

# Calendar No. 519

79TH CONGRESS }  
1st Session }

SENATE

{ REPORT  
No. 520

## AMENDMENT OF INTERNAL REVENUE CODE WITH RESPECT TO TAXATION OF SMALL-GAME GUNS

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JULY 26 (legislative day, JULY 9), 1945.—Ordered to be printed

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Mr. GEORGE, from the Committee on Finance, submitted the following

### REPORT

[To accompany H. R. 122]

The Committee on Finance, to whom was referred the bill (H. R. 122) to amend sections 2720 (a) and 3260 (a) of the Internal Revenue Code relating to the transfer tax, and the tax on manufacturers and dealers, in the case of certain types of firearms, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of this bill is to extend to certain nonautomatic, single-barreled guns, having a barrel 12 inches or more in length and designed to be held in one hand when fired, a partial exemption from the taxes imposed by the National Firearms Act of 1934, as amended, such as is provided under existing law for similar double-barreled guns not designed to be fired with one hand.

At the present time this type of gun cannot be manufactured or distributed without payment of a manufacturer's or importer's tax of \$500 per year, a dealer's tax of \$200 per year, and a transfer tax of \$200 on each transfer.

Under an amendment adopted in 1938 the rates applicable to the double-barreled type were reduced to \$25 per year in the case of the manufacturer's tax, \$1 per year in the case of the dealer's tax, and \$1 on each transfer.

The committee believe that similar treatment is desirable at this time with respect to the manufacture and distribution of the single-barreled gun referred to above. This gun, usually of a low caliber, is particularly useful on farms and elsewhere for extermination of vermin and predatory animals and in hunting and trapping activities where quick firing at short range is essential. The present rates, however, work a severe hardship upon persons who wish to obtain this type of gun for such use.

The reduced rate on transfers would be effective with respect to transfers made on or after July 1, 1945, and the reduced rate of manufacturer's and dealer's taxes would be effective with respect to any taxable period commencing on or after July 1, 1945.

The provisions of the bill meet with the approval of the Department of Justice and with the Treasury Department.

