



NEVADA FIREARMS COALITION

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May 6, 2019

RE: AB 113

Marilyn Dondero Loop, Chair
Senate Committee on Revenue and Economic Development

Dear Chair Dondero Loop,

The Nevada Firearms Coalition **STRONGLY SUPPORTS** this bill for the following reasons:

By Federal law, when someone purchases a firearm from an out of state vendor, the firearm must be delivered to a federally licensed dealer who then performs a background check on the purchaser before transferring the firearm. There is no retail sale at the gun store level. They are simply conducting a back ground check as required by Federal law.

In 2015, however, the taxation department issued a policy that says:

Delivery of the Firearm in Nevada Is A Retail Sale and the Nevada Retailer Must Collect and Remit Sales Tax on the Purchase of the Firearm

This is the third time the bill is before the legislature, and it's even more necessary now with the passage this session of SB 143, the background check for private party firearm transfers.

In response to the back ground check initiative, the Taxation Department ruled that an *in-state transfer is not a taxable event*, but they still maintain that an out-of-state one is. Often times, the gun store doesn't know if the transfer is considered in-state or out-of-state. So, the policy is creating a lot of confusion for store owners and customers.

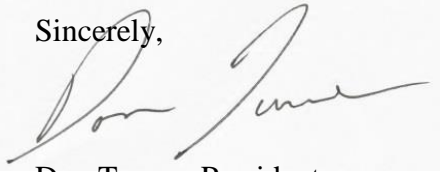
The fiscal note on the bill is \$0, as taxation cannot calculate the impact. However, the impact to the state should be diminutive as the Supreme Court decision on Wayfair is pushing on-line vendors to collect sales tax and remit it to the states directly.

With the passage of the commerce tax in 2015, the store must also include the "value" of the retail sale of this transfer as part of their gross receipts, which means they would pay the commerce tax on a retail sale from which they did not derive any income.

This bill will likely have little impact to the state's finances, but it will have a big impact to hundreds of firearms dealers around the state who are trying to comply with a very confusing tax policy.

I thank you very much for your consideration of hearing AB 113.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Turner", is written over a light gray rectangular background.

Don Turner, President

cc: Senate Committee on Revenue and Economic Development

Julia Ratti

David Parks

Ben Kieckhefer

Heidi Gansert

The Nevada Firearms Coalition is dedicated to the safe use of firearms for self-defense, competition, recreation and hunting. We are the statewide Nevada grassroots organization representing the firearms owners of Nevada. Our membership includes individuals, gun clubs, community organizations, and retail firearm corporations and ranges. We are the State Association for the National Rifle Association, and a member of the National Shooting Sports Foundation, USA Shooting and the Civilian Marksman Program.