgun that is designed to accommodate interchangeable upper receivers.

"(2) Articles taxable at 50 percent: Shells and cartridges.".

(b) EXEMPTION FOR UNITED STATES.—Subsection (b) of section 4182 of the Internal Revenue Code of 1986 is amended to read as follows:

"(b) SALES TO UNITED STATES.—No firearms, pistols, revolvers, lower frame or receiver for a firearm, shells, and cartridges purchased with funds appropriated for any department, agency, or instrumentality of the United States shall be subject to any tax imposed on the sale or transfer of such articles.''.

(c) AVAILABILITY OF FUNDS FROM INCREASED TAXES.—

(1) ALLOCATION.—Amounts in the general fund of the Treasury by reason of section 3(a) of the Pittman-Robertson Wildlife Restoration Act (as amended by paragraph (2) of this subsection) are hereby appropriated and shall be available, as follows:

(A) Thirty-five percent of such amounts shall be available for community-oriented policing services grants for the hiring and rehiring of additional career law enforcement officers under section 1701(b) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796dd(b)). States using funds for school resource officers shall include training, protections, and monitoring to ensure that school resource officers are used to improve school safety and climate, and promote positive reform in student suspensions, expulsions, and referrals to the juvenile or criminal justice systems.

(B) Thirty-five percent of such amounts shall be available for the Project Safe Neighborhoods, as authorized by the Consolidated Appropriations Act, 2017 (Public Law 115–31), 131 Stat. 135, 203.

(C) Ten percent of such amounts shall be available for the Centers for Disease Control National Center for Injury Prevention and Control for purposes of research on gun violence and its prevention.

(D) Five percent of such amounts shall be available for the National Criminal History Improvement Program authorized under section 302(c) of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3732(c)).

(E) Five percent of such amounts shall be available for the NICS Act Record Improvement Program authorized under section 301 of the NICS Improvement Amendments Act of 2007 (18 U.S.C. 922 note).

(F) Five percent for the Community-Based Violence Prevention Field-Initiated Research and Evaluation Program of the Department of Justice.

(G) Five percent of such amounts shall be available for the Secretary of Education to provide directed grants and technical assistance to schools eligible for or receiving grants under part A of title I of the Elementary and Secondary Education Act of 1965 to develop and implement comprehensive, evidence-based local or regional strategies (such as positive behavior interventions and supports, social and emotional learning, and restorative justice programs) to improve school climate, reduce the use of exclusionary school discipline, and decrease the number of youth entering the juvenile and criminal justice systems.

(2) CONFORMING AMENDMENT.—Section 3(a) of the Pittman-Robertson Wildlife Restoration Act (16 U.S.C. 669b(a)) is amended by adding at the end the following new sentence: ''There shall not be covered into the fund the portion of the tax imposed by such section 4181 that is attributable to any increase in amounts received in the Treasury under such section by reason of the amendments made by section 2 of the Gun Violence Prevention and Safe Communities Act of 2018, as estimated by the Secretary.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to sales after December 31, 2018.

SEC. 3. SPECIAL TAX AND LICENSING RELATING TO FIREARMS.

(a) INCREASE IN TAX.—

(1) GENERAL RULE.—Subsection (a) of section 5801 of the Internal Revenue Code of 1986 is amended—

(A) in paragraph (1) by striking "$1,000" and inserting "$2,000"; and

(B) in paragraph (2) by striking "$500" and inserting "50 percent of the dollar amount applicable under paragraph (1) for the taxable year".

(2) SMALL IMPORTERS AND MANUFACTURERS.—Paragraph (1) of section 5801(b) of such Code is amended by striking "substituting '$500' for '$1,000'" and inserting "substituting '50 percent of the dollar amount applicable under such paragraph for the taxable year' for '$2,000'".

(3) ADJUSTMENT FOR INFLATION.—Section 5801 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(c) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning in a calendar year after 2019, the dollar amount in subsection (a)(1) shall be increased by an amount equal to—

"(1) such dollar amount, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2018' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase under paragraph (1) is not a multiple of $10, such increase shall be rounded to the next lowest multiple of $10.".

(b) INCREASE IN TRANSFER TAX ON FIREARMS.—

(1) IN GENERAL.—Subsection (a) of section 5811 of the Internal Revenue Code of 1986 is amended—

(A) by striking "$200" and inserting "$500"; and

(B) by striking "$5" and inserting "$100".

(2) ADJUSTMENT FOR INFLATION.—Section 5811 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(d) ADJUSTMENT FOR INFLATION.—In the case of any taxable year beginning in a calendar year after 2019, each dollar amount in subsection (a) shall be increased by an amount equal to—

''(1) such dollar amount, multiplied by

''(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 2018' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

If any increase under paragraph (1) is not a multiple of $5, such increase shall be rounded to the next lowest multiple of $5.''.

(c) CERTAIN SEMIAUTOMATIC PISTOLS CHAMBERED FOR CARTRIDGES TREATED AS FIREARMS.—The first sentence of section 5845(a) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''and'' before ''(8)'';

(2) by striking ''device.'' and inserting ''device, and''; and

(3) by adding at the end the following: ''(9) a semiautomatic pistol chambered for cartridges commonly considered rifle rounds, configured with receivers commonly associated with rifles and capable of accepting detachable magazines.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided by paragraph (2), the amendments made by this section shall take effect on January 1, 2019.

(2) IN GENERAL.—The amendments made by subsection (a) shall take effect on July 1, 2019.

(3) ALL TAXPAYERS TREATED AS COMMENCING IN BUSINESS ON JULY 1, 2019.—Any person engaged on July 1, 2019, in any trade or business which is subject to an occupational tax by reason of the amendment made by subsection (a) shall be treated for purposes of such tax as having first engaged in a trade or business on such date.

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