
**PROVISIONS OF THE INTERNAL REVENUE CODE OF 1986
RELATING TO TAXES ON RECREATIONAL EQUIPMENT
AND TAXES ON FIREARMS**

[As Amended Through P.L. 108-204, March 2, 2004]

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March 2, 2004

INTERNAL REVENUE CODE OF 1986

Subtitle D—Miscellaneous Excise Taxes

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CHAPTER 32—MANUFACTURERS EXCISE TAXES

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Subchapter D—Recreational Equipment

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PART I—SPORTING GOODS

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SEC. 4161. IMPOSITION OF TAX.

(a) **SPORT FISHING EQUIPMENT.—**

(1) **IMPOSITION OF TAX.—**There is hereby imposed on the sale of any article of sport fishing equipment by the manufacturer, producer, or importer a tax equal to 10 percent of the price for which so sold.

(2) **3 PERCENT RATE OF TAX FOR ELECTRIC OUTBOARD MOTORS AND SONAR DEVICES SUITABLE FOR FINDING FISH.—**

(A) **IN GENERAL.—**In the case of an electric outboard motor or a sonar device suitable for finding fish, paragraph (1) shall be applied by substituting “3 percent” for “10 percent”.

(B) **\$30 LIMITATION ON TAX IMPOSED ON SONAR DEVICES SUITABLE FOR FINDING FISH.—**The tax imposed by paragraph (1) on any sonar device suitable for finding fish shall not exceed \$30.

(3) **PARTS OR ACCESSORIES SOLD IN CONNECTION WITH TAXABLE SALE.—**In the case of any sale by the manufacturer, producer, or importer of any article of sport fishing equipment, such article shall be treated as including any parts or accessories of such article sold on or in connection therewith or with the sale thereof.

(b) **BOWS AND ARROWS, ETC.—**

(1) **BOWS.—**

(A) **IN GENERAL.—**There is hereby imposed on the sale by the manufacturer, producer, or importer of any bow

which has a draw weight of 10 pounds or more, a tax equal to 11 percent of the price for which so sold.

(B) PARTS AND ACCESSORIES.—There is hereby imposed upon the sale by the manufacturer, producer, or importer—

(i) of any part of accessory suitable for inclusion in or attachment to a bow described in subparagraph (A), and

(ii) of any quiver suitable for use with arrows described in paragraph (2), a tax equivalent to 11 percent of the price for which so sold.

(2) ARROWS.—There is hereby imposed on the sale by the manufacturer, producer, or importer of any shaft, point,nock, or vane of a type used in the manufacture of any arrow which after its assembly—

(A) measures 18 inches overall or more in length, or

(B) measures less than 18 inches overall in length but is suitable for use with a bow described in paragraph (1)(A), a tax equal to 12.4 percent of the price for which so sold.

(3) COORDINATION WITH SUBSECTION (a).—No tax shall be imposed under this subsection with respect to any article taxable under subsection (a).

SEC. 4162. DEFINITIONS; TREATMENT OF CERTAIN REALES.

(a) SPORT FISHING EQUIPMENT DEFINED.—For purposes of this part, the term “sport fishing equipment” means—

(1) fishing rods and poles (and component parts therefor),
 (2) fishing reels,
 (3) fly fishing lines, and other fishing lines not over 130 pounds test,

(4) fishing spears, spear guns, and spear tips,

(5) items of terminal tackle, including—

(A) leaders,
 (B) artificial lures,
 (C) artificial baits,
 (D) artificial flies,
 (E) fishing hooks,
 (F) bobbers,
 (G) sinkers,
 (H) snaps,
 (I) drayles, and
 (J) swivels,

but not including natural bait or any item of terminal tackle designed for use and ordinarily used on fishing lines not described in paragraph (3), and

(6) the following items of fishing supplies and accessories—

(A) fish stringers,
 (B) creels,
 (C) tackle boxes,
 (D) bags, baskets, and other containers designed to hold fish,
 (E) portable bait containers,
 (F) fishing vests,

- (G) landing nets,
- (H) gaff hooks,
- (I) fishing hook disgorgers, and
- (J) dressing for fishing lines and artificial flies,
- (7) fishing tip-ups and tilts,
- (8) fishing rod belts, fishing rodholders, fishing harnesses, fish fighting chairs, fishing outriggers, and fishing downriggers,
- (9) electric outboard boat motors, and
- (10) sonar devices suitable for finding fish.

(b) SONAR DEVICE SUITABLE FOR FINDING FISH.—For purposes of this part, the term “sonar device suitable for finding fish” shall not include any sonar device which is—

- (1) a graph recorder,
- (2) a digital type,
- (3) a meter readout, or
- (4) a combination graph recorder or combination meter readout.

(c) TREATMENT OF CERTAIN REALES.—

(1) IN GENERAL.—If—

(A) the manufacturer, producer, or importer sells any article taxable under section 4161(a) to any person,

(B) the constructive sale price rules of section 4216(b) do not apply to such sale, and

(C) such person (or any other person) sells such article to a related person with respect to the manufacturer, producer, or importer,

then such related person shall be liable for tax under section 4161 in the same manner as if such related person were the manufacturer of the article.

(2) CREDIT FOR TAX PREVIOUSLY PAID.—If—

(A) tax is imposed on the sale of any article by reason of paragraph (1), and

(B) the related person establishes the amount of the tax which was paid on the sale described in paragraph (1)(A),

the amount of the tax so paid shall be allowed as a credit against the tax imposed by reason of paragraph (1).

(3) RELATED PERSON.—For purposes of this subsection, the term “related person” has the meaning given such term by section 465(b)(3)(C).

(4) REGULATIONS.—Except to the extent provided in regulations, rules similar to the rules of this subsection shall also apply in cases (not described in paragraph (1)) in which intermediaries or other devices are used for purposes of reducing the amount of the tax imposed by section 4161(a).

PART III—FIREARMS

SEC. 4181. IMPOSITION OF TAX.

There is hereby imposed upon the sale by the manufacturer, producer, or importer of the following articles a tax equivalent to the specified percent of the price for which so sold:

Articles taxable at 10 percent—

Pistols.
Revolvers.
Articles taxable at 11 percent—
Firearms (other than pistols and revolvers).
Shells, and cartridges.

SEC. 4182. EXEMPTIONS.

(a) **MACHINE GUNS AND SHORT BARRELLED FIREARMS**—The tax imposed by section 4181 shall not apply to any firearm on which the tax provided by section 5811 has been paid.

(b) **SALES TO DEFENSE DEPARTMENT**.—No firearms, pistols, revolvers, shells, and cartridges purchased with funds appropriated for the military department shall be subject to any tax imposed on the sale or transfer of such articles.

(c) **RECORDS**.—Notwithstanding the provisions of sections 922(b)(5) and 923(g) of title 18, United States Code, no person holding a Federal license under chapter 44 of title 18, United States Code, shall be required to record the name, address, or other information about the purchaser of shotgun ammunition, ammunition suitable for use only in rifles generally available in commerce, or component parts for the aforesaid types of ammunition.

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