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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO TAXATION--SALES AND USE TAXES -- LIABILITY AND  
COMPUTATION

Introduced By: Senators Goldin, Miller, Metts, and Pichardo

Date Introduced: February 25, 2015

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 44-18 of the General Laws entitled "Sales and Use Taxes -  
2 Liability and Computation" is hereby amended by adding thereto the following section:

3 **44-18-18.2. Firearms and ammunition tax.** – (a) There is hereby levied and imposed,  
4 upon every purchaser of a firearm and/or ammunition, in addition to all other taxes and fees now  
5 imposed by law, a supplemental firearms and ammunition excise tax upon each and every firearm  
6 and/or any ammunition sold within the state of Rhode Island by any licensed dealer of firearms  
7 and/or ammunition, at a rate of ten percent (10%) of the gross receipts. The tax shall be paid to  
8 the tax administrator by the licensed dealer at the time and in the manner provided.

9 (b) All sums received by the division of taxation under this section as taxes, penalties or  
10 forfeitures, interest, costs of suit and fines shall be distributed at least quarterly, credited and paid  
11 by the state treasurer into a special fund designated for allocation to the various police  
12 departments throughout the state. If a city or town does not have a municipal police department,  
13 disbursements pursuant to this section shall be made to the highest ranking municipal official.

14 (c) Allocation of the funds to the various police departments or city or town officials  
15 pursuant to subsection (b) of this section shall be made yearly and based proportionally on the  
16 number of "total offenses" occurring in said city or town as set forth in the prior year's uniform  
17 crime report published by the Rhode Island state police.

18 (d) Any money distributed to the various police departments or city or town officials shall

1 be used only for grants to nonprofit organizations whose mission includes a commitment to the  
2 reduction of crime and violence in the community. The local police chief and/or highest ranking  
3 municipal official of each city or town shall have discretion as to the amount of money allocated  
4 and the groups who shall receive said funds.

5 (e) The following groups and/or individuals shall be exempt from the tax imposed by this  
6 section:

7 (1) Any veterans' organization that receives firearms directly from the armed forces of the  
8 United States for use solely at public or private ceremonies with blank ammunition; and

9 (2) Any active, sworn law enforcement officer of any state, city or town purchasing  
10 firearms for use in the course of his/her business presenting a valid law enforcement identification  
11 card at the time of purchase.

12 (f) Each licensed dealer shall maintain accurate and complete records of each and every  
13 transaction involving the sale of firearms and ammunition. These records shall be made available  
14 for review upon request to the tax administrator and/or the department of revenue.

15 (g) This firearms and ammunition tax shall be administered by the division of taxation  
16 and/or the department of revenue and, unless provided to the contrary in this chapter, all of the  
17 administration, collection, and other provisions of chapters 18 and 19 of title 44 apply.

18 (h) The administrator of the division of taxation shall prepare and submit an annual report  
19 to the general assembly which shall include:

20 (1) The amount of funds distributed by way of grant to each municipality pursuant to this  
21 tax; and

22 (2) The initiative for which the grant was distributed.

23 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

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1           This act would levy and impose a ten percent (10%) supplemental firearms and  
2 ammunition excise tax upon the purchase and/or sale of any firearm and/or ammunition in this  
3 state with the funds collected to be distributed to the police departments of the cities and towns or  
4 to the highest ranking municipal official if there is no municipal police department, for allocation  
5 to nonprofit organizations whose mission includes a commitment to the reduction of crime and  
6 violence. Tax exemptions would be provided to certain veterans' organizations and law  
7 enforcement officers.

8           This act would take effect upon passage.

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