To amend the Internal Revenue Code of 1986 to increase the transfer tax on certain firearms, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Raskin introduced the following bill; which was referred to the Committee on ________________________________

A BILL

To amend the Internal Revenue Code of 1986 to increase the transfer tax on certain firearms, and for other purposes.

1 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

2 SECTION 1. SHORT TITLE.

3 This Act may be cited as the “NFA Modernization Act of 2021”.

4

5
SEC. 2. INCREASE IN TRANSFER TAX ON CERTAIN FIREARMS.

(a) In General.—Section 5811(a) of the Internal Revenue Code of 1986 is amended by striking “$200” and inserting “$300”.

(b) Inflation Adjustment.—Section 5811 of Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(d) Inflation Adjustment.—In the case of a transfer in a calendar after 2022, the $300 amount in subsection (a) shall be increased by an amount equal to—

“(1) such dollar amount, multiplied by

“(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, by substituting ‘calendar year 2021’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.”.

(c) Effective Date.—The amendments made by this Act shall apply with respect to transfers after December 31, 2021.

SEC. 3. TRUST FUND.

(a) Establishment.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 9512. GUN VIOLENCE PREVENTION TRUST FUND.

“(a) Creation of Trust Fund.—There is established in the Treasury of the United States a trust fund
to be known as the ‘Firearms Trust Fund’ (referred to in this section as the ‘Trust Fund’), consisting of such amounts as may be appropriated or credited to such fund as provided in this section or section 9602(b).

“(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Trust Fund each year an amount equal to the increase in net revenues received in the Treasury attributable to the amendments made by the NFA Modernization Act of 2021.

“(c) EXPENDITURES.—Amounts in the Trust Fund shall be available to the Attorney General, as provided in appropriation Acts, only as follows:

“(1) Fifty percent for the purpose of funding gun violence prevention initiatives of the Bureau of Alcohol, Tobacco, Firearms, and Explosives.

“(2) Fifty percent for the purpose of funding gun violence prevention initiatives of the Office of Justice Programs.”.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 of such Code is amended by adding at the end the following new item:

“Sec. 9512. Gun violence prevention trust fund.”.