

VIRGINIA ACTS OF ASSEMBLY - 2025 SESSION

CHAPTER 289

An Act to amend and reenact § 58.1-339.14 of the Code of Virginia, relating to firearm safety device tax credit; defines commercial retailer.

[H 2595]

Approved March 21, 2025

Be it enacted by the General Assembly of Virginia:

1. That § 58.1-339.14 of the Code of Virginia is amended and reenacted as follows:

§ 58.1-339.14. Firearm safety device tax credit.

A. For the purposes of this section:

"Commercial retailer" means a business that sells goods or services to customers in a retail setting and is properly registered as a dealer pursuant to § 58.1-613.

"Eligible transaction" means a transaction in which a taxpayer purchases one or more firearm safety devices from a dealer that is federally licensed pursuant to 18 U.S.C. § 923 commercial retailer. An "eligible transaction" shall does not include the purchase of a firearm.

"Firearm" means any handgun, shotgun, rifle, or other firearm that will or is designed to or may readily be converted to expel single or multiple projectiles by action of an explosion of a combustible material.

"Firearm safety device" means (i) any device that, when installed on a firearm, is designed to prevent the firearm from being operated without first deactivating the device or (ii) a safe, gun safe, gun case, lock box, or other device that is designed to be or can be used to store a firearm and that is designed to be unlocked only by means of a key, a combination, or other similar means.

B. For taxable years beginning on and after January 1, 2024, but before January 1, 2028, a taxpayer shall be allowed a nonrefundable credit against the tax levied pursuant to § 58.1-320 for up to \$300 for the cost incurred in the purchase of one or more firearm safety devices in an eligible transaction. A taxpayer shall be allowed only one credit under this section per taxable year. The taxpayer shall submit purchase receipts with the income tax return to verify the amount of purchase price paid for the firearm safety device or firearm safety devices. The aggregate amount of credits allowable under this section shall not exceed \$5 million per taxable year. Credits shall be allocated by the Department on a first-come, first-served basis.

C. The amount of the credit that may be claimed in any single taxable year shall not exceed the individual's liability for taxes imposed by this chapter for that taxable year. If the amount of the credit allowed under this section exceeds the individual's tax liability for the taxable year in which the eligible transaction occurred, the amount that exceeds the tax liability may be carried over for credit against the income taxes of the individual in the next five taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

D. The Tax Commissioner shall develop guidelines for claiming the credit provided by this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

2. That the provisions of this act shall apply to taxable years beginning on and after January 1, 2025.