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**HOUSE BILL NO. 2558**

Offered January 13, 2025

Prefiled January 12, 2025

*A BILL to amend the Code of Virginia by adding in Title 58.1 a chapter numbered 6.3, consisting of sections numbered 58.1-663 through 58.1-666, relating to retail sales and use tax; firearm and ammunition taxes.*

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Patron—Lopez

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Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:****1. That the Code of Virginia is amended by adding in Title 58.1 a chapter numbered 6.3, consisting of sections numbered 58.1-663 through 58.1-666, as follows:****CHAPTER 6.3.****FIREARM AND AMMUNITION TAXES.****§ 58.1-663. Definitions.***As used in this chapter:**"Dealer" means the same as that term is defined in § 18.2-308.2:2.**"Firearm" means any handgun, shotgun, rifle, or other firearm that will, is designed to, or may readily be converted to explode a combustible material to expel single or multiple projectiles.**"Firearm ammunition" means ammunition or cartridge cases, primers, bullets, propellant powder, or other projectiles designed for use in any firearm.**"Firearm seller" means (i) a dealer that sells a firearm or firearm ammunition, (ii) a seller of a firearm or firearm ammunition at any event noticed as a firearms show as required by § 54.1-4201.1, or (iii) any other person who sells a firearm or firearm ammunition within the Commonwealth.**"Law-enforcement officer" means the same as that term is defined in § 9.1-101.***§ 58.1-664. Imposition of firearm and ammunition taxes; exceptions.**

A. 1. Beginning July 1, 2025, there is hereby levied and imposed on firearm sellers, in addition to all other taxes and fees imposed by law, a firearm tax in the amount of \$5 per firearm that is sold or resold. No discount under § 58.1-622 shall be allowed for the tax imposed under this chapter.

2. Beginning July 1, 2025, there is hereby levied and imposed on firearm sellers, in addition to all other taxes and fees imposed by law, a firearm ammunition tax in the amount of one cent per round of firearm ammunition that is sold or resold. No discount under § 58.1-622 shall be allowed for the tax imposed under this chapter.

B. The taxes imposed pursuant to this chapter shall not apply to the sale of any firearms or firearm ammunition to a federal, state, or local agency or to a law-enforcement officer for use in the normal course of his employment.

C. The taxes levied under this chapter shall be collected by the Tax Commissioner in the same manner as is the retail sales and use tax pursuant to Chapter 6 (§ 58.1-600 et seq.).

**§ 58.1-665. Disposition of revenue; allowable uses.**

A. The Department shall distribute the proceeds received from the taxes levied on all sales, including remote sales, of firearms and firearm ammunition in the Commonwealth pursuant to § 58.1-664 in the following manner: (i) 50 percent of the revenues shall be remitted to localities pro rata in an amount proportional to the amount of revenues derived from such locality for local public school safety initiatives and local gun violence prevention purposes and (ii) 50 percent of the revenues shall be deposited into the Virginia Gun Violence Intervention and Prevention Fund, as established pursuant to § 9.1-116.6.

B. Notwithstanding any other provision of law, revenue distributed pursuant to this section shall only be used for the purposes of providing additional funding to enhance public school safety and prevent gun violence.

**§ 58.1-666. Provisions of Chapter 6 of this title to apply, mutatis mutandis.**

The provisions of Chapter 6 (§ 58.1-600 et seq.) shall apply to this chapter, mutatis mutandis, except as herein provided.

INTRODUCED

HB2558