

HOUSE BILL 935

Q7, E4, F1

4lr1075
CF SB 784

By: **Delegates Mireku–North, Shetty, J. Lewis, Feldmark, Addison, Allen, Amprey, Atterbeary, Boafu, Charkoudian, Crutchfield, Ebersole, Fair, Grossman, D. Jones, Kaufman, Korman, J. Long, Palakovich Carr, Phillips, Roberson, Solomon, Spiegel, Terrasa, Toles, Wilkins, Wims, Wolek, Wu, and Young**
Introduced and read first time: February 2, 2024
Assigned to: Ways and Means

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)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.
[Brackets] indicate matter deleted from existing law.



1 Annotated Code of Maryland
2 (2022 Replacement Volume and 2023 Supplement)

3 BY repealing and reenacting, without amendments,
4 Article – Tax – General
5 Section 1–101(a) and 13–508(b)
6 Annotated Code of Maryland
7 (2022 Replacement Volume and 2023 Supplement)

8 BY adding to
9 Article – Tax – General
10 Section 1–101(h–1); 2–4B–01 and 2–4B–02 to be under the new subtitle “Subtitle 4B.
11 Firearm, Firearm Accessory, and Ammunition Excise Tax Revenue
12 Distribution”; 7.7–101 through 7.7–301 to be under the new title “Title 7.7.
13 Firearm, Firearm Accessory, and Ammunition Excise Tax”; and
14 13–201(3)(xviii), 13–825(j), and 13–1001(h)
15 Annotated Code of Maryland
16 (2022 Replacement Volume and 2023 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Tax – General
19 Section 2–102(a), 13–201(3)(xvi) and (xvii), 13–508(a) and (c), 13–509, and 13–1002
20 Annotated Code of Maryland
21 (2022 Replacement Volume and 2023 Supplement)

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

24 **Article – Health – General**

25 19–130.

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

27 (c) The Fund consists of [motor]:

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

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

32 **Article – Public Safety**

33 4–902.

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

2 (e) (1) The Fund consists of:

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

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

6 **(III)** investment earnings of the Fund; and

7 **[(iii)] (IV)** money from any other source accepted for the benefit of
8 the Fund.

9 5-101.

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

11 (h) (1) “Firearm” means:

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

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

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

16 (2) “Firearm” includes a starter gun.

17 5-133.1.

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

20 **Article – Tax – General**

21 1-101.

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

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

25 2-102.

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

3 (1) the admissions and amusement tax;

4 (2) the boxing and wrestling tax;

5 (3) the digital advertising gross revenues tax;

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

8 (5) the income tax;

9 [(5)] (6) the Maryland estate tax;

10 [(6)] (7) the Maryland generation–skipping transfer tax;

11 [(7)] (8) the motor carrier tax;

12 [(8)] (9) the motor fuel tax;

13 [(9)] (10) the sales and use tax; and

14 [(10)] (11) the savings and loan association franchise tax.

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

17 **2–4B–01.**

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

22 **2–4B–02.**

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

26 (1) **44% TO THE MARYLAND TRAUMA PHYSICIAN SERVICES FUND**
27 **ESTABLISHED UNDER § 19–130 OF THE HEALTH – GENERAL ARTICLE;**

1 **(2) 29% TO THE R ADAMS COWLEY SHOCK TRAUMA CENTER AT THE**
2 **UNIVERSITY OF MARYLAND MEDICAL SYSTEM;**

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

5 **(4) 2% TO THE SURVIVORS OF HOMICIDE VICTIMS GRANT PROGRAM**
6 **WITHIN THE GOVERNOR’S OFFICE OF CRIME PREVENTION AND POLICY; AND**

7 **(5) 2% TO THE CENTER FOR FIREARM VIOLENCE PREVENTION AND**
8 **INTERVENTION WITHIN THE MARYLAND DEPARTMENT OF HEALTH.**

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

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

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

14 **7.7-101.**

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

17 **(B) “AMMUNITION” HAS THE MEANING STATED IN § 5-133.1 OF THE PUBLIC**
18 **SAFETY ARTICLE.**

19 **(C) “FEDERALLY LICENSED FIREARMS DEALER” MEANS A PERSON**
20 **LICENSED BY THE FEDERAL BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND**
21 **EXPLOSIVES TO DEAL IN FIREARMS.**

22 **(D) “FIREARM” HAS THE MEANING STATED IN § 5-101 OF THE PUBLIC**
23 **SAFETY ARTICLE.**

24 **(E) “FIREARM ACCESSORY” MEANS:**

25 **(1) A MAGAZINE OR MAGAZINE LOADER;**

26 **(2) A FIREARM SCOPE OR OPTIC;**

27 **(3) A STOCK;**

1 **(4) A GRIP;**

2 **(5) A HANDGUARD; OR**

3 **(6) BODY ARMOR.**

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

7 **(I) THE COST OF THE PROPERTY SOLD;**

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

10 **(III) THE COST OF TRANSPORTATION OF THE PROPERTY.**

11 **(2) “GROSS RECEIPTS” DOES NOT INCLUDE:**

12 **(I) CASH DISCOUNTS ALLOWED AND TAKEN ON SALES;**

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

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

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

23 **(G) “LAW ENFORCEMENT AGENCY” MEANS:**

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

26 **(2) A SHERIFF’S OFFICE; OR**

27 **(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,

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

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

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

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

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

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

18 (ii) after the hearing:

19 1. shall act on the application for revision; and

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

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

24 13-509.

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

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

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

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

3 13-825.

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

8 13-1001.

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

14 13-1002.

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

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

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

27 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
28 1, 2025.