



## California Bullet Tax Would Backfire

By George Runner

If you want to grow government these days, it seems the fashionable thing to do is invent new taxes. Two years ago, legislators conjured up an illegal fire “fee.” Last year, they invented a confusing new lumber tax. Two voter-approved multi-billion dollar tax hikes later, and the politicians still want more of your money. This time they want to tax your ammunition.

Two lawmakers—Assemblymembers Roger Dickenson (D-Sacramento) and Rob Bonta (D-Alameda) are authoring legislation to impose a nickel-per-bullet tax on the sale of ammunition in California. Apparently they couldn’t agree on where to spend the revenue, so each lawmaker is introducing his own measure.

A nickel per bullet may not sound like much, but it will mean that each box of 100 shells purchased by a hunter or recreational shooter will cost \$5 more. Double that number if both proposed bills pass.

Guns and ammunition are a convenient scapegoat for the tragic loss of life in recent shootings. But more gun laws and higher taxes won’t stop crime. In fact, increased laws and taxes could backfire by leaving law-abiding citizens defenseless and creating a lucrative new source of revenue for criminal gangs.

Consider cigarettes, for instance. Taxes may have discouraged smoking, which is a good thing, but they’ve also created a huge market for smugglers. A recent study by the Mackinac Center for Public Policy found that more than one third of cigarettes smoked in California were smuggled into our state. Not coincidentally, the state with the highest cigarette taxes, New York, had the highest smuggling rate: 60.9%.

The social costs of smuggling include health and safety risks, increased law enforcement expense and higher crime.

An ammunition tax will backfire, and the reason is simple: evading a new tax on bullets will be a piece of cake. California consumers will simply stop buying ammunition at local gun stores and instead start buying it online from out-of-state stores that don’t have to collect California taxes.

True, these consumers will still owe use tax on these purchases, but few will pay it—and enforcement will be difficult and, in most cases, cost-prohibitive.

State coffers will see little to no additional revenue, but many California small businesses will suffer greatly as ammunition sales shift to their out-of-state competitors.

It won't be the first time a new tax fails to yield the promised revenue. Supporters projected that a 2008 malt liquor tax would raise \$41 million for the state. Actual revenue was less than \$200,000, because most manufacturers simply reformulated their products. Tax policy has consequences.

Another reason to oppose new taxes and fees is that California already has too many. As a taxpayer advocate and elected member of the State Board of Equalization, I oversee the administration and collection of more than thirty tax and fee programs—like sales taxes, fuel taxes and tire fees—that impose upon nearly every aspect of life. Each new tax or fee inevitably grows the state workforce and costs millions of taxpayer dollars to administer and enforce.

Speaking of enforcement, California already has some of the strictest and most complicated gun laws in the nation. The problem is we don't do a very good job enforcing those laws with the billions in taxes Californians already pay.

At a recent legislative hearing, the Attorney General's office reported that it lacks the resources to enforce existing laws prohibiting felons and other dangerous individuals from owning weapons. Nearly 20,000 people identified by the Armed Prohibited Persons System are in illegal possession of firearms, but there aren't nearly enough investigators to keep up. And the backlog grows daily.

It's not a question of whether Californians are paying enough taxes—we clearly are. It's the state's spending priorities that are out of whack.

We don't need a bullet tax, and we don't need more and tax and fee programs. Legislators simply need to stop enacting new laws that chase law-abiding taxpayers and jobs out of our state, and instead start prioritizing the enforcement of laws we already have on the books.

*George Runner represents more than nine million Californians as a taxpayer advocate and elected member of the State Board of Equalization. For more information, visit [boe.ca.gov/Runner](http://boe.ca.gov/Runner).*