

117TH CONGRESS
1ST SESSION

H. R. 2427

To amend the Internal Revenue Code of 1986 to increase the transfer tax on certain firearms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 2021

Mr. RASKIN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, 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 transfer tax on certain firearms, and for other purposes.

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 “NFA Modernization
5 Act of 2021”.

1 **SEC. 2. INCREASE IN TRANSFER TAX ON CERTAIN FIRE-**
2 **ARMS.**

3 (a) IN GENERAL.—Section 5811(a) of the Internal
4 Revenue Code of 1986 is amended by striking “\$200” and
5 inserting “\$300”.

6 (b) INFLATION ADJUSTMENT.—Section 5811 of In-
7 ternal Revenue Code of 1986 is amended by adding at the
8 end the following new subsection:

9 “(d) INFLATION ADJUSTMENT.—In the case of a
10 transfer in a calendar after 2022, the \$300 amount in
11 subsection (a) shall be increased by an amount equal to—

12 “(1) such dollar amount, multiplied by

13 “(2) the cost-of-living adjustment determined
14 under section 1(f)(3) for the calendar year, by sub-
15 stituting ‘calendar year 2021’ for ‘calendar year
16 2016’ in subparagraph (A)(ii) thereof.”.

17 (c) EFFECTIVE DATE.—The amendments made by
18 this Act shall apply with respect to transfers after Decem-
19 ber 31, 2021.

20 **SEC. 3. TRUST FUND.**

21 (a) ESTABLISHMENT.—Subchapter A of chapter 98
22 of the Internal Revenue Code of 1986 is amended by add-
23 ing at the end the following new section:

24 **“SEC. 9512. GUN VIOLENCE PREVENTION TRUST FUND.**

25 “(a) CREATION OF TRUST FUND.—There is estab-
26 lished in the Treasury of the United States a trust fund

1 to be known as the ‘Firearms Trust Fund’ (referred to
2 in this section as the ‘Trust Fund’), consisting of such
3 amounts as may be appropriated or credited to such fund
4 as provided in this section or section 9602(b).

5 “(b) TRANSFERS TO TRUST FUND.—There are here-
6 by appropriated to the Trust Fund each year an amount
7 equal to the increase in net revenues received in the Treas-
8 ury attributable to the amendments made by the NFA
9 Modernization Act of 2021.

10 “(c) EXPENDITURES.—Amounts in the Trust Fund
11 shall be available to the Attorney General, as provided in
12 appropriation Acts, only as follows:

13 “(1) Fifty percent for the purpose of funding
14 gun violence prevention initiatives of the Bureau of
15 Alcohol, Tobacco, Firearms, and Explosives.

16 “(2) Fifty percent for the purpose of funding
17 gun violence prevention initiatives of the Office of
18 Justice Programs.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
20 for subchapter A of chapter 98 of such Code is amended
21 by adding at the end the following new item:

“Sec. 9512. Gun violence prevention trust fund.”.

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