

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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HOUSE BILL 56

Short Title: Safe Firearm Storage/Tax Exemption and Credit. (Public)

Sponsors: Representatives Paré, Bell, Adams, and Dahle (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Judiciary 2, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

February 7, 2023

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A TEMPORARY SALES TAX EXEMPTION FOR EQUIPMENT DESIGNED TO PREVENT UNAUTHORIZED PERSONS FROM ACCESSING FIREARMS AND TO PROVIDE A TAX CREDIT TO INDIVIDUALS WHO PURCHASE EQUIPMENT DESIGNED TO PREVENT UNAUTHORIZED PERSONS FROM ACCESSING FIREARMS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 105-164.13 reads as rewritten:

"§ **105-164.13. Retail sales and use tax.**

The sale at retail and the use, storage, or consumption in this State of the following items are specifically exempted from the tax imposed by this Article:

...

(74) Equipment designed to prevent unauthorized access to firearms, including (i) a device that, when installed on a firearm, is designed to prevent the firearm from being operated without first deactivating the device or (ii) a gun safe, gun case, lockbox, or other device that is designed, in light of materials used, to prevent access to a firearm by any means other than a key, a combination, biometric data, or other similar means. The equipment exempted under this subdivision does not include a glass-faced cabinet or other form of storage that is primarily designed to allow for the display of firearms."

SECTION 2. Part 2 of Article 4 of Subchapter I of Chapter 105 of the General Statutes is amended by adding a new section to read:

"§ **105-153.11. Credit for purchase of firearm safety device.**

(a) Credit. – A taxpayer who purchases, at retail, equipment exempt from taxation under G.S. 105-164.13(74) is allowed a credit against the tax imposed by this Part equal to the lesser of the cost of the equipment paid during the taxable year or five hundred dollars (\$500.00).

(b) Limitation. – The credit allowed under this section may not exceed the amount of tax imposed by this Part for the taxable year reduced by the sum of all credits allowable, except payments of tax made by or on behalf of the taxpayer.

(c) Substantiation. – A taxpayer allowed a credit under this section must maintain and make available for inspection any information or records required by the Secretary of Revenue."

SECTION 3. Section 2 of this act is effective for taxable years beginning on or after January 1, 2023. The remainder of this act becomes effective July 1, 2023, and applies to sales



1 made on or after that date. Section 1 of this act expires July 1, 2024, for sales made on or after
2 that date, and Section 2 of this act expires for taxable years beginning on or after January 1, 2025.