

108TH CONGRESS
1ST SESSION

S. 396

To amend the Internal Revenue Code of 1986 to exempt small manufacturers from the firearms excise tax.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 13, 2003

Mr. BAUCUS (for himself and Mr. GRASSLEY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to exempt small manufacturers from the firearms excise tax.

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 “Gunsmith Excise Tax
5 Simplification Act of 2003”.

6 **SEC. 2. CUSTOM GUNSMITHS.**

7 (a) SMALL MANUFACTURERS EXEMPT FROM FIRE-
8 ARMS EXCISE TAX.—Section 4182 of the Internal Rev-
9 enue Code of 1986 (relating to exemptions) is amended

1 by redesignating subsection (c) as subsection (d) and by
2 inserting after subsection (b) the following new subsection:

3 “(c) SMALL MANUFACTURERS, ETC.—

4 “(1) IN GENERAL.—The tax imposed by section
5 4181 shall not apply to any article described in such
6 section if manufactured, produced, or imported by a
7 person who manufactures, produces, and imports
8 less than 50 of such articles during the calendar
9 year.

10 “(2) CONTROLLED GROUPS.—All persons treat-
11 ed as a single employer for purposes of subsection
12 (a) or (b) of section 52 shall be treated as one per-
13 son for purposes of paragraph (1).”.

14 (b) EFFECTIVE DATE.—

15 (1) IN GENERAL.—The amendments made by
16 this section shall apply to articles sold by the manu-
17 facturer, producer, or importer on or after the date
18 which is the first day of the month beginning at
19 least 2 weeks after the date of the enactment of this
20 Act.

21 (2) NO INFERENCE.—Nothing in the amend-
22 ments made by this section shall be construed to
23 create any inference with respect to the proper tax

- 1 treatment of any sales before the effective date of
- 2 such amendments.

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