

# HOUSE BILL No. 1382

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-2.5-11; IC 6-8.1-1-1.

**Synopsis:** Firearms tax. Imposes a 5% tax on the sale of firearms by retail merchants. Exempts purchases made by the state or a local unit of government. Provides that one-half of the revenue from the tax shall be distributed to the local unit of government in which the firearm was purchased, and the remaining one-half of the revenue shall be distributed to the violent crime victims compensation fund. Requires that the revenue received by a local unit be used only for law enforcement.

**Effective:** July 1, 1999.

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## Smith V, Brown C

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January 12, 1999, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 1382

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-2.5-11 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 1999]:

4 **Chapter 11. Firearms Tax**

5 **Sec. 1. Except as otherwise provided in this chapter, the**  
6 **definitions in IC 6-2.5-1 apply throughout this chapter.**

7 **Sec. 2. As used in this chapter, "firearm" includes any handgun,**  
8 **rifle, shotgun, automatic weapon, or semiautomatic weapon.**

9 **Sec. 3. As used in this chapter, "local unit" refers to the**  
10 **following:**

11 (1) **A city or a town, if the retail merchant making the sale is**  
12 **located within a city or a town.**

13 (2) **A county, if subdivision (1) does not apply.**

14 **Sec. 4. (a) Except as provided in subsection (b), an excise tax,**  
15 **known as the firearms tax, is imposed on the sale of firearms by**  
16 **retail merchants in Indiana.**

17 (b) **The firearms tax does not apply to transactions that are**



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1 exempt from the state gross retail tax under IC 6-2.5-5-16.

2 **Sec. 5. (a) The firearms tax is five percent (5%) of the gross**  
 3 **retail income derived from the sale of the firearm. For purposes of**  
 4 **this chapter, the gross retail income received by the retail**  
 5 **merchant does not include the amount of tax imposed on the**  
 6 **transaction under IC 6-2.5.**

7 **(b) If the tax imposed under this chapter for a transaction**  
 8 **results in a fraction of at least one-half cent (\$0.005), the amount**  
 9 **of the tax shall be rounded to the next additional cent.**

10 **Sec. 6. A person who purchases a firearm is liable for the**  
 11 **firearms tax. The person shall pay the firearms tax to the seller as**  
 12 **a separate amount added to the gross retail income paid for the**  
 13 **purchase of the firearm.**

14 **Sec. 7. The tax imposed under this chapter shall be imposed,**  
 15 **paid, and collected in the same manner that the state gross retail**  
 16 **tax is imposed, paid, and collected under IC 6-2.5. However, the**  
 17 **return to be filed with the payment of the tax imposed under this**  
 18 **chapter may be made on a separate return or may be combined**  
 19 **with the return filed for the payment of the state gross retail tax,**  
 20 **as prescribed by the department of state revenue.**

21 **Sec. 8. The amounts received from the tax imposed by this**  
 22 **chapter shall be paid by the treasurer of state as follows:**

23 **(1) Fifty percent (50%) of the revenue shall be distributed to**  
 24 **the treasurer of the local unit in which the retail sale occurred**  
 25 **upon warrants issued by the auditor of state on or about**  
 26 **January 15, April 15, July 15, and October 15 of each year.**

27 **(2) The revenue not needed to make the distributions required**  
 28 **by subdivision (1) shall be deposited in the violent crime**  
 29 **victims compensation fund established by IC 5-2-6.1-40.**

30 **The money needed to make the distributions is appropriated from**  
 31 **the state general fund.**

32 **Sec. 9. The treasurer of each local unit receiving a distribution**  
 33 **under this chapter shall credit the money received under this**  
 34 **chapter to a special account to be used exclusively for law**  
 35 **enforcement within the local unit.**

36 **SECTION 2. IC 6-8.1-1-1 IS AMENDED TO READ AS**  
 37 **FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 1. "Listed taxes" or**  
 38 **"taxes" includes only the pari-mutuel taxes (IC 4-31-9-3 through**  
 39 **IC 4-31-9-5); the riverboat admissions tax (IC 4-33-12); the riverboat**  
 40 **wagering tax (IC 4-33-13); the gross income tax (IC 6-2.1); the state**  
 41 **gross retail and use taxes (IC 6-2.5); ~~the firearms tax (IC 6-2.5-11);~~**  
 42 **the adjusted gross income tax (IC 6-3); the supplemental net income**



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1 tax (IC 6-3-8); the county adjusted gross income tax (IC 6-3.5-1.1); the  
2 county option income tax (IC 6-3.5-6); the county economic  
3 development income tax (IC 6-3.5-7); the auto rental excise tax (IC  
4 6-6-9); the bank tax (IC 6-5-10); the savings and loan association tax  
5 (IC 6-5-11); the production credit association tax (IC 6-5-12); the  
6 financial institutions tax (IC 6-5.5); the gasoline tax (IC 6-6-1.1); the  
7 alternative fuel permit fee (IC 6-6-2.1); the special fuel tax (IC  
8 6-6-2.5); the motor carrier fuel tax (IC 6-6-4.1); a motor fuel tax  
9 collected under a reciprocal agreement under IC 6-8.1-3; the motor  
10 vehicle excise tax (IC 6-6-5); the hazardous waste disposal tax (IC  
11 6-6-6.6); the cigarette tax (IC 6-7-1); the beer excise tax (IC 7.1-4-2);  
12 the liquor excise tax (IC 7.1-4-3); the wine excise tax (IC 7.1-4-4); the  
13 hard cider excise tax (IC 7.1-4-4.5); the malt excise tax (IC 7.1-4-5);  
14 the petroleum severance tax (IC 6-8-1); the various innkeeper's taxes  
15 (IC 6-9); the various county food and beverage taxes (IC 6-9); the  
16 county admissions tax (IC 6-9-13 and IC 6-9-28); the oil inspection fee  
17 (IC 16-44-2); the emergency and hazardous chemical inventory form  
18 fee (IC 6-6-10); the penalties assessed for oversize vehicles (IC 9-20-3  
19 and IC 9-30); the fees and penalties assessed for overweight vehicles  
20 (IC 9-20-4 and IC 9-30); the underground storage tank fee (IC 13-23);  
21 the solid waste management fee (IC 13-20-22); and any other tax or fee  
22 that the department is required to collect or administer.

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