

TALKING POINTS

Comprehensive Community Safety Funding Act

(CCS Funding Act)

Purpose of the CCS Funding Act

The CCS Funding Act (SB ____/HB ____) would provide sustained funding, in the form of tax revenue, for the proposed Center for Firearm Violence Prevention and Intervention and existing programs related to the reduction of gun violence and victim support services.

Programs designated to be funded by additional tax revenue

- **Center for Firearm Violence Prevention and Intervention, proposed by SB 475/HB 583.** The Center would operate within the Maryland Department of Health to coordinate public and private efforts to address, prevent, and intervene in gun violence. The bill was introduced at the request of Governor Moore as part of a broad public safety initiative he announced on January 9, 2024.
- **Other programs** (refer to the fact sheet for program descriptions)
 - Maryland Violence Intervention and Prevention Program
 - Maryland Trauma Physicians Services Fund
 - Survivors of Homicide Victims Grant Program

Funding mechanism

- The bill proposes an **11% excise tax on profits from the sale of firearms, certain related parts, and ammunition in Maryland.** Dealers would be taxed based on their gross receipts.
- **It is not a sales tax on consumers,** although it is possible dealers will, in their discretion, choose to pass along some or all of the tax amount to their customers.
- Recent press coverage has raised questions regarding the funding mechanism outlined in the proposed bill. Here are some key points to clarify the matter:
 - This legislation is designed to collect an excise tax from Firearm *Dealers* in the state on the profits from their sales of the designated products.
 - Firearm *manufacturers* are not included in the bill and thus the state would not reach across state lines for tax collection.

Products Covered

The legislation addresses the profits derived from specific products, including firearms, ammunition, and certain firearm accessories. These items were selected due to their frequent presence at mass shooting crime scenes and include:

- Magazines and magazine loaders,

- Firearm scopes or optics,
- Stocks,
- Grips,
- Handguards, and
- Body armor.

Rationale for taxing firearms dealers

- The tax would redirect firearm-related profits for community well-being.
- Gun violence imposes a significant financial burden on Maryland. By securing additional funding from firearm industry members who profit from sales in our state, we can invest in comprehensive prevention, intervention, and support initiatives that aim to reduce the enormous economic and societal toll of gun violence in Maryland.
- The total annual cost of gun violence in Maryland is **\$10.5 billion**.¹
- Maryland taxpayers bear **\$383.9 million** of the total annual cost.*
- **Examples of financial costs:**
 - Health care including immediate and long-term medical and mental health care for victims, their families, and communities.
 - Lost income for victims and their families due to injury or death.
 - Employer costs for lost productivity due to employee disability or death, and costs associated with recruiting and training replacement employees.
 - Police and criminal justice costs for investigation, prosecution, and incarceration.

Does this proposed tax violate the Second Amendment?

- **No.** The gun industry is not constitutionally protected from taxation.
- In fact, the firearm industry has been subject to a federal excise tax for over a century. Historically, these taxes have contributed to offsetting wildlife-related harms caused by the industry as a result of hunting.
- According to the Maryland Attorney General's Office, at least nine states have long-standing commercial, occupational, or other taxes on firearms and dangerous weapons. Mississippi, North Carolina, Georgia, Alabama, Hawaii, Nebraska, Florida, Wyoming, and Virginia, have collected such taxes dating back to the mid-1800's.

Estimated tax revenue generated by the CCS Funding Act

- The proposed 11% tax rate aligns with the federal excise tax.
- While specific numbers are estimates at this stage, in 2022, the [National Shooting Sports Foundation](#) reported that the Maryland firearm industry generated nearly \$13 million in excise taxes. Assuming this amount covered the federal tax, we can anticipate a similar revenue amount for the new state tax.

¹ Source: Everytown Research & Policy Report, "The Economic Cost of Gun Violence" (7/19/2022).