



**Senate Bill 784 – Senate Amended
Comprehensive Community Safety Funding Act
UNFAVORABLE**

In concept Senate Bill 784 is a clone of California Assembly Bill 28, which imposed an 11% tax that applies to gross receipts from retail sales of ammunition, firearms, accessories, and parts which was signed into law on September 26, 2023, by Governor Gavin Newsom.

As amended in the Maryland Senate, SB 784 now contains a combined “sales and use” tax of 11% on firearms, ammunition, and multiple undefined and/or vaguely defined products. It is difficult to believe the new tax definition is anything more than an effort to avoid the expected legal challenges should SB 784 become law.

The bill’s proponents include groups who support any bill which discourages, restricts or bans the legal ownership of firearms. These same groups claim the funds are necessary to support the Shock Trauma Center. The logical disconnect is obvious: If funds are needed and a new tax on firearms and accessories is the funding source, how is their agenda not self-destructive? The answer is simple. The proponents are more concerned with ultimately banning firearms and the proposed new tax is just another means to their desired goal.

Dealers are not enjoying the profit margins the proponents seem to believe. The cost of the proposed 5% use tax on top of the current 6% sales tax will increase the cost of doing business and that increase will be paid by the targeted consumers.

The increased costs will have a cascading negative impact on the State’s economy. State income from sales tax, corporate income tax, and personal income tax will see a decline as consumers purchase out of state and by mail order to avoid the proposed punitive excise tax. Some businesses will close, jobs will be lost, businesses such as lodging, restaurants, clothing stores etc., which benefit from revenue relating to hunting and the shooting sports will see a decline in income.

Senate Bill 784
Unfavorable

The cascading result will be across the board reduction in corporate and personal income tax revenue across the entire state. This tax is regressive in nature and will have a disproportional impact on those of lesser financial means.

There is ample evidence that “gun tax” schemes do not produce the windfall of revenue the proponents claim. See attachment.

It should be noted the majority of shock trauma cases are due to falls and automobile accidents. According to Shock Trauma’s own literature, only 21% are violence related and not all are firearms related injuries. See attachment.

Maryland legislators should be wary about following California’s lead. Recent reports indicate that California leads the nation in the number of citizens fleeing to states with more freedom and lower taxes.

We respectfully request an unfavorable report on Senate Bill 784.

John H. Josselyn
2A Maryland
03/26/2024