

February 28, 2024

| | | |
|----------------------------------|------------|-----------|
| | Yes | No |
| DOR Administrative Costs/Savings | | X |

Department of Revenue
Analysis of S.F. 3564 (Rest) / H.F. 4296 (Gomez)

| | Fund Impact | | | |
|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | <u>F.Y. 2024</u> | <u>F.Y. 2025</u> | <u>F.Y. 2026</u> | <u>F.Y. 2027</u> |
| | | (000's) | | |
| General Fund | (\$0) | (\$27) | (\$32) | (\$34) |
| Natural Resources and Arts Funds | <u>(\$0)</u> | <u>Negl.</u> | <u>Negl.</u> | <u>Negl.</u> |
| Total – All Funds | (\$0) | (\$27) | (\$32) | (\$34) |

Effective for sales and purchases after June 30, 2024.

EXPLANATION OF THE BILL

Current Law: Secure firearm storage units are currently exempt from sales and use tax.

Proposed Law: The bill proposes to extend the exemption to include safety devices such as trigger locks and cable locks.

REVENUE ANALYSIS DETAIL

- Based on FBI background checks and other survey reports it is estimated that about 337 thousand guns were sold in Minnesota in 2022.
- Based on market information we assume 3.3% of new gun purchases are accompanied by a purchase of a trigger lock or cable lock.
- Based on an industry article a cumulative growth rate of 6.9% is used during the forecast period.
- Fiscal Year 2025 is adjusted for 11 months of collection.

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