

VIRGINIA ACTS OF ASSEMBLY -- 2023 SESSION

CHAPTER 220

An Act to amend the Code of Virginia by adding a section numbered 58.1-339.14, relating to firearm safety device tax credit.

[H 2387]

Approved March 22, 2023

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 58.1-339.14 as follows:

§ 58.1-339.14. Firearm safety device tax credit.

A. For the purposes of this section:

"Eligible transaction" means a transaction in which a taxpayer purchases one or more firearm safety devices from a dealer that is federally licensed pursuant to 18 U.S.C. § 923. An "eligible transaction" shall not include the purchase of a firearm.

"Firearm" means any handgun, shotgun, rifle, or other firearm that will or is designed to or may readily be converted to expel single or multiple projectiles by action of an explosion of a combustible material.

"Firearm safety device" means a safe, gun safe, gun case, lock box, or other device that is designed to be or can be used to store a firearm and that is designed to be unlocked only by means of a key, a combination, or other similar means.

B. For taxable years beginning on and after January 1, 2023, but before January 1, 2028, a taxpayer shall be allowed a nonrefundable credit against the tax levied pursuant to § 58.1-320 for up to \$300 for the cost incurred in the purchase of one or more firearm safety devices in an eligible transaction. A taxpayer shall be allowed only one credit under this section per taxable year. The taxpayer shall submit purchase receipts with the income tax return to verify the amount of purchase price paid for the firearm safety device or firearm safety devices. The aggregate amount of credits allowable under this section shall not exceed \$5 million per taxable year. Credits shall be allocated by the Department on a first-come, first-served basis.

C. The amount of the credit that may be claimed in any single taxable year shall not exceed the individual's liability for taxes imposed by this chapter for that taxable year. If the amount of the credit allowed under this section exceeds the individual's tax liability for the taxable year in which the eligible transaction occurred, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the individual in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

D. The Tax Commissioner shall develop guidelines for claiming the credit provided by this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).