

ASSEMBLY BILL NO. 316—ASSEMBLYMEN DICKMAN, WHEELER, MOORE, JONES, FIORE; ELLISON, FLORES, GARDNER, O’NEILL, OSCARSON, SEAMAN, SHELTON, TITUS AND TROWBRIDGE

MARCH 16, 2015

JOINT SPONSORS: SENATORS GUSTAVSON; AND SETTELMAYER

Referred to Committee on Taxation

SUMMARY—Revises provisions governing the taxation of certain deliveries and transfers of firearms. (BDR 32-918)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxation; revising provisions governing the sales and use taxes imposed on the delivery or transfer of a firearm from outside this State under certain circumstances; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing federal law prohibits a person from transporting into or receiving in
2 the state of his or her residence a firearm purchased or otherwise obtained by that
3 person from outside that state, unless the person is licensed by the Bureau of
4 Alcohol, Tobacco, Firearms and Explosives of the United States Department of
5 Justice. Thus, for a person in this State to purchase a firearm from another state, the
6 firearm must be transferred or delivered to a person in this State who is a federally
7 licensed firearms dealer who then transfers or delivers the firearm to the purchaser
8 after conducting the background check required by federal law. (18 U.S.C. §
9 922(a)(3), (b)(3) and (t))

10 Existing law imposes a sales tax on the gross receipts of a retailer from the sale
11 of tangible personal property sold at retail in this State. (NRS 372.105, 374.110)
12 Existing law also imposes a use tax on the storage, use or other consumption in this
13 State of tangible personal property purchased from a retailer for storage, use or
14 other consumption in this State. (NRS 372.185, 374.190) Under existing law, if an
15 agent of an owner or former owner of tangible personal property delivers the
16 property to a final consumer in this State pursuant to a retail sale made by an out-
17 of-state retailer, the delivery is a retail sale in this State by the agent making the



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18 delivery. (NRS 372.050) Because, under these circumstances, the delivery of the
19 property by the agent is considered a retail sale by the agent, the agent is required to
20 impose, collect and remit the sales tax to the Department of Taxation. (NRS
21 372.110, 374.115)

22 This bill provides that, in administering the sales and use taxes, the Department
23 must not consider the delivery or transfer of a firearm from out of state by a person
24 in this State who is a federally licensed firearms dealer to be a sale made by that
25 federally licensed firearms dealer if: (1) the delivery or transfer is made to facilitate
26 the transfer of the firearm from out of state in compliance with federal law; and (2)
27 the sale involves the payment of the sales price for the firearm to a person other
28 than the federally licensed firearms dealer. Because this bill provides that the
29 delivery or transfer must not be considered a sale by the federally licensed firearms
30 dealer, the federally licensed firearms dealer is not required to impose, collect and
31 remit the sales tax or collect and remit the use tax on the delivery or transfer of the
32 firearm. However, under this bill, the purchaser of the firearm is required to remit
33 the use tax if the purchase of the firearm constitutes a retail sale by a retailer in
34 another state.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 372 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 *In administering the provisions of this chapter, the Department*
4 *shall not consider the delivery or transfer of a firearm from out of*
5 *state by a person in this State who is licensed as a firearms dealer*
6 *by the Bureau of Alcohol, Tobacco, Firearms and Explosives of*
7 *the United States Department of Justice to be a sale made by that*
8 *licensed firearms dealer if:*

9 1. *The delivery or transfer of the firearm is made to facilitate*
10 *the transfer of the firearm from out of state in compliance with 18*
11 *U.S.C. § 922; and*

12 2. *The sales price for the firearm is paid to a person other*
13 *than the licensed firearms dealer delivering or transferring the*
14 *firearm.*

15 **Sec. 2.** Chapter 374 of NRS is hereby amended by adding
16 thereto a new section to read as follows:

17 *In administering the provisions of this chapter, the Department*
18 *shall not consider the delivery or transfer of a firearm from out of*
19 *state by a person in this State who is licensed as a firearms dealer*
20 *by the Bureau of Alcohol, Tobacco, Firearms and Explosives of*
21 *the United States Department of Justice to be a sale made by that*
22 *licensed firearms dealer if:*

23 1. *The delivery or transfer of the firearm is made to facilitate*
24 *the transfer of the firearm from out of state in compliance with 18*
25 *U.S.C. § 922; and*



1 *2. The sales price for the firearm is paid to a person other*
2 *than the licensed firearms dealer delivering or transferring the*
3 *firearm.*

4 **Sec. 3.** This act becomes effective on July 1, 2015.



