

# SB2300



## 102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB2300

Introduced 2/26/2021, by Sen. Ann Gillespie

### SYNOPSIS AS INTRODUCED:

New Act  
30 ILCS 105/5.935 new

Creates the Assault Weapon Retailers' Tax Act. Imposes a tax on licensed firearm dealers engaged in the State in the business of making retail sales of assault weapons, large capacity ammunition feeding devices, or both. Provides that the tax shall be imposed at the rate of 10% of the retail selling price of each assault weapon or large capacity ammunition feeding device sold in the State. Provides that the proceeds from the tax shall be deposited into the Firearms Tax Fund. Provides that moneys in the Firearms Tax Fund shall be used to prevent gun violence in schools and State-owned buildings. Amends the State Finance Act to create the Firearms Tax Fund.

LRB102 17270 HLH 22742 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning revenue.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the  
5 Assault Weapon Retailers' Tax Act.

6 Section 5. Definitions. As used in this Act:

7 "Assault weapon" means a firearm that accepts large  
8 capacity ammunition feeding devices.

9 "Department" means the Department of Revenue.

10 "Large capacity ammunition feeding device" means:

11 (1) a magazine, belt, drum, feed strip, or similar  
12 device that has a capacity of, or that can be readily  
13 restored or converted to accept, more than 10 rounds of  
14 ammunition; or

15 (2) any combination of parts from which a device  
16 described in paragraph (1) can be assembled.

17 "Large capacity ammunition feeding device" does not  
18 include an attached tubular device designed to accept, and  
19 capable of operating only with, .22 caliber rimfire  
20 ammunition. "Large capacity ammunition feeding device" does  
21 not include a tubular magazine that is contained in a  
22 lever-action firearm or any device that has been made  
23 permanently inoperable.

1 "Licensed firearm dealer" means a person who possesses a  
2 valid certificate of license issued under the Firearm Dealer  
3 License Certification Act.

4 "Person" means any natural individual, firm, partnership,  
5 association, joint stock company, joint adventure, public or  
6 private corporation, limited liability company, or a receiver,  
7 executor, trustee, guardian, or other representative appointed  
8 by order of any court.

9 "Retail selling price" means the consideration for a sale  
10 valued in money whether received in money or otherwise,  
11 including cash, credits, property, and services. "Retail  
12 selling price" shall be determined without any deduction on  
13 account of the cost of the property sold, the cost of materials  
14 used, labor or service cost, or any other expense, but does not  
15 include charges that are added by sellers on account of the tax  
16 imposed under this Act or any federal, State, or local tax  
17 required to be collected by the seller.

18 Section 10. Tax imposed. Beginning on January 1, 2022, a  
19 tax is imposed on each licensed firearm dealer engaged in the  
20 State in the business of making retail sales of assault  
21 weapons, large capacity ammunition feeding devices, or both.  
22 The tax shall be imposed at the rate of 10% of the retail  
23 selling price of each assault weapon or large capacity  
24 ammunition feeding device sold in the State. The Department  
25 may adopt rules for the implementation and enforcement of this

1 Act. Proceeds from the tax shall be deposited into the  
2 Firearms Tax Fund.

3 Section 15. Exemptions. The following are exempt from the  
4 tax imposed under this Act:

5 (1) sales of firearms or large capacity ammunition  
6 feeding devices to any federal, State, or local law  
7 enforcement agency; and

8 (2) sales between unlicensed persons where the  
9 licensed firearm dealer's only role is to facilitate the  
10 sale by conducting a background check.

11 Section 20. Returns; payment of tax. On or before the  
12 twentieth day of January, April, July, and October, every  
13 person engaged in the business of selling assault weapons,  
14 large capacity ammunition feeding devices, or both at retail  
15 in this State during the preceding calendar quarter shall file  
16 a return with the Department, stating:

17 (1) the name of the licensed firearm dealer;

18 (2) his or her residence address and the address of  
19 his principal place of business and the address of the  
20 principal place of business (if that is a different  
21 address) from which he or she engages in business as a  
22 licensed firearm dealer in this State;

23 (3) the total amount of receipts received by him or  
24 her during the preceding calendar quarter from taxable

1 sales under this Act;  
2 (4) the amount of tax due;  
3 (5) the signature of the taxpayer; and  
4 (6) such other reasonable information as the  
5 Department may require.

6 With each such return, the licensed firearm dealer shall  
7 remit the proper amount of tax due (or shall submit  
8 satisfactory evidence that the sale is not taxable if that is  
9 the case), to the Department or its agents. The Department may  
10 adopt rules requiring or allowing payments to be made by  
11 electronic funds transfer or any other lawful means.

12 All of the provisions of Sections 5a, 5b, 5c, 5d, 5e, 5f,  
13 5g, 5i, 5j, and 13 of the Retailers' Occupation Tax Act, which  
14 are not inconsistent with this Act, and Section 3-7 of the  
15 Uniform Penalty and Interest Act shall apply, as far as  
16 practicable, to the subject matter of this Act to the same  
17 extent as if such provisions were included herein. References  
18 in such incorporated Sections of the "Retailers' Occupation  
19 Tax Act" to retailers, to sellers, or to persons engaged in the  
20 business of selling tangible personal property shall mean  
21 licensed firearm dealers when used in this Act.

22 In case any person who is required to file a return under  
23 this Act fails to file such return, the Department shall  
24 determine the amount of tax due from him or her according to  
25 its best judgment and information, which amount so fixed by  
26 the Department shall be prima facie correct and shall be prima

1 facie evidence of the correctness of the amount of tax due, as  
2 shown in such determination. Proof of such determination by  
3 the Department may be made at any hearing before the  
4 Department or in any legal proceeding by a reproduced copy of  
5 the Department's record relating thereto in the name of the  
6 Department under the certificate of the Director of Revenue.  
7 Such reproduced copy shall, without further proof, be admitted  
8 into evidence before the Department or in any legal proceeding  
9 and shall be prima facie proof of the correctness of the amount  
10 of tax due, as shown therein. The Department shall issue such  
11 person a notice of tax liability for the amount of tax claimed  
12 by the Department to be due, together with a penalty in an  
13 amount determined in accordance with Sections 3-3, 3-5 and 3-6  
14 of the Uniform Penalty and Interest Act. If such person or the  
15 legal representative of such person, within 60 days after such  
16 notice, files a protest to such notice of tax liability and  
17 requests a hearing thereon, the Department shall give notice  
18 to such person or the legal representative of such person of  
19 the time and place fixed for such hearing and shall hold a  
20 hearing in conformity with the provisions of this Act, and  
21 pursuant thereto shall issue a final assessment to such person  
22 or to the legal representative of such person for the amount  
23 found to be due as a result of such hearing. If a protest to  
24 the notice of tax liability and a request for a hearing thereon  
25 is not filed within 60 days after such notice of tax liability,  
26 such notice of tax liability shall become final without the

1 necessity of a final assessment being issued and shall be  
2 deemed to be a final assessment. Any person aggrieved by a  
3 final decision of the Department under this Section may obtain  
4 review of the decision under the provisions of the  
5 Administrative Review Law.

6 Section 25. Firearms Tax Fund; creation; deposit of tax  
7 proceeds. The Firearms Tax Fund is hereby created as a special  
8 fund in the State treasury. Moneys in the Fund shall be used to  
9 prevent gun violence in schools and State-owned buildings by  
10 funding programs that promote safety and prevent gun violence  
11 in those areas, as well as safety enhancements in such schools  
12 and State-owned buildings; however, no funds shall be used to  
13 arm or increase the arming of personnel in those buildings.  
14 Such programs may include, but are not limited to, research,  
15 prevention, and youth education and employment programs.  
16 Moneys in the Fund may also be used for administrative costs  
17 related to the Fund. Interest earned on moneys in the Fund  
18 shall be deposited into the Fund.

19 Section 900. The State Finance Act is amended by adding  
20 Section 5.935 as follows:

21 (30 ILCS 105/5.935 new)

22 Sec. 5.935. The Firearms Tax Fund.