

February 14, 2023

	<b>Yes</b>	<b>No</b>
DOR Administrative Costs/Savings		X

Department of Revenue  
Analysis of S.F. 1444 (Rest)

	<b>Fund Impact</b>			
	<b>F.Y. 2024</b>	<b>F.Y. 2025</b>	<b>F.Y. 2026</b>	<b>F.Y. 2027</b>
	(000's)			
General Fund	(\$20)	(\$20)	(\$20)	(\$20)
Natural Resources and Arts Funds	Negl	Negl	Negl	Negl
Total – All Funds	(\$20)	(\$20)	(\$20)	(\$20)

Effective for sales and purchases made after June 30, 2023

**EXPLANATION OF THE BILL**

The bill would exempt sales of firearm storage units from sales and use tax. A firearm storage unit is defined as a container that is fully enclosed and locked by a padlock, keylock, combination lock, or similar locking device, and is either specifically designed for the safe storage of firearms or sold for that purpose by a federally licensed firearms dealer.

**REVENUE ANALYSIS DETAIL**

- The estimates are based on the IBISWorld Report on US Safe and Vault Manufacturing.
- The report estimates domestic market for safe and vault manufacturing to be \$675 million in 2021.
- It is estimated that 35% of total demand is attributable to residential households. It is estimated that 50% of residential purchases is for gun safes.
- Minnesota’s portion of national background checks for firearms was used to apportion the data. The ratio is 2.4%.
- A growth rate of 10% is assumed based on 360marketupdates.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>