



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 7, 2025

Honorable Shaw Blackmon
Chairman, House Ways and Means
133 State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 79 (LC 50 0999)

Dear Chairman Blackmon:

The bill would create an income tax credit for eligible purchases of firearm secure storage devices and for costs associated with firearm safe handling instructional courses. A taxpayer may claim a credit against their income tax in the amount spent for the purchase of firearm secure storage devices for personal use and for the costs of firearm safe handling instructional courses, up to a maximum of \$300 per taxpayer. Credits must obtain preapproval from the Department of Revenue (DOR). No individual taxpayer can be preapproved for this credit more than once in their lifetime and aggregate credits cannot exceed \$10 million per year. The credits are nonrefundable and may not be carried forward or backward. The bill would become effective for eligible purchases made on or after January 1, 2026.

Impact on State Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease state revenue as shown in **Table 1**. The appendix provides details of the analysis.

Table 1. Estimated State Revenue Effects of LC 50 0999

(\$ millions)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
State Revenue Effect	-	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)

Impact on State Expenditures

The Department of Revenue (DOR) would incur additional costs associated with the bill. To process and verify the preapprovals and credits, DOR would need one tax examiner at an annual cost of \$76,837 (salary and benefits). The position has one-time costs of \$1,825 for a computer and other supplies. DOR also noted that changes to information systems would require 14 weeks, which equates to approximately \$140,800 in staff time.

Respectfully,

Greg S. Griffin
State Auditor

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

The subject bill proposes to establish a state income tax credit for eligible purchases of firearm secure storage devices and for costs associated with firearm safe handling instructional courses on or after January 1, 2026. Taxpayers will be allowed a credit against the state income tax in the amount of the eligible purchases or \$300, whichever is less. To receive the credit, taxpayers must apply and be preapproved by DOR. No taxpayer may be approved for this credit more than once in their lifetime. The bill stipulates that DOR must establish a procedure for the preapproval process and that the department must preapprove applications within 30 days. Such preapproved credits shall be awarded on a first-come, first-served basis in the order of applications received, in amounts up to \$300 each, until the aggregate cap of \$10 million per year is reached. Individual taxpayers receiving the credit must maintain receipts of eligible purchases for three years and such receipts must be made available upon request. Credits allowed may not exceed the taxpayer's tax liability for the year, and any unutilized credits may not be carried forward to succeeding years. The credit would be automatically repealed on December 31, 2031.

Eligible firearm secure storage devices, as defined in the bill, means “any device originally manufactured to securely store or disable a firearm and which may only be unlocked by means of a key, a combination, or other similar means. Such term shall include, but shall not be limited to, gun safes, trigger locks, chamber locks, and cable locks.” These items are sold through multiple channels, including home improvement, general merchandise, and online retailers as well as gun shops and sporting goods retailers. Product prices range from as low as \$20 for simple trigger locks to several thousand dollars for large gun safes. Firearm safe handling instructional courses are defined as in-person training of at least two hours that include instruction on safe handling, use, and storage of firearms. Eligible courses offered by the National Rifle Association in Georgia range in cost from \$75–\$200.

Based on data from business research firm IBISWorld, we estimate the US retail market for home and gun safes amounted to approximately \$2.01 billion in 2024. The industry is projected to grow on average by 2.9 percent annually through 2029. Also using data from IBISWorld, we estimate the US market for firearm training amounts at approximately \$399.8 million in 2024, with projected annual growth of 1.4 percent. National sales estimates are shared down to Georgia using the state's share of federally registered firearms, approximately 4.1 percent according to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF). This share results in estimated annual sales of home and gun safes and firearm training in Georgia of \$52.9 million for 2024. The \$10 million annual cap is equivalent to 18.9 percent of these annual sales.

According to the U.S. Census Bureau, there were approximately 4 million households in Georgia as of 2023. Studies from the Rand Corporation estimate the gun-owning share of Georgia households to be between 38 and 49 percent, or 1.5 to 1.9 million households. Assuming an average credit amount of \$250, only about 2.0 to 2.7 percent of gun-owning households making eligible purchases would be required to reach the \$10 million cap.

Given the market size in terms of the number of gun-owning households and estimated annual sales of eligible products in the state, it is expected that preapproval applications for the proposed credit will exceed the \$10 million cap from the first year the credit is available. Assuming credits allowed will impact tax collections only at the time of filing returns, state revenues are projected to be reduced by \$10 million per year beginning with the filing of tax year (TY) 2026 returns in FY 2027. These estimates represent an upper bound as it is likely that a small percentage of preapproved taxpayers will not follow through or fully utilize the credit.