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AMENDMENT OF INTERNAL REVENUE CODE WITH
RESPECT TO TAXATION OF SMALL-GAME GUNS

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JULY 6, 1945.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

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Mr. KNUtSON, from the Committee on Ways and Means, submitted
the following

REPORT

[To accompany H. R. 122]

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The Committee on Ways and Means, to whom was referred the bill (H. R. 122) to amend sections 2720 (a) and 3260 (a) of the Internal Revenue Code relating to the transfer tax, and the tax on manufacturers and dealers, in the case of certain types of firearms, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

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GENERAL STATEMENT

This bill further amends the National Firearms Act of 1934, as amended, by providing a partial exemption from the taxes imposed by that act in the case of certain nonautomatic, single-barreled guns, usually of a low-caliber having a barrel 12 inches or more in length and designed primarily to be held in one hand when fired. In making this exemption, the bill simply extends to this type of gun the same tax treatment now provided by law in the case of similar double-barreled guns not designed to be held in the hand when fired. Both types of guns have legitimate uses. The single-barreled type is useful on farms and elsewhere for extermination of vermin and predatory animals and in hunting and trapping activities where quick firing at short range is essential.

This type of gun, however, cannot be manufactured or distributed without payment of a manufacturer's or importer's tax of \$500 per year, a dealer's tax of \$200 per year and a transfer tax on each transfer of \$200. Your committee believes this works an injustice both against those who need such low-powered, so-called small-game guns and against those who make or deal in them and that they should be treated, for tax purposes, the same as the double-barreled guns which

were partially exempt from the high rates of tax imposed under the original act by an amendment adopted in 1938. This amendment provided that upon payment of a manufacturer's tax of \$25 per year, a dealer's tax of \$1 per year, and a transfer tax of \$1 on each transfer, the higher rates would not apply.

The rates now existing under the National Firearms Act of 1934 with respect to machine guns, submachine guns, sawed-off shotguns, and other high-powered weapons, will not be affected by this bill and the same regulatory power would exist under the lower rates as under the higher tax rates.

The provisions of the bill meet with the approval of the Department of Justice and with the Treasury Department.

CHANGES IN EXISTING LAW

In compliance with paragraph 2 (a) of rule XIII of the Rules of the House of Representatives, changes in existing law made by this bill are shown as follows (new matter proposed to be added to existing law is shown in italics, existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE

SUBCHAPTER B MACHINE GUNS AND SHORT-BARRELLED FIREARMS

720. TAX. (a) RATE. There shall be levied, collected, and paid upon any gun transferred in the continental United States a tax at the rate of \$200 for each transfer; *Provided*, That the transfer tax on any gun with two attached barrels, twelve inches or more in length, from which only a single discharge can be made from either barrel without manual reloading, or any gun designed to be held in one hand when fired and having a barrel twelve inches or more in length from which only a single discharge can be made without manual reloading, shall be at the rate of \$1. The tax imposed by this section shall be in addition to any import duty imposed on such firearm."

PART VIII - FIREARMS

SEC. 3260. TAX. (a) RATE. - * * * *Provided*, That manufacturers and dealers in guns with two attached barrels, twelve inches or more in length, from which only a single discharge can be made from either barrel without manual reloading, guns designed to be held in one hand when fired and having a barrel twelve inches or more in length from which only a single discharge can be made without manual reloading, or guns of both types, shall pay the following taxes: Manufacturers, \$25 per year; dealers, \$1 per year."



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