

SB2468



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

SB2468

Introduced 1/19/2020, by Sen. Ann Gillespie

SYNOPSIS AS INTRODUCED:

New Act
30 ILCS 105/5.930 new

Creates the Assault Weapon Retailers' Tax Act. Imposes a tax on licensed firearm dealers engaged in the State in the business of making retail sales of assault weapons, large capacity ammunition feeding devices, or both. Provides that the tax shall be imposed at the rate of 10% of the retail selling price each assault weapon or large capacity ammunition feeding device sold in the State. Provides that the proceeds from the tax shall be deposited into the Firearms Tax Fund. Provides that moneys in the Firearms Tax Fund shall be used to prevent gun violence in schools and State-owned buildings. Amends the State Finance Act to create the Firearms Tax Fund.

LRB101 15941 HLH 66624 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Assault Weapon Retailers' Tax Act.

6 Section 5. Definitions. As used in this Act:

7 "Assault weapon" means a firearm that accepts large
8 capacity ammunition feeding devices.

9 "Department" means the Department of Revenue.

10 "Large capacity ammunition feeding device" means:

11 (1) a magazine, belt, drum, feed strip, or similar
12 device that has a capacity of, or that can be readily
13 restored or converted to accept, more than 10 rounds of
14 ammunition; or

15 (2) any combination of parts from which a device
16 described in paragraph (1) can be assembled.

17 "Large capacity ammunition feeding device" does not
18 include an attached tubular device designed to accept, and
19 capable of operating only with, .22 caliber rimfire ammunition.

20 "Large capacity ammunition feeding device" does not include a
21 tubular magazine that is contained in a lever-action firearm or
22 any device that has been made permanently inoperable.

23 "Licensed firearm dealer" means a person who possesses a

1 valid certificate of license issued under the Firearm Dealer
2 License Certification Act.

3 "Person" means any natural individual, firm, partnership,
4 association, joint stock company, joint adventure, public or
5 private corporation, limited liability company, or a receiver,
6 executor, trustee, guardian, or other representative appointed
7 by order of any court.

8 "Retail selling price" means the consideration for a sale
9 valued in money whether received in money or otherwise,
10 including cash, credits, property, and services. "Retail
11 selling price" shall be determined without any deduction on
12 account of the cost of the property sold, the cost of materials
13 used, labor or service cost, or any other expense, but does not
14 include charges that are added by sellers on account of the tax
15 imposed under this Act or any federal, State, or local tax
16 required to be collected by the seller.

17 Section 10. Tax imposed. Beginning on January 1, 2021, a
18 tax is imposed on each licensed firearm dealer engaged in the
19 State in the business of making retail sales of assault
20 weapons, large capacity ammunition feeding devices, or both.
21 The tax shall be imposed at the rate of 10% of the retail
22 selling price of each assault weapon or large capacity
23 ammunition feeding device sold in the State. The Department may
24 adopt rules for the implementation and enforcement of this Act.
25 Proceeds from the tax shall be deposited into the Firearms Tax

1 Fund.

2 Section 15. Exemptions. The following are exempt from the
3 tax imposed under this Act:

4 (1) sales of firearms or large capacity ammunition
5 feeding devices to any federal, State, or local law
6 enforcement agency; and

7 (2) sales between unlicensed persons where the
8 licensed firearm dealer's only role is to facilitate the
9 sale by conducting a background check.

10 Section 20. Returns; payment of tax. On or before the
11 twentieth day of January, April, July, and October, every
12 person engaged in the business of selling assault weapons,
13 large capacity ammunition feeding devices, or both at retail in
14 this State during the preceding calendar quarter shall file a
15 return with the Department, stating:

16 (1) the name of the licensed firearm dealer;

17 (2) his residence address and the address of his
18 principal place of business and the address of the
19 principal place of business (if that is a different
20 address) from which he engages in business as a licensed
21 firearm dealer in this State;

22 (3) the total amount of receipts received by him during
23 the preceding calendar quarter from taxable sales under
24 this Act;

- 1 (4) the amount of tax due;
- 2 (5) the signature of the taxpayer; and
- 3 (6) such other reasonable information as the
- 4 Department may require.

5 With each such return, the licensed firearm dealer shall
6 remit the proper amount of tax due (or shall submit
7 satisfactory evidence that the sale is not taxable if that is
8 the case), to the Department or its agents. The Department may
9 adopt rules requiring or allowing payments to be made by
10 electronic funds transfer or any other lawful means.

11 All of the provisions of Sections 5a, 5b, 5c, 5d, 5e, 5f,
12 5g, 5i, 5j, and 13 of the Retailers' Occupation Tax Act, which
13 are not inconsistent with this Act, and Section 3-7 of the
14 Uniform Penalty and Interest Act shall apply, as far as
15 practicable, to the subject matter of this Act to the same
16 extent as if such provisions were included herein. References
17 in such incorporated Sections of the "Retailers' Occupation Tax
18 Act" to retailers, to sellers or to persons engaged in the
19 business of selling tangible personal property shall mean
20 licensed firearm dealers when used in this Act.

21 In case any person who is required to file a return under
22 this Act fails to file such return, the Department shall
23 determine the amount of tax due from him according to its best
24 judgment and information, which amount so fixed by the
25 Department shall be prima facie correct and shall be prima
26 facie evidence of the correctness of the amount of tax due, as

1 shown in such determination. Proof of such determination by the
2 Department may be made at any hearing before the Department or
3 in any legal proceeding by a reproduced copy of the
4 Department's record relating thereto in the name of the
5 Department under the certificate of the Director of Revenue.
6 Such reproduced copy shall, without further proof, be admitted
7 into evidence before the Department or in any legal proceeding
8 and shall be prima facie proof of the correctness of the amount
9 of tax due, as shown therein. The Department shall issue such
10 person a notice of tax liability for the amount of tax claimed
11 by the Department to be due, together with a penalty in an
12 amount determined in accordance with Sections 3-3, 3-5 and 3-6
13 of the Uniform Penalty and Interest Act. If such person or the
14 legal representative of such person, within 60 days after such
15 notice, files a protest to such notice of tax liability and
16 requests a hearing thereon, the Department shall give notice to
17 such person or the legal representative of such person of the
18 time and place fixed for such hearing and shall hold a hearing
19 in conformity with the provisions of this Act, and pursuant
20 thereto shall issue a final assessment to such person or to the
21 legal representative of such person for the amount found to be
22 due as a result of such hearing. If a protest to the notice of
23 tax liability and a request for a hearing thereon is not filed
24 within 60 days after such notice of tax liability, such notice
25 of tax liability shall become final without the necessity of a
26 final assessment being issued and shall be deemed to be a final

1 assessment. Any person aggrieved by a final decision of the
2 Department under this Section may obtain review of the decision
3 under the provisions of the Administrative Review Law.

4 Section 25. Firearms Tax Fund; creation; deposit of tax
5 proceeds. The Firearms Tax Fund is hereby created as a special
6 fund in the State treasury. Moneys in the Fund shall be used to
7 prevent gun violence in schools and State-owned buildings by
8 funding programs that promote safety and prevent gun violence
9 in those areas, as well as safety enhancements in such schools
10 and State-owned buildings; however, no funds shall be used to
11 arm or increase arming of personnel in those buildings. Such
12 programs may include, but are not limited to, research,
13 prevention, and youth education and employment programs.
14 Moneys in the Fund may also be used for administrative costs
15 related to the Fund. Interest earned on moneys in the Fund
16 shall be deposited into the Fund.

17 Section 900. The State Finance Act is amended by adding
18 Section 5.930 as follows:

19 (30 ILCS 105/5.930 new)

20 Sec. 5.930. The Firearms Tax Fund.