

# SENATE BILL 784

Q7, E4, F1

4lr1076  
CF 4lr1075

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By: **Senators Elfreth, Augustine, Beidle, Ferguson, Gile, Guzzone, Hester, Hettleman, Jackson, Kelly, King, Kramer, Smith, Sydnor, and Waldstreicher**

Introduced and read first time: February 1, 2024

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Comprehensive Community Safety Funding Act**

3 FOR the purpose of imposing an excise tax on certain gross receipts of certain firearms  
4 dealers derived from the sales of firearms, firearm accessories, and ammunition in  
5 the State; and generally relating to a tax on gross receipts derived from firearms,  
6 firearm accessories, and ammunition.

7 BY repealing and reenacting, without amendments,  
8 Article – Health – General  
9 Section 19–130(b)(1)  
10 Annotated Code of Maryland  
11 (2023 Replacement Volume)

12 BY repealing and reenacting, with amendments,  
13 Article – Health – General  
14 Section 19–130(c)  
15 Annotated Code of Maryland  
16 (2023 Replacement Volume)

17 BY repealing and reenacting, without amendments,  
18 Article – Public Safety  
19 Section 4–902(a), 5–101(a) and (h), and 5–133.1(a)  
20 Annotated Code of Maryland  
21 (2022 Replacement Volume and 2023 Supplement)

22 BY repealing and reenacting, with amendments,  
23 Article – Public Safety  
24 Section 4–902(e)(1)  
25 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(2022 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 1–101(a) and 13–508(b)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2023 Supplement)

BY adding to  
Article – Tax – General  
Section 1–101(h–1); 2–4B–01 and 2–4B–02 to be under the new subtitle “Subtitle 4B.  
Firearm, Firearm Accessory, and Ammunition Excise Tax Revenue  
Distribution”; 7.7–101 through 7.7–301 to be under the new title “Title 7.7.  
Firearm, Firearm Accessory, and Ammunition Excise Tax”; and  
13–201(3)(xviii), 13–825(j), and 13–1001(h)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 2–102(a), 13–201(3)(xvi) and (xvii), 13–508(a) and (c), 13–509, and 13–1002  
Annotated Code of Maryland  
(2022 Replacement Volume and 2023 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

### **Article – Health – General**

19–130.

(b) (1) There is a Maryland Trauma Physician Services Fund.

(c) The Fund consists of [motor]:

**(1) MOTOR** vehicle registration surcharges paid into the Fund in  
accordance with § 13–954(b)(2) of the Transportation Article; **AND**

**(2) REVENUE DISTRIBUTED TO THE FUND UNDER § 2–4B–02 OF THE  
TAX – GENERAL ARTICLE.**

### **Article – Public Safety**

4–902.

(a) There is a Maryland Violence Intervention and Prevention Program Fund.

(e) (1) The Fund consists of:

(i) money appropriated in the State budget to the Fund;

(ii) **REVENUE DISTRIBUTED TO THE FUND UNDER § 2-4B-02 OF THE TAX – GENERAL ARTICLE;**

(iii) investment earnings of the Fund; and

~~[(iii)]~~ (iv) money from any other source accepted for the benefit of the Fund.

5-101.

(a) In this subtitle the following words have the meanings indicated.

(h) (1) “Firearm” means:

(i) a weapon that expels, is designed to expel, or may readily be converted to expel a projectile by the action of an explosive;

(ii) the frame or receiver of such a weapon; or

(iii) an unfinished frame or receiver, as defined in § 5-701 of this title.

(2) “Firearm” includes a starter gun.

5-133.1.

(a) In this section, “ammunition” means a cartridge, shell, or any other device containing explosive or incendiary material designed and intended for use in a firearm.

#### **Article – Tax – General**

1-101.

(a) In this article the following words have the meanings indicated.

**(H-1) “FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX” MEANS THE TAX IMPOSED UNDER TITLE 7.7 OF THIS ARTICLE.**

2-102.

(a) In addition to the duties set forth elsewhere in this article and in other articles of the Code, the Comptroller shall administer the laws that relate to:

(1) the admissions and amusement tax;

(2) the boxing and wrestling tax;

(3) the digital advertising gross revenues tax;

(4) **THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX;**

**(5)** the income tax;

**[(5)] (6)** the Maryland estate tax;

**[(6)] (7)** the Maryland generation–skipping transfer tax;

**[(7)] (8)** the motor carrier tax;

**[(8)] (9)** the motor fuel tax;

**[(9)] (10)** the sales and use tax; and

**[(10)] (11)** the savings and loan association franchise tax.

**SUBTITLE 4B. FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX  
REVENUE DISTRIBUTION.**

**2–4B–01.**

**FROM THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX  
REVENUE, THE COMPTROLLER SHALL DISTRIBUTE THE AMOUNT NECESSARY TO  
ADMINISTER THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX  
LAWS TO AN ADMINISTRATIVE COST ACCOUNT.**

**2–4B–02.**

**(A) AFTER MAKING THE DISTRIBUTION REQUIRED UNDER § 2–4B–01 OF  
THIS SUBTITLE, THE COMPTROLLER SHALL DISTRIBUTE THE REMAINING FIREARM,  
FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX REVENUE AS FOLLOWS:**

**(1) 44% TO THE MARYLAND TRAUMA PHYSICIAN SERVICES FUND  
ESTABLISHED UNDER § 19–130 OF THE HEALTH – GENERAL ARTICLE;**

(2) 29% TO THE R ADAMS COWLEY SHOCK TRAUMA CENTER AT THE UNIVERSITY OF MARYLAND MEDICAL SYSTEM;

(3) 23% TO THE VIOLENCE INTERVENTION AND PREVENTION PROGRAM FUND ESTABLISHED UNDER § 4-902 OF THE PUBLIC SAFETY ARTICLE;

(4) 2% TO THE SURVIVORS OF HOMICIDE VICTIMS GRANT PROGRAM WITHIN THE GOVERNOR'S OFFICE OF CRIME PREVENTION AND POLICY; AND

(5) 2% TO THE CENTER FOR FIREARM VIOLENCE PREVENTION AND INTERVENTION WITHIN THE MARYLAND DEPARTMENT OF HEALTH.

(B) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE REVENUE DISTRIBUTED UNDER SUBSECTION (A) OF THIS SECTION SUPPLEMENT, AND NOT SUPPLANT, ANY OTHER FUNDING REQUIRED BY LAW.

## **TITLE 7.7. FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX.**

### **SUBTITLE 1. DEFINITIONS; GENERAL PROVISIONS.**

#### **7.7-101.**

(A) IN THIS TITLE THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(B) "AMMUNITION" HAS THE MEANING STATED IN § 5-133.1 OF THE PUBLIC SAFETY ARTICLE.

(C) "FEDERALLY LICENSED FIREARMS DEALER" MEANS A PERSON LICENSED BY THE FEDERAL BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND EXPLOSIVES TO DEAL IN FIREARMS.

(D) "FIREARM" HAS THE MEANING STATED IN § 5-101 OF THE PUBLIC SAFETY ARTICLE.

(E) "FIREARM ACCESSORY" MEANS:

(1) A MAGAZINE OR MAGAZINE LOADER;

(2) A FIREARM SCOPE OR OPTIC;

(3) A STOCK;

(4) A GRIP;

(5) A HANDGUARD; OR

(6) BODY ARMOR.

(F) (1) "GROSS RECEIPTS" MEANS THE TOTAL AMOUNT OF THE SALE OR LEASE OR RENTAL PRICE OF THE RETAIL SALE BY A PERSON, VALUED IN MONEY, WHETHER RECEIVED IN MONEY OR OTHERWISE, WITHOUT ANY DEDUCTION FOR:

(I) THE COST OF THE PROPERTY SOLD;

(II) THE COST OF THE MATERIALS USED, LABOR OR SERVICE COST, INTEREST PAID, LOSSES, OR ANY OTHER EXPENSE; OR

(III) THE COST OF TRANSPORTATION OF THE PROPERTY.

(2) "GROSS RECEIPTS" DOES NOT INCLUDE:

(I) CASH DISCOUNTS ALLOWED AND TAKEN ON SALES;

(II) THE SALE PRICE OF PROPERTY RETURNED BY CUSTOMERS WHEN THAT AMOUNT IS REFUNDED IN CASH OR CREDIT UNLESS THE CUSTOMER, IN ORDER TO OBTAIN THE REFUND, IS REQUIRED TO PURCHASE OTHER PROPERTY AT A PRICE GREATER THAN THE AMOUNT CHARGED FOR THE PROPERTY THAT IS RETURNED;

(III) THE PRICE RECEIVED FOR LABOR OR SERVICES USED IN INSTALLING OR APPLYING THE PROPERTY SOLD; AND

(IV) THE AMOUNT OF ANY TAX IMPOSED BY THE UNITED STATES, THE STATE, A COUNTY, OR A MUNICIPAL CORPORATION ON OR WITH RESPECT TO RETAIL SALES WHETHER IMPOSED ON THE PERSON OR THE CONSUMER.

(G) "LAW ENFORCEMENT AGENCY" MEANS:

(1) A STATE, COUNTY, OR MUNICIPAL POLICE DEPARTMENT OR AGENCY;

(2) A SHERIFF'S OFFICE; OR

(3) A FEDERAL LAW ENFORCEMENT AGENCY.

1   **7.7-102.**

2           **(A)   EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, AN EXCISE**  
3 **TAX IS IMPOSED ON THE GROSS RECEIPTS OF A FEDERALLY LICENSED FIREARMS**  
4 **DEALER DERIVED FROM THE SALES OF FIREARMS, FIREARM ACCESSORIES, AND**  
5 **AMMUNITION IN THE STATE.**

6           **(B)   THE TAX IMPOSED UNDER SUBSECTION (A) OF THIS SECTION DOES NOT**  
7 **APPLY TO THE SALE OF A FIREARM, FIREARM ACCESSORY, OR AMMUNITION TO A**  
8 **LAW ENFORCEMENT AGENCY, THE ARMED FORCES OF THE UNITED STATES, OR THE**  
9 **NATIONAL GUARD.**

10   **7.7-103.**

11           **THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX RATE IS**  
12 **11%.**

13                                   **SUBTITLE 2. RETURNS.**

14   **7.7-201.**

15           **(A)   A FEDERALLY LICENSED FIREARMS DEALER SHALL COMPLETE, UNDER**  
16 **OATH, AND FILE WITH THE COMPTROLLER A FIREARM, FIREARM ACCESSORY, AND**  
17 **AMMUNITION EXCISE TAX RETURN:**

18                   **(1)   ON OR BEFORE THE 25TH DAY OF THE MONTH THAT FOLLOWS THE**  
19 **MONTH IN WHICH THE PERSON SELLS ANY FIREARMS, FIREARM ACCESSORIES, OR**  
20 **AMMUNITION WITHIN THE BOUNDARIES OF THE STATE; AND**

21                   **(2)   IF THE COMPTROLLER SO SPECIFIES, BY REGULATION, ON OTHER**  
22 **DATES FOR EACH MONTH IN WHICH THE LICENSEE DOES NOT SELL ANY FIREARMS,**  
23 **FIREARM ACCESSORIES, OR AMMUNITION IN THE STATE.**

24           **(B)   A PERSON REQUIRED TO FILE A RETURN UNDER THIS SECTION SHALL**  
25 **FILE WITH THE RETURN AN ATTACHMENT THAT STATES ANY INFORMATION THAT**  
26 **THE COMPTROLLER REQUIRES TO DETERMINE THE GROSS RECEIPTS DERIVED**  
27 **FROM THE SALES OF FIREARMS, FIREARM ACCESSORIES, AND AMMUNITION IN THE**  
28 **STATE.**

29   **7.7-202.**

30           **A PERSON REQUIRED TO FILE A RETURN UNDER § 7.7-201 OF THIS SUBTITLE**  
31 **SHALL MAINTAIN RECORDS OF THE FIREARMS, FIREARMS ACCESSORIES, AND**

1 AMMUNITION SOLD IN THE STATE AND THE BASIS FOR THE CALCULATION OF THE  
2 FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX OWED.

3 **SUBTITLE 3. TAX PAYMENT.**

4 **7.7-301.**

5 (A) EACH PERSON REQUIRED TO FILE A RETURN UNDER § 7.7-201 OF THIS  
6 TITLE SHALL PAY THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE  
7 TAX IN THE MANNER THAT THE COMPTROLLER REQUIRES, WITH THE RETURN THAT  
8 COVERS THE PERIOD IN WHICH THE PERSON SOLD FIREARMS, FIREARM  
9 ACCESSORIES, OR AMMUNITION IN THE STATE.

10 (B) IF A CORPORATION, OTHER THAN A NONSTOCK, NONPROFIT  
11 CORPORATION, IS REQUIRED TO PAY THE FIREARM, FIREARM ACCESSORY, AND  
12 AMMUNITION EXCISE TAX, PERSONAL LIABILITY FOR THE TAX AND INTEREST AND  
13 PENALTIES ON THE TAX EXTENDS TO ANY OFFICER OF THE CORPORATION WHO  
14 EXERCISES DIRECT CONTROL OVER ITS FISCAL MANAGEMENT.

15 (C) IF A LIMITED LIABILITY COMPANY, OR LIMITED LIABILITY  
16 PARTNERSHIP, INCLUDING A LIMITED PARTNERSHIP REGISTERED AS A LIMITED  
17 LIABILITY LIMITED PARTNERSHIP, IS REQUIRED TO PAY THE FIREARM, FIREARM  
18 ACCESSORY, AND AMMUNITION EXCISE TAX, PERSONAL LIABILITY FOR THE TAX AND  
19 INTEREST AND PENALTIES ON THE TAX EXTENDS TO ANY PERSON WHO EXERCISES  
20 DIRECT CONTROL OVER THE FISCAL MANAGEMENT OF THE LIMITED LIABILITY  
21 COMPANY OR LIMITED LIABILITY PARTNERSHIP.

22 **13-201.**

23 In this subtitle, "tax information" means:

24 (3) any information contained in:

25 (xvi) a tobacco tax return; [or]

26 (xvii) a transportation services assessment return; OR

27 (XVIII) A FIREARM, FIREARM ACCESSORY, AND AMMUNITION  
28 EXCISE TAX RETURN.

29 **13-508.**

30 (a) Within 30 days after the date on which a notice of assessment of the  
31 admissions and amusement tax, alcoholic beverage tax, boxing and wrestling tax,



**FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX**, income tax, motor carrier tax, motor fuel tax, public service company franchise tax, financial institution franchise tax, sales and use tax, or tobacco tax is mailed, a person or governmental unit against which the assessment is made may submit to the tax collector:

(1) an application for revision of the assessment; or

(2) except for the public service company franchise tax, if the assessment is paid, a claim for refund.

(b) If a person or governmental unit fails to submit an application for revision or claim for refund within the time allowed in subsection (a) of this section, the assessment becomes final.

(c) The Comptroller or an employee of the Comptroller's office expressly designated by the Comptroller promptly:

(1) (i) shall hold an informal hearing on a person's or governmental unit's admissions and amusement tax, alcoholic beverage tax, boxing and wrestling tax, **FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX**, income tax, motor carrier tax, motor fuel tax, sales and use tax, or tobacco tax application for revision or claim for refund under subsection (a) of this section; and

(ii) after the hearing:

1. shall act on the application for revision; and

2. may assess any additional tax, penalty, and interest due;

and

(2) shall mail to the person or governmental unit a notice of final determination.

13–509.

(a) Notwithstanding a person's failure to file a timely application for revision or claim for refund of an assessment of the admissions and amusement tax, alcoholic beverage tax, boxing and wrestling tax, **FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX**, income tax, motor carrier tax, motor fuel tax, sales and use tax, or tobacco tax under § 13–508(a) of this subtitle, the Comptroller or the Comptroller's designee may issue an order decreasing or abating an assessment to correct an erroneous assessment.

(b) If action is taken under subsection (a) of this section, the order shall state clearly the reasons for decreasing or abating the assessment.

(c) Any order issued by the Comptroller under subsection (a) of this section shall be final and not subject to appeal.

(d) The Comptroller's refusal to enter an order under subsection (a) of this section shall be final and not subject to appeal.

13-825.

**(J) THE COMPTROLLER MAY REQUIRE A PERSON SUBJECT TO THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX TO POST SECURITY FOR THE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX IN THE AMOUNT THAT THE COMPTROLLER DETERMINES.**

13-1001.

**(H) A PERSON WHO IS REQUIRED TO FILE A FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX RETURN AND WHO WILLFULLY FAILS TO FILE THE RETURN AS REQUIRED UNDER TITLE 7.7 OF THIS ARTICLE IS GUILTY OF A MISDEMEANOR AND, ON CONVICTION, IS SUBJECT TO A FINE NOT EXCEEDING \$5,000 OR IMPRISONMENT NOT EXCEEDING 5 YEARS OR BOTH.**

13-1002.

(a) A person who willfully files a false alcoholic beverage tax return **OR A FALSE FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE TAX RETURN** is guilty of perjury and, on conviction, is subject to the penalty for perjury.

(b) A person, including an officer of a corporation, who willfully files a false digital advertising gross revenues tax return, a false financial institution franchise tax return, a false public service company franchise tax return, or a false income tax return with the intent to evade the payment of tax due under this article is guilty of perjury and, on conviction, is subject to the penalty for perjury.

(c) Subsections (a) and (b) of this section apply to the alcoholic beverage, digital advertising gross revenues, **FIREARM, FIREARM ACCESSORY, AND AMMUNITION EXCISE**, financial institution franchise, public service company franchise, and income taxes.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.