

AMEND THE NATIONAL FIREARMS ACT, APPROVED
JUNE 26, 1934

MARCH 19, 1937.—Ordered to be printed

Mr. SHEPPARD, from the Committee on Military Affairs, submitted
the following

REPORT

[To accompany S. 1905]

The Committee on Military Affairs, to whom was referred the bill (S. 1905), to amend the National Firearms Act, approved June 26, 1934, having considered the same, report favorably thereon with a recommendation that it do pass.

This measure is recommended by the War Department for enactment into law. Section 3 (a) of the National Firearms Act (48 Stat. 1236), which was approved June 26, 1934, provides for a tax of \$200 on each firearm transferred in the continental United States. Section 13 of the 1934 act exempts certain transfers of firearms from this tax. The War Department submits that exemption from the payment of this tax should also be extended to American inventors and designers who wish to purchase firearms for their use in experimental work in which the War Department has a military interest. Therefore, the purpose of S. 1905 is to amend the 1934 National Firearms Act so as to make it possible for American citizens to purchase firearms, without inclusion of the transfer tax, for their use in design, development, or test, when such purchase is approved by the Secretary of War.

Letter from the War Department, under date of March 15, 1937, follows:

MARCH 15, 1937.

HON. MORRIS SHEPPARD,
*Chairman, Committee on Military Affairs,
United States Senate.*

DEAR SENATOR SHEPPARD: There is inclosed the draft of a bill, "an act to amend the National Firearms Act, approved June 26, 1934." A statement of pertinent facts in support of this legislation, follows:

Section 3 (a) of the National Firearms Act (48 Stat. 1236) provides:

"There shall be levied, collected, and paid upon firearms transferred in the continental United States a tax at the rate of \$200 for each firearm, such tax to be paid by the transferor. * * *."

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Section 13 of the act exempts certain transfers of firearms from this tax. The War Department considers it is in the interests of National Defense that such exemption should be extended also to American inventors and designers who wish to purchase firearms for their use in experimental work in which the War Department has a military interest. Inability to secure firearms for experiment except by payment of a considerable tax is a source of discouragement to inventors and designers of military weapons, and will no doubt be reflected in a loss to the Department of contributions by civilians in the improvement of arms.

Under the amendment proposed it will be possible for American citizens to purchase firearms, without inclusion of the transfer tax, for their use in design, development, or test, when such purchase is approved by the Secretary of War.

For the foregoing reasons enactment of this legislation is recommended.

A similar letter has been addressed to the Speaker, House of Representatives.

This proposed legislation was submitted to the Bureau of the Budget which reports that there is no objection to submission of it to Congress.

Sincerely yours,

MALIN CRAIG,
Acting Secretary of War.

