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**HOUSE BILL NO. 2387**

Offered January 16, 2023

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

Patrons—Lopez, Simon, Adams, D.M., Bagby, Bennett-Parker, Bourne, Bulova, Carr, Clark, Delaney, Filler-Corn, Glass, Gooditis, Guzman, Hayes, Herring, Hope, Jenkins, Kory, Krizek, Maldonado, McQuinn, Mullin, Mundon King, Murphy, Plum, Price, Roem, Scott, D.L., Seibold, Sewell, Shin, Sickles, Simonds, Subramanyam, Sullivan, Torian, VanValkenburg, Ward, Watts, Willett and Williams Graves; Senator: Mason

Referred to Committee on Finance

**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 (i) any device that, when installed on a firearm, is designed to prevent the firearm from being operated without first deactivating the device or (ii) 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 refundable 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 \$20 million per taxable year. Credits shall be allocated by the Department on a first-come, first-served basis.*

C. *If the amount of the credit exceeds the taxpayer's liability for such taxable year, the excess shall be refunded by the Tax Commissioner. Tax credits shall be refunded by the Tax Commissioner on behalf of the Commonwealth for 100 percent of face value. Tax credits shall be refunded within 90 days after the filing date of the income tax return on which the taxpayer applies for the refund.*

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.).*

INTRODUCED

HB2387