

104TH CONGRESS
2D SESSION

H. R. 2865

To amend the Internal Revenue Code of 1986 to increase the tax on handguns and assault weapons, to increase the license application fee for gun dealers, and to use the proceeds from those increases to pay for medical care for gunshot victims.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 1996

Mrs. MEEK of Florida introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to increase the tax on handguns and assault weapons, to increase the license application fee for gun dealers, and to use the proceeds from those increases to pay for medical care for gunshot victims.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Firearm Victims Pre-
5 vention Act of 1996”.

1 **SEC. 2. FINDINGS AND PURPOSE.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) according to the Centers for Disease Con-
4 trol, an estimated 34,000 Americans die from fire-
5 arm injuries each year, including 25,000 from hand-
6 gun violence;

7 (2) firearms rank as the 8th leading cause of
8 death in the United States and less than 5 percent
9 of fatal shootings are unintentional;

10 (3) the National Center for Health Statistics
11 reported in March 1993 that, among Americans age
12 15 through 24, firearms are the cause of more
13 deaths than all natural causes combined;

14 (4) from 1979 to 1989, the firearm homicide
15 rate among children age 15 through 19 increased 61
16 percent, while the nonfirearm homicide rate fell 29
17 percent;

18 (5) more than 135,000 students carry hand-
19 guns to school everyday, and an additional 270,000
20 students have carried a firearm to school at least
21 once;

22 (6) the United States leads industrialized na-
23 tions in the percentage of households with firearms
24 and the number of homicides with firearms;

1 (7) according to the Centers for Disease Con-
2 trol, the estimated lifetime costs for firearm injuries
3 that occurred in 1985 will be \$14,400,000,000;

4 (8) according to the 1991 Advisory Council on
5 Social Security, the overall annual cost of firearms
6 injury to the health care system in the United States
7 is more than \$4,000,000,000;

8 (9) public funds pay for an estimated 85 per-
9 cent of the cost of hospitalization for firearm inju-
10 ries, excluding professional fees and the cost of am-
11 bulance, physical therapy, and other rehabilitative
12 services;

13 (10) the indirect costs of firearm-related inju-
14 ries, such as disability payments, legal fees, and lost
15 work time, are estimated to be 2 times the estimated
16 annual direct cost of firearm injury;

17 (11) more than 280,000 manufacturers, dealers
18 and individuals are licensed to sell firearms in the
19 United States; and

20 (12) Federal firearm licenses are inexpensive,
21 relatively easy to obtain, and may only be revoked
22 upon criminal conviction.

23 (b) PURPOSE.—The purpose of this Act is to help al-
24 leviate the public health care cost resulting from firearm-
25 related injury and death by—

1 (1) establishing a transactional tax on the pur-
2 chase of the firearms and ammunition most com-
3 monly associated with injury and death;

4 (2) raising licensing fees for dealers who sell
5 such firearms and ammunition; and

6 (3) using funds generated from the trans-
7 actional tax and licensing fees to help offset the
8 health care cost resulting from firearm injury and
9 death.

10 **SEC. 3. INCREASE IN TAX ON HANDGUNS AND ASSAULT**
11 **WEAPONS.**

12 (a) INCREASE IN MANUFACTURER'S TAX.—Section
13 4181 of the Internal Revenue Code of 1986 (relating to
14 imposition of tax on firearms) is amended to read as fol-
15 lows:

16 **“SEC. 4181. IMPOSITION OF TAX.**

17 “(a) IMPOSITION OF TAX.—There is hereby imposed
18 upon the sale by the manufacturer, producer, or importer
19 of any of the following articles a tax equivalent to the spec-
20 ified percent of the price for which so sold:

21 “(1) ARTICLES TAXABLE AT 25 PERCENT.—

22 With respect to the following articles, the specified
23 percent is 25 percent:

24 “(A) Handguns.

25 “(B) Assault weapons.

1 “(C) Large capacity magazines.

2 “(D) Shells and cartridges used in hand-
3 guns and assault weapons.

4 “(2) ARTICLES TAXABLE AT 11 PERCENT.—
5 With respect to the following articles the specified
6 percent is 11 percent:

7 “(A) Firearms (other than handguns, as-
8 sault weapons, and pistols or revolvers).

9 “(B) Shells and cartridges not taxable at
10 25 percent.

11 “(3) ARTICLES TAXABLE AT 10 PERCENT.—
12 With respect to pistols and revolvers not taxable at
13 25 percent under paragraph (1), the specified per-
14 cent is 10 percent.

15 “(b) DEFINITIONS.—For purposes of subsection
16 (a)—

17 “(1) HANDGUN.—The term ‘handgun’ means a
18 firearm which, at the time of manufacture, had a
19 barrel of less than 12 inches in length.

20 “(2) ASSAULT WEAPON.—The term ‘assault
21 weapon’ means—

22 “(A) a firearm—

23 “(i) which—

24 “(I) has a barrel of between 12
25 and 18 inches in length, and

1 “(II) is capable of receiving am-
2 munition directly from a large capac-
3 ity ammunition magazine, or

4 “(ii) which is a semiautomatic firearm
5 which is—

6 “(I) not recognized generally as
7 particularly suitable for, or readily
8 adaptable to, sporting purposes, or

9 “(II) concealable by a person, or

10 “(B) a firearm which is substantially func-
11 tionally equivalent to a firearm described in
12 subparagraph (A).

13 “(3) LARGE CAPACITY AMMUNITION MAGA-
14 ZINE.—The term ‘large capacity ammunition maga-
15 zine’ means a detachable magazine, belt, drum, feed
16 strip, or similar device which has, or which may be
17 readily restored (or converted) to a device which has,
18 a capacity of 15 or more rounds of ammunition.”

19 (b) RETAIL TAX ON SUBSEQUENT TRANSACTIONS
20 INVOLVING ASSAULT WEAPONS AND HANDGUNS.—

21 (1) IN GENERAL.—Chapter 31 of the Internal
22 Revenue Code of 1986 (relating to retail excise
23 taxes) is amended by adding at the end the following
24 new subchapter:

1 **“Subchapter D—Handguns and Assault**
2 **Weapons**

“Sec. 4056. Handguns and assault weapons.

3 **“SEC. 4056. HANDGUNS AND ASSAULT WEAPONS.**

4 “(a) IMPOSITION OF TAX.—There is hereby imposed
5 on any sale, transfer, or other disposition by any person
6 of a handgun, assault weapon, large capacity magazine,
7 or shell or cartridge used in handguns and assault weap-
8 ons a tax equal to 25 percent of the price for which sold,
9 transferred, or disposed of.

10 “(b) EXCEPTIONS.—

11 “(1) COORDINATION WITH MANUFACTURER’S
12 TAX.—If tax has been paid under section 4181 with
13 respect to any article, no tax shall be imposed under
14 subsection (a) on such article until a sale, transfer,
15 or disposition occurring after the first retail sale of
16 the article.

17 “(2) DEFENSE DEPARTMENT.—No tax shall be
18 imposed by subsection (a) on any sale described in
19 section 4182(b).

20 “(c) DEFINITIONS.—For purposes of this section, the
21 terms ‘handgun’, ‘assault weapon’, and ‘large capacity
22 magazine’ have the meanings given such terms by section
23 4181(b).”

1 (2) CONFORMING AMENDMENT.—The table of
2 subchapters for chapter 31 of such Code is amended
3 by adding at the end the following new item:

 “Subchapter D. Handguns and assault weapons.”

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to sales, transfers, and other dis-
6 positions after the 30th day after the date of the enact-
7 ment of this Act.

8 **SEC. 4. HEALTH CARE TRUST FUND.**

9 (a) IN GENERAL.—Subchapter A of chapter 98 of the
10 Internal Revenue Code of 1986 (relating to establishment
11 of trust funds) is amended by adding at the end the follow-
12 ing new section:

13 **“SEC. 9512. HEALTH CARE TRUST FUND.**

14 “(a) ESTABLISHMENT OF TRUST FUND.—There is
15 established in the Treasury of the United States a trust
16 fund to be known as the ‘Health Care Trust Fund’, con-
17 sisting of such amounts as may be appropriated or cred-
18 ited to such Trust Fund as provided in this section or
19 section 9602(b).

20 “(b) TRANSFERS TO THE TRUST FUND.—There are
21 hereby appropriated to the Health Care Trust Fund
22 amounts equivalent to—

23 “(1) the taxes received in the Treasury under
24 section 4056,

1 “(2) the taxes received in the Treasury under
2 section 4181 which are attributable to the tax on
3 articles subject to the 25-percent rate, and

4 “(3) the amounts described in the last sentence
5 of section 923(a) of title 18, United States Code.

6 “(c) EXPENDITURES FROM TRUST FUND.—Funds in
7 the Health Care Trust Fund shall be available, as pro-
8 vided in appropriations Acts, only for the purpose of mak-
9 ing grants to assist hospitals, trauma centers, or other
10 health care providers that have incurred substantial un-
11 compensated costs in providing medical care to gunshot
12 victims, except that no single hospital, trauma center, or
13 health care provider may receive more than one-tenth of
14 1 percent of the funds appropriated under this section.

15 “(d) ELIGIBILITY FOR TRUST FUND MONEYS.—A
16 hospital, trauma center, or other health care provider is
17 eligible to apply for grants from the Health Care Trust
18 Fund for any calendar year if the hospital, trauma center,
19 or health care provider—

20 “(1) is in compliance with Federal and State
21 certification and licensing requirements;

22 “(2) is a not-for-profit entity; and

23 “(3) has incurred substantial uncompensated
24 costs during the previous calendar year in providing
25 medical care to gunshot victims.

