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(FAET), which was first implemented in 1919 and is administered by the Alcohol and Tobacco Tax and Trade Bureau.

Gail Cole • Oct. 12, 2023



By *Gail Cole*.

Retail sales of guns and ammunition will soon be subject to a new state excise tax in California. Under Assembly Bill 28, which Governor Gavin Newsom [signed into law](#) on September 26, 2023, an 11% tax will apply to gross receipts from retail sales of ammunition, firearms, and firearm precursor parts starting July 1, 2024. Revenue

generated by the tax will be deposited in a new Gun Violence Prevention and School

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California firearms and ammunition excise tax requirements

As set forth in [AB-28](#), the excise tax is imposed on licensed firearms dealers, firearms manufacturers, and ammunition vendors. The rate is 11% of the gross receipts from the retail sale in California of any firearm, firearm precursor part, or ammunition, with certain exceptions.

Gross receipts from retail sales of guns, ammo, and firearm precursor parts sold to an active or retired peace officer — or any law enforcement agency employing that peace officer — are exempt from the tax.

Also exempt from the tax: Gross receipts from the retail sale of any firearm, firearm precursor part, or ammunition by any licensed firearms dealer, firearms manufacturer, or ammunition vendor in any quarterly period in which their total gross receipts from the retail sales of firearms, firearm precursor parts, or ammunition is less than \$5,000.

The California Department of Tax and Fee Administration (CDTFA) will administer the new gun tax. Taxes must be remitted quarterly, and tax returns must be filed electronically. To facilitate the administration of the excise tax, AB-28 requires the California Department of Justice (DOJ) to give the CDTFA the names and business locations of all ammunition vendors and firearms dealers and manufacturers licensed by the DOJ in the state by March 31, 2024.

California firearms and ammunition excise tax certificate of registration

Starting July 1, 2024, California dealers and manufacturers of firearms as well as ammunition vendors must obtain a valid firearm and ammunition excise tax certificate of registration from the CDTFA. Registration will occur electronically in a yet-to-be-determined form.

There will be no registration fee, and the certificate of registration will not expire.

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any necessary local licenses.

Are guns taxed in other states?

California will be the first state in the country to levy a statewide excise tax on guns and ammo when AB-28 goes into effect. However, guns and ammunition are generally subject to sales and use tax in all states with a general sales tax unless a specific sales tax exemption applies. For example, certain ammunition and firearms are temporarily exempt from sales tax during [Second Amendment sales tax holidays](#) in Louisiana and Mississippi.

Some states also impose a fee or special tax on guns, ammo, or related items. For example:

- Alabama has a [license tax on firearms and ammunition dealers](#); the rate varies depending on the population of the county where the dealer operates
- Pennsylvania imposes a [\\$3 firearm sales surcharge](#) on the purchase of a firearm subject to tax; the fee is administered by the [Pennsylvania State Police](#).

And there's precedent for taxing guns and ammunition at the local level. For instance:

- [Cook County, Illinois](#), levies a \$25 tax on each eligible firearm purchased in the county, a 5-cents-per-cartridge tax on [centerfire ammunition](#), and a 1-cent-per-cartridge tax on rimfire ammunition.
- [Seattle, Washington](#), imposes a \$25 tax on each firearm sold at retail and a 2-cent or 5-cent tax on ammunition sold at retail, depending on the caliber.

Both these taxes were challenged but allowed to stand.

AB-28 explains that the California gun tax will “provide dedicated revenue to sustain

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Governor Newsom signs it into law.

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