

SENATE BILL 773

E4

2lr1916

By: **Senator Carter**

Introduced and read first time: February 7, 2022

Assigned to: Judicial Proceedings

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 15, 2022

CHAPTER _____

1 AN ACT concerning

2 ~~Public Safety – Firearms Dealers – Storage Vaults for Regulated Firearms~~
3 Income Tax – Credit for Firearm Safety Devices

4 FOR the purpose of ~~requiring an applicant for a regulated firearms dealer's license to~~
5 ~~provide evidence satisfactory to the Secretary of State Police that the applicant's~~
6 ~~proposed place of business has a certain vault to store all regulated firearms to be~~
7 ~~offered for sale; requiring a licensee to store all regulated firearms for sale in a~~
8 ~~certain vault when the licensee's place of business is closed; requiring a certain~~
9 ~~licensee to comply with the storage requirement on or before a certain date; and~~
10 ~~generally relating to regulated firearms dealers and regulated firearms~~ authorizing
11 a credit against the State income tax for the purchase of certain firearm safety
12 devices during the taxable year; making the credit refundable; and generally relating
13 to a credit against the State income tax for firearm safety devices.

14 ~~BY adding to~~

15 ~~Article – Public Safety~~

16 ~~Section 5-110.1~~

17 ~~Annotated Code of Maryland~~

18 ~~(2018 Replacement Volume and 2021 Supplement)~~

19 ~~BY repealing and reenacting, with amendments,~~

20 ~~Article – Public Safety~~

21 ~~Section 5-114~~

22 ~~Annotated Code of Maryland~~

23 ~~(2018 Replacement Volume and 2021 Supplement)~~

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY adding to

2 Article – Tax – General

3 Section 10–754

4 Annotated Code of Maryland

5 (2016 Replacement Volume and 2021 Supplement)

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

8 ~~Article – Public Safety~~

9 ~~5–110.1.~~

10 ~~(A) BEFORE THE SECRETARY ISSUES A DEALER’S LICENSE TO AN~~
11 ~~APPLICANT, THE APPLICANT SHALL PROVIDE EVIDENCE SATISFACTORY TO THE~~
12 ~~SECRETARY THAT THE APPLICANT’S PROPOSED PLACE OF BUSINESS HAS A VAULT~~
13 ~~THAT IS SECURED TO THE FLOOR AND THAT CAN HOLD ALL OF THE REGULATED~~
14 ~~FIREARMS TO BE OFFERED FOR SALE.~~

15 ~~(B) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION,~~
16 ~~WHEN A LICENSEE’S PLACE OF BUSINESS IS CLOSED, THE LICENSEE SHALL STORE~~
17 ~~ALL REGULATED FIREARMS FOR SALE IN A VAULT DESCRIBED IN SUBSECTION (A) OF~~
18 ~~THIS SECTION.~~

19 ~~(2) A PERSON WHO HOLDS A DEALER’S LICENSE ON OR BEFORE~~
20 ~~OCTOBER 1, 2022, SHALL COMPLY WITH THIS SUBSECTION ON OR BEFORE JULY 1,~~
21 ~~2023.~~

22 ~~5–114.~~

23 ~~(a) (1) The Secretary shall suspend a dealer’s license if the licensee:~~

24 ~~(i) is under indictment for a crime of violence; or~~

25 ~~(ii) is arrested for a violation of this subtitle that prohibits the~~
26 ~~purchase or possession of a regulated firearm.~~

27 ~~(2) (i) The Secretary may suspend a dealer’s license if the licensee is~~
28 ~~not in compliance with the record keeping and reporting requirements of § 5–145 of this~~
29 ~~subtitle.~~

30 ~~(ii) The Secretary may lift a suspension under this paragraph after~~
31 ~~the licensee provides evidence that the record keeping violation has been corrected.~~

32 ~~(b) The Secretary shall revoke a dealer’s license if:~~

1 ~~(1) it is discovered that false information has been supplied or false~~
 2 ~~statements have been made in an application required by this subtitle; or~~

3 ~~(2) the licensee:~~

4 ~~(i) is convicted of a disqualifying crime;~~

5 ~~(ii) is convicted of a violation classified as a common law crime and~~
 6 ~~receives a term of imprisonment of more than 2 years;~~

7 ~~(iii) is a fugitive from justice;~~

8 ~~(iv) is a habitual drunkard;~~

9 ~~(v) is addicted to a controlled dangerous substance or is a habitual~~
 10 ~~user;~~

11 ~~(vi) has spent more than 30 consecutive days in a medical institution~~
 12 ~~for treatment of a mental disorder, unless the licensee produces a physician's certificate,~~
 13 ~~issued after the last institutionalization and certifying that the licensee is capable of~~
 14 ~~possessing a regulated firearm without undue danger to the licensee or to another;~~

15 ~~(vii) has knowingly or willfully manufactured, offered to sell, or sold~~
 16 ~~a handgun not on the handgun roster in violation of § 5-406 of this title; or~~

17 ~~(viii) has knowingly or willfully participated in a straw purchase of a~~
 18 ~~regulated firearm.~~

19 ~~(C) THE SECRETARY MAY DENY A DEALER'S LICENSE TO AN APPLICANT OR~~
 20 ~~SUSPEND OR REVOKE A DEALER'S LICENSE IF THE APPLICANT OR LICENSEE FAILS~~
 21 ~~TO COMPLY WITH § 5-110.1 OF THIS SUBTITLE.~~

22 ~~[(e)] (D) If the Secretary suspends or revokes a dealer's license, the Secretary~~
 23 ~~shall notify the licensee in writing of the suspension or revocation.~~

24 ~~[(d)] (E) A person whose dealer's license is suspended or revoked may not engage~~
 25 ~~in the business of selling, renting, or transferring regulated firearms, unless the suspension~~
 26 ~~or revocation has been subsequently withdrawn by the Secretary or overruled by a court in~~
 27 ~~accordance with § 5-116 of this subtitle.~~

28 Article – Tax – General

29 10-754.

30 (A) IN THIS SECTION, "FIREARM SAFETY DEVICE" MEANS ANY DEVICE THAT:

1 **(1) (I) WHEN INSTALLED ON A FIREARM, IS DESIGNED TO PREVENT**
2 **THE FIREARM FROM BEING OPERATED WITHOUT FIRST DEACTIVATING THE DEVICE;**
3 **AND**

4 **(II) IS DESIGNED TO PREVENT THE OPERATION OF THE**
5 **FIREARM BY ANYONE NOT HAVING ACCESS TO THE DEVICE; OR**

6 **(2) IS A SAFE, GUN SAFE, GUN CASE, LOCK BOX, OR OTHER DEVICE**
7 **THAT IS DESIGNED TO BE OR CAN BE USED TO STORE A FIREARM AND THAT IS**
8 **DESIGNED TO BE UNLOCKED ONLY BY MEANS OF A KEY, A COMBINATION, OR OTHER**
9 **SIMILAR MEANS.**

10 **(B) (1) AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE**
11 **INCOME TAX FOR THE AMOUNT PAID BY THE INDIVIDUAL TO PURCHASE A FIREARM**
12 **SAFETY DEVICE DURING THE TAXABLE YEAR IN AN AMOUNT EQUAL TO THE LESSER**
13 **OF:**

14 **(I) 100% OF THE PURCHASE PRICE FOR THE FIREARM SAFETY**
15 **DEVICE; OR**

16 **(II) \$250.**

17 **(2) FOR ANY TAXABLE YEAR, THE TAX CREDIT UNDER THIS SECTION**
18 **MAY BE CLAIMED ONLY ONCE BY AN INDIVIDUAL.**

19 **(C) IF THE CREDIT ALLOWED UNDER THIS SECTION IN ANY TAXABLE YEAR**
20 **EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE INDIVIDUAL MAY**
21 **CLAIM A REFUND IN THE AMOUNT OF THE EXCESS.**

22 **(D) TO CLAIM THE CREDIT ALLOWED UNDER THIS SECTION, THE**
23 **INDIVIDUAL SHALL ATTACH TO THE INDIVIDUAL'S INCOME TAX RETURN OR**
24 **OTHERWISE FILE WITH THE COMPTROLLER PROOF OF PAYMENT BY THE**
25 **INDIVIDUAL OF THE PURCHASE PRICE FOR WHICH THE INDIVIDUAL MAY CLAIM THE**
26 **CREDIT UNDER THIS SECTION.**

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
28 ~~October~~ July 1, 2022, and shall be applicable to all taxable years beginning after December
29 31, 2021.