

2000-SE-002137



DIRECTOR

DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Washington, D.C., February 2, 2000

Dear Secretary Summers:

The Bureau of Alcohol, Tobacco and Firearms (ATF) submits this report on its activities relating to the regulation of firearms during the calendar year 1999. This report is submitted in accordance with ATF's mission of informing the public.

Sincerely,

A handwritten signature in cursive script that reads "Bradley A. Buckles" followed by a horizontal line.

Bradley A. Buckles,
Director

Commerce in Firearms in the United States

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EXECUTIVE SUMMARY

Each year, about 4-1/2 million new firearms, including approximately 2 million handguns, are sold in the United States. An estimated 2 million secondhand firearms are sold each year as well. A critical part of the mission of the Bureau of Alcohol, Tobacco and Firearms (ATF) is to prevent diversion of these firearms from the legal to the illegal market, and to keep them out of the hands of criminals, unauthorized juveniles and other prohibited persons under the Gun Control Act (GCA). This report presents data on the firearms market and describes ATF's regulatory enforcement programs to prevent firearms trafficking. Criminal investigation, which is also central to ATF's anti-trafficking work, is discussed in separate reports.¹

Federal Firearms Licensees (FFLs). Because firearms manufacturers, importers, distributors and dealers produce and handle weapons, Congress requires them to obtain licenses from ATF. ATF screens applicants and oversees licensees to ensure that they comply with the firearms laws. From 1975 to 1992, the licensee population grew from 161,927 to 284,117. In 1992, a large number of retail licensees were not actively engaged in a firearms business. Many of these used their licenses only to buy firearms across State lines at wholesale prices. The growing licensee population strained enforcement resources, and the inactive licensees were holding licenses meant only for those engaged in the firearms business. In 1993 and 1994, Congress added several safeguards to ensure that only legitimate gun dealers obtain Federal licenses, including increased fees and certification requirements. Following ATF's implementation of those provisions, the number of Federal firearms licensees dropped from 284,117 in 1992 to 103,942 in 1999. Of these, 80,570 are retail dealers or pawnbrokers. ATF is now able to utilize its resources more effectively because of the smaller licensee population, and this will help ensure that only legitimate businesses are licensed. Despite the decline, 31 percent of retail licensees in 1998 had not sold a gun in the previous year.

Anti-Trafficking Enforcement. This report highlights two developments in the past five years that have brought law enforcement and the firearms industry into a new era in reducing illegal access to guns. First, the Brady Handgun Violence Prevention Act of 1993 prevents prohibited persons from buying guns from licensed firearms dealers by requiring these dealers to run background checks on purchasers. From the establishment of the National Instant Criminal Background Check System (NICS) in November 1998 to December 31, 1999, over 10 million transactions have been processed. Of these, the Federal Bureau of Investigation (FBI) handled approximately five million, and denied 89,836 unlawful firearms transfers. The States conducting background checks through the NICS processed the other five million and, the Department of Justice estimates, denied at least as many transfers.

Second, ATF has intensified its focus on illegal gun trafficking, aided substantially by the expanded tracing of crime guns by State and local law enforcement officials, as well as Congressionally mandated reporting of firearms stolen from FFLs. Tracing enables law enforcement to solve individual crimes by linking suspects to weapons and to identify

¹ For recent reporting on criminal investigations involving the diversion of firearms by licensed and unlicensed dealers, see the *Youth Crime Gun Interdiction Initiative Performance Report*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999 (analyzing 648 illegal trafficking investigations involving youth and juveniles and more than 26,900 firearms); and *Gun Shows: Brady Checks and Crime Gun Tracing*, Department of the Treasury and Department of Justice, January 1999 (analyzing 314 illegal trafficking investigations involving gun shows and more than 54,000 firearms).

broader trafficking patterns. Trace information can indicate, for instance, that a purchaser — possibly a straw purchaser or other unlicensed seller — is repeatedly buying firearms from a dealer, or that crime guns from a particular area are repeatedly originating from a particular licensed dealer.

In 1993, recognizing the significant potential of tracing and pursuant to a Presidential directive, ATF began a concerted effort to increase crime gun tracing and trafficking enforcement and to demonstrate the value of tracing to State and local law enforcement agencies. In 1996, President Clinton directed ATF to further strengthen crime gun tracing and enforcement efforts through the Youth Crime Gun Interdiction Initiative, a program in which a jurisdiction commits to tracing all recovered crime guns. Seventeen cities participated in the first year, and 38 are participating in FY 2000. Since 1993, the number of law enforcement trace requests has increased from 55,000 to over 200,000.

As a result of increased crime gun tracing, ATF has identified a series of trafficking indicators that signal whether an FFL or retail purchaser should be investigated for trafficking. These indicators include multiple crime gun traces, sometimes associated with multiple purchases, short time-to-crime traces where the gun is used in a crime within three years after its retail sale, incomplete trace results due to an unresponsive FFL, and reports of lost or stolen guns, among others. Of course, crime gun

traces to a dealer do not necessarily indicate illegal activity by the dealer or its employees. Nevertheless, when trafficking indicators are present, it is important to find out why guns are falling into criminal hands and to take action against all violations of law.

ATF's tracing data and analysis has allowed ATF to strengthen both its criminal and regulatory enforcement programs. Most significantly for regulatory enforcement purposes, ATF's tracing data has shown that a small number of dealers account for a large proportion of the firearms traced from crimes. Just 1.2 percent of dealers — 1,020 of the approximately 83,200 licensed retail dealers and pawnbrokers — accounted for over 57 percent of the crime guns traced to current dealers in 1998. And just over 450 licensed dealers in 1998 had 10 or more crime guns with a time-to-crime of three years or less traced to them. ATF is now targeting enforcement and inspection resources at these dealers, as well as making crime gun trace analysis available to criminal investigators. By following up on crime gun trace information and other trafficking indicators, ATF can determine the reasons for diversion of firearms from this relatively small proportion of dealers to the illegal market and take regulatory and criminal enforcement actions that will curb this illegal flow of guns. This targeted enforcement should yield significant results: preventing diversion from this concentrated group of dealers will ensure the credibility of the legal market in firearms.

INTRODUCTION

In enacting the Gun Control Act of 1968, Congress declared that its purpose was to keep firearms out of the hands of those not legally entitled to possess them, and to assist Federal, State and local law enforcement officials in their efforts to reduce crime and violence. Congress sought to achieve this without placing any unnecessary burden on law-abiding citizens acquiring, possessing or using firearms for lawful activity. Congress authorized the Secretary of the Treasury to enforce the laws regulating the manufacture, importation, distribution and sale of firearms, and the laws prohibiting the criminal possession and misuse of firearms. The Secretary also has jurisdiction over the administration and collection of the Federal excise taxes imposed on firearms and ammunition under the Internal Revenue Code of 1986. In addition, the Secretary enforces the National Firearms Act (NFA), which requires the registration of certain weapons, such as machineguns and destructive devices, and imposes taxes on the making and transfer of such weapons. These authorities have been delegated to the Bureau of Alcohol, Tobacco and Firearms.

This report is the first in an annual series that will present and analyze data collected by ATF and other Federal agencies relating to the firearms industry and its regulation. Appendices to this report contain statistical tables relating to the firearms industry and regulatory enforcement activities; information concerning ATF licenses, forms, resources, and programs; and a brief history of the Federal firearms laws.

Part I of this report provides information about firearms sales and prices. It shows the flow of new firearms to the domestic market over time by presenting data on manufacturers' reported sales, together with reported exports and imports. Part I also includes data on producer prices for firearms. ATF is providing this information to foster a better understanding of the firearms market, the changing demand for guns by individuals, and the broad characteristics of the regulated firearms industry.

Part II focuses on three topics of current interest: (1) changes in the size and characteristics of the Federal firearms licensee population resulting from licensing law reforms; (2) new methods of keeping firearms out of the hands of criminals and others not legally entitled to possess them, including Brady Act background checks, which prevent the illegal transfer of firearms by licensed dealers to criminals and other prohibited persons, and increased crime

gun tracing and analysis, which enables ATF to identify licensed dealers that are the sources of firearms used in crime and provides other investigative leads to illegal traffickers; and (3) how the licensing reforms, the Brady Act, and the growth of crime gun tracing and analysis have enabled ATF to strengthen its inspection program.

Part II also highlights areas where enhanced crime gun tracing, regulatory enforcement, and voluntary industry compliance are needed. Criminal investigation and prosecution is another key component. ATF's strategic goal with respect to the retail dealer population is to prevent the diversion of firearms from legal to illegal channels, and in particular, to felons, juveniles and other prohibited persons. This requires a focused and fair inspection program. If manufacturers and dealers voluntarily comply with Federal law, and ATF can deter violations and correct problems by licensees through industry education and regulatory actions, guns can be kept from falling into the wrong hands, community safety is improved, and costs to the nation's criminal justice system are reduced.

Although important strides have been made toward preventing the illegal diversion of firearms from retail dealers, much more can be achieved.



PART I

Manufacturers' Firearms Entering Into Commerce

In enforcing the GCA, NFA, and firearms and ammunition excise tax provisions of the Internal Revenue Code, ATF collects information on the manufacture, importation and exportation of firearms. This section presents data on manufacturers' reported sales, along with reported exports and imports, to show the flow of new firearms to the domestic market over time. It also includes data for producer prices for firearms which are the best available price data and suggestive of the prices paid by consumers.

Manufacturers' Sales, Exports and Imports

Firearms manufacturers and importers are required by law to maintain records of the production, export, and import of firearms. Manufacturers' reports to ATF show the number of manufactured firearms "disposed of in commerce" each calendar year, as well as the number produced for export.² The term "disposed of in commerce" refers to manufacturers' final sales, which equal production of firearms less the increase in manufacturers' inventories of firearms. Data from these reports are available by specific types of firearms and are reported in Appendix A. The manufacturers' reports exclude production for the U.S. military, but include firearms purchased by domestic law enforcement agencies. The annual volume of firearms imports by year is compiled by ATF and the Bureau of the Census from U.S. Customs data.³

Secondhand firearms and other data limitations

Care must be taken in interpreting these data. The data from the manufacturers' reports do not represent retail sales to the civilian market. Rather, they represent firearms produced by manufacturers for distribution, and include production for law enforcement uses as well as for civilians. Retail sales differ from the manufacturers' net sales shown in the figures, because retail sales do not include firearms accumulated in wholesaler and retailer inventories or sales to law enforcement agencies.⁴ Further, the data represent sales of *new* firearms and say nothing about trade in secondhand firearms. A recent survey suggests that trade in secondhand firearms runs at about two million per year.⁵ These firearms may be sold in the primary or secondary market.⁶ Although the data are subject to limitations, some broad inferences can be drawn.

² The forms used by manufacturers to report "dispositions" and exports can be found in Appendix B.

³ See Appendix Tables A.1.1-A.1.4 for data on the number of domestically manufactured firearms, exports and imports. Import data were compiled by ATF by fiscal year prior to 1992, and by calendar year after 1992.

⁴ The data reported here also raise measurement concerns. The data from the manufacturers' reports are compiled without follow-up verification or cross checks so errors that occur in the filing of the reports result directly in errors in the data. The measurement of exports is not exact because firearms licensees other than manufacturers also export firearms. Finally, ATF began collecting the data from manufacturers in 1972; data prior to that were collected through alternative sources and are not exactly comparable.

⁵ *Guns in America, Results of a Comprehensive National Survey on Firearms Ownership and Use*, Philip J. Cook and Jens Ludwig, Police Foundation, 1996.

⁶ The primary market denotes sales occurring through FFLs. The secondary market denotes transactions through unlicensed sellers.

U.S. as net importer

Figure 1 shows the reported number of small arms firearms (handguns, rifles and shotguns) sold by manufacturers along with reported exports and imports from 1947 to 1998.⁷

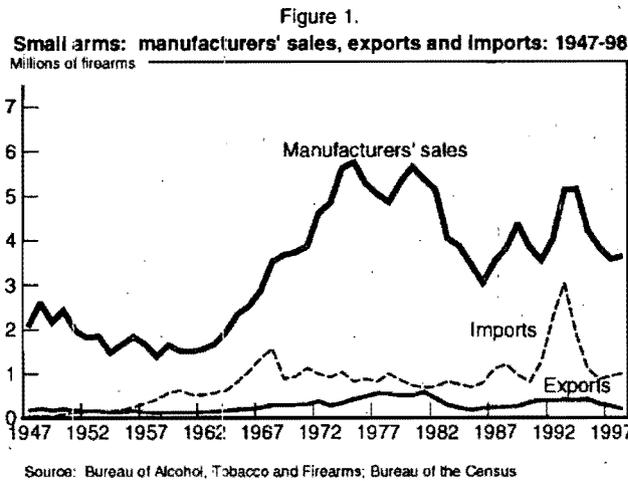
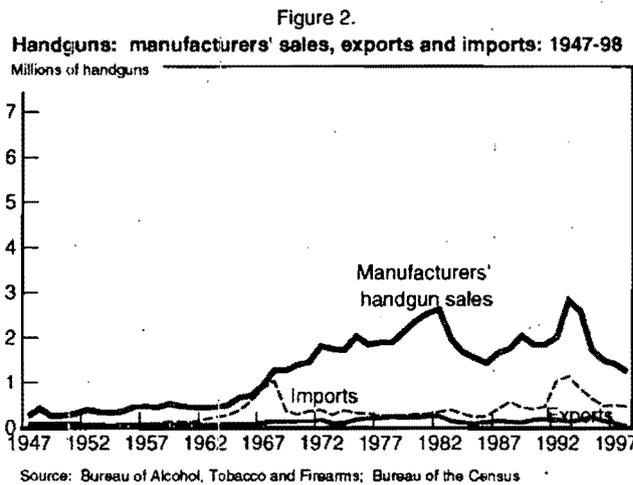


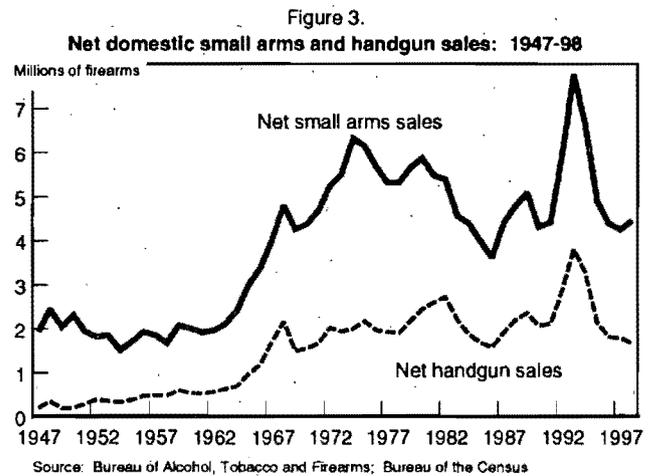
Figure 2 shows reported handgun sales, exports and imports over the same period. In both figures, imports generally have exceeded exports – that is, the U.S. is a net importer of small arms. From 1990 to 1999, the data suggest that net imports of rifles, shotguns and



handguns combined averaged as much as 1 million per year, with handguns accounting for about half that amount.⁸

Net domestic sales

Figure 3 presents net domestic sales for total small arms and for the subcategory of handguns – with net domestic sales defined as manufacturers' sales minus exports plus imports. Annual firearms sales in the United States have trended up over the past 50 years,



surging in the early 1990s to a peak in 1993 of nearly 8 million small arms, of which 4 million were handguns. In recent years, sales have fallen back to about half that peak level – nearly 4-1/2 million annually – roughly the same level as in the mid- to late-1980s. As noted earlier, these sales are for new firearms.

Figure 3 shows that a significant part of the increase in overall firearms sales in the period from 1990 to 1993 can be attributed to an increase in handgun sales. The surge in sales may have resulted from efforts to purchase firearms, particularly handguns, prior to enactment of the Brady Act. Another possible factor is public perceptions of higher crime; both the

⁷ As used in this discussion, the term "small arms" refers to handguns, rifles and shotguns, but excludes machine guns and other weapons that are often classified as small arms. Import data used for Figures 1, 2 and 3 have been adjusted for 1992 and earlier years to approximate calendar year values.

⁸ ATF's National Tracing Center data show that for fiscal years 1998 and 1999, 12.9 percent of traced crime guns were of foreign manufacture.

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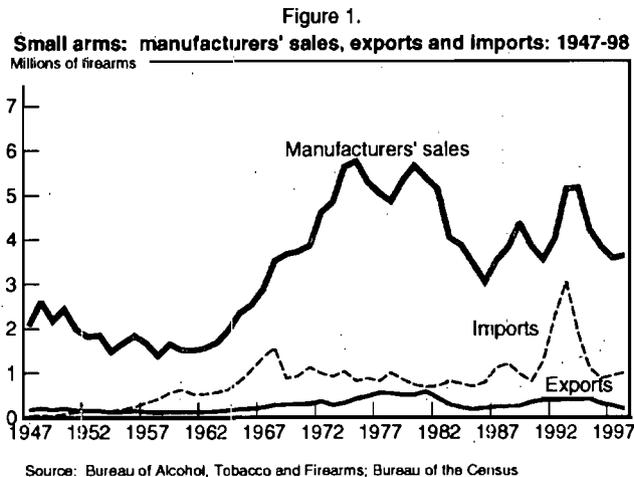


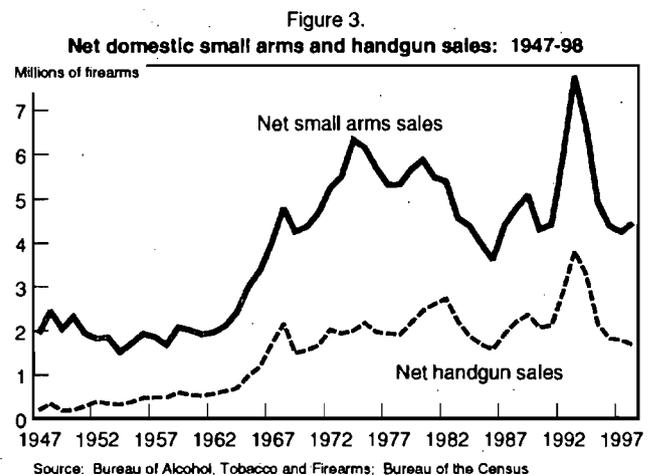
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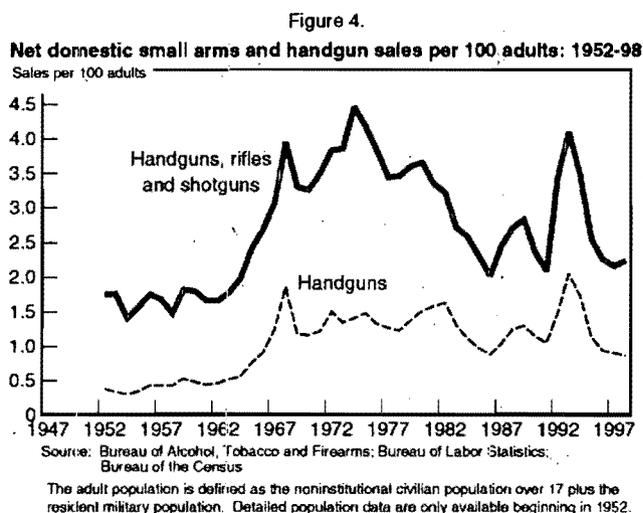
⁸ ATF’s National Tracing Center data show that for fiscal years 1998 and 1999, 12.9 percent of traced crime guns were of foreign manufacture.

violent crime rate and the firearm homicide rate peaked in the early 1990s.

A survey conducted in 1994 showed that the total number of firearms in private hands today is approximately 200 million.⁹ This finding is consistent with the data on the flow of new guns described above, recognizing that firearms have a long life.

Population growth and firearms sales

To examine the role of population growth in the upward trend in firearms sales, Figure 4 presents net sales per 100 adult residents of the United States. Because the adult population has increased dramatically over the past 50

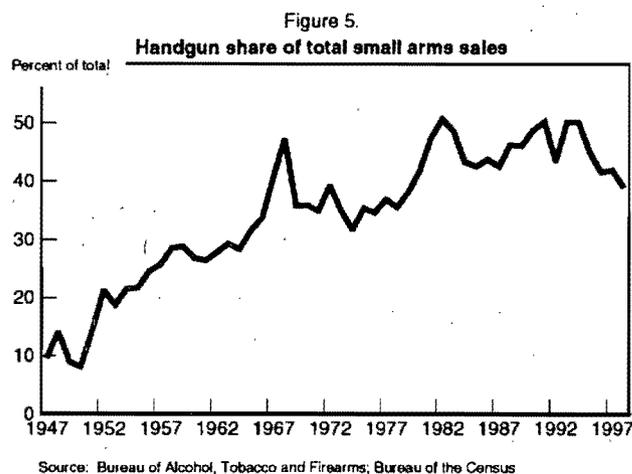


years, the long-term upward trend in sales shown in Figure 3 is significantly muted in Figure 4. Still, sales per adult are higher today than in the 1950s and early 1960s. Indeed, sales of handguns per adult are now roughly twice the

level of forty years ago. The temporary spike in the sales of handguns and other small arms in the early 1990s is as evident in Figure 4 as in Figure 3.

Handgun share of firearms sales

The relative mix of sales between long guns and handguns has changed significantly over time, with handguns accounting for a growing share of total sales (Figure 5). The handgun share trended up steadily from the late 1940s, when



handguns accounted for about 1 out of every 10 small arms sold, to the early 1990s, when handguns accounted for roughly half of the sales of small arms. The handgun share has slipped back slightly in recent years, to about 40 percent of small arms sales. Handguns are of particular interest because they are the weapon of preference in the commission of gun crimes and two-thirds of all homicides in the United States are committed using handguns.¹⁰

⁹ *Guns in America*.

¹⁰ Centers for Disease Control.

The Size of the U.S. Firearms Industry

The Census of Manufacturers for 1997 from the Bureau of the Census shows that there were 191 small arms manufacturing companies with combined total product shipments valued at about \$1.2 billion. Employment in small arms manufacturing was 9,907 employees with a total payroll of roughly \$320 million. Small arms production was concentrated in Connecticut (11 establishments with \$227 million in shipments, about 19 percent of the U.S. total) and Massachusetts (5 establishments with \$135 million in shipments, about 11 percent of the U.S. total). By type of product, pistols and revolvers accounted for about \$289 million in shipments; rifles, \$373 million in shipments; and single-barreled shotguns, \$155 million in shipments. A related industry – small arms ammunition – had product shipments valued at \$859 million and employment of 6,863.¹¹

The Value of New Firearms Sales Implied by Excise Tax Collections

Information on the value of new firearms sales also can be gleaned from the flow of excise tax revenue (see Appendix Table A.2.1). Excise taxes apply to all civilian sales of firearms as well as those for Federal law enforcement, but do not apply to sales to State and local law enforcement agencies or the U.S. military. It should also be noted that the reported excise

tax collections include taxes imposed on the sale of some weapons (such as certain “black powder” guns) that are not classified as “firearms” under the GCA.

Based on excise tax rates of 10 percent for pistols and revolvers and 11 percent for other firearms, excise tax collections indicate a value of sales of roughly \$1.045 billion for fiscal year 1996, with \$386 million in handguns and \$658 million in other firearms.¹² Peak excise tax collections occurred in fiscal year 1994. That fact, coupled with the surge in sales reported by manufacturers for calendar year 1993, suggests that a large volume of sales occurred in the overlapping period, the fourth quarter of 1993, which included the period leading up to implementation of the Brady Act.

Prices of Small Arms

Comprehensive price data for the industry do not exist. In particular, reliable data at the retail or consumer price level are not available.¹³ However, as part of the Producer Price Index (PPI), the Bureau of Labor Statistics compiles prices for various firearms categories, including the general category of “small arms” and the more specific categories of “pistols and revolvers,” “shotguns,” and “rifles, centerfire”.¹⁴ The price data correspond roughly to the manufacturers’ data reported above and represent prices at the manufacturer or wholesale level, not at the retail level.

¹¹ By comparison, the Census of Manufacturers shows that other industries under ATF’s purview are much larger than the firearms industry. In 1997, cigarette manufacturers had product shipments valued at \$28.3 billion and distilleries, wineries and breweries together accounted for \$27.7 billion in product shipments.

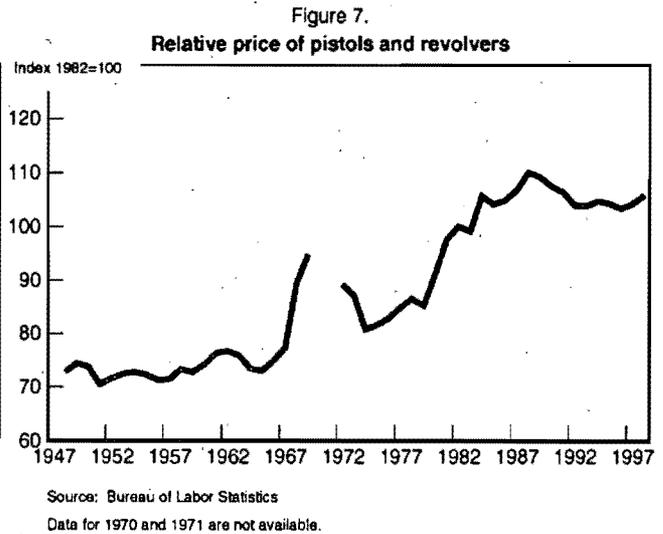
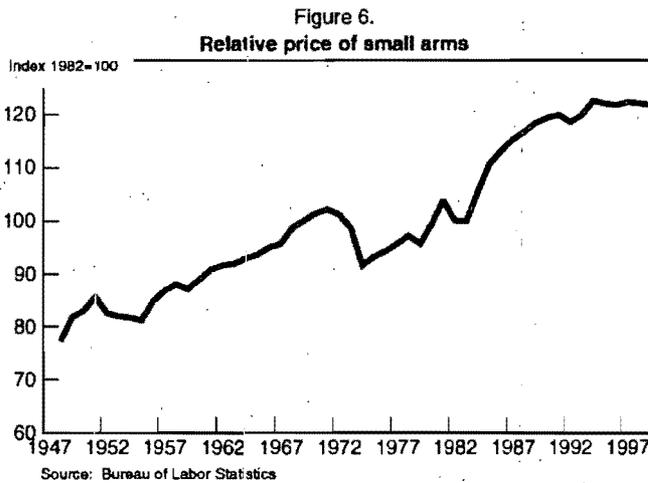
¹² The implied total value of sales from the excise tax data is roughly consistent with the value of shipments from the Census data.

¹³ While some private industry sources of price data exist, such as gun catalogues, these sources reflect suggested retail prices that do not necessarily represent actual transaction prices.

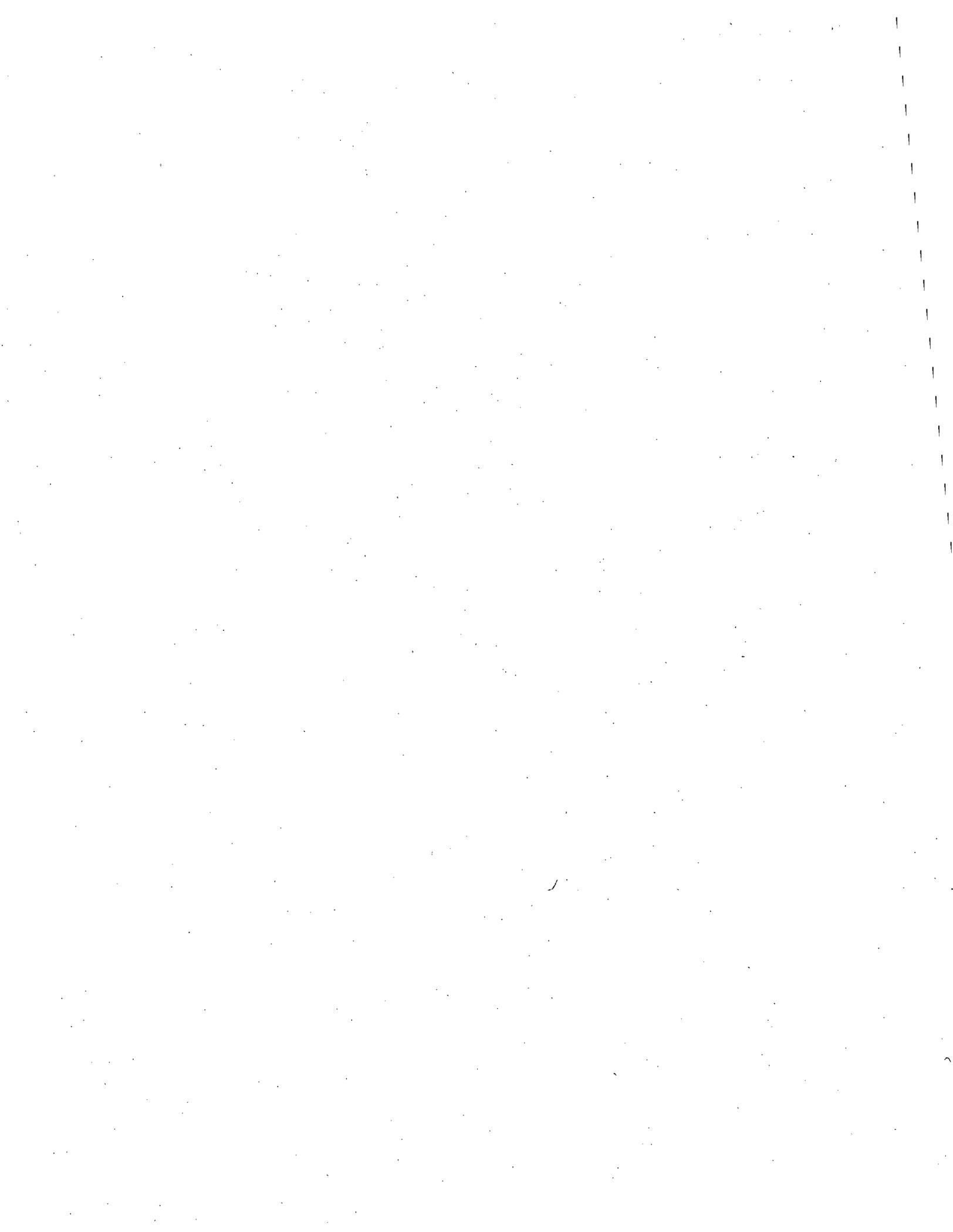
¹⁴ See Appendix Table A.3 for PPI data.

Figure 6 shows the PPI for small arms relative to the PPI for finished consumer goods excluding food and energy, for the period 1948 to 1998.¹⁵ The upward trend shows that, for most of the period, the price of small arms increased faster than the price of finished consumer goods. The relative price leveled off in the late 1990s, showing that small arms prices recently have increased at about the same rate as prices for other finished consumer goods. Figure 7

shows the relative price for pistols and revolvers, a subcategory of small arms. After a temporary surge in the late-1960s, producer prices for pistols and revolvers increased relative to other finished consumer goods from the mid-1970s to the mid-1980s. During the late-1980s and early 1990s, however, prices for pistols and revolvers rose slightly less than those for other consumer goods, before flattening out in recent years.



¹⁵ The PPI for consumer goods excluding food and energy is available beginning in 1974. The series was extended historically by using the rates of change of the PPI for consumer goods excluding food prior to 1974.



PART II

Important Developments in Regulatory Enforcement of the Federal Firearms Laws

Part II discusses changes in the Federal firearms licensee population resulting from reforms in the Federal firearms licensing law; new methods of keeping guns out of the hands of criminals and others not legally entitled to possess them; and how these two developments have strengthened ATF's Federal firearms licensee inspection program.

Recent Changes in the Licensing of Federal Firearms Dealers

The Gun Control Act of 1968 established the first comprehensive Federal licensing system for importers, manufacturers and dealers in firearms to the retail level. That system requires licensees to maintain detailed records on transactions in firearms, and subjects their business premises to inspection by ATF. From 1968 until 1993, it was a very simple process to obtain a Federal firearms license. The annual fee was only \$10 for a license that authorized the person to ship, transport and receive firearms in interstate commerce and engage in retail sales. The statute required ATF to issue a license within 45 days to anyone who was 21 years old, had premises from which they intended to conduct business and who otherwise was not prohibited from possessing firearms. The statute was designed to limit the discretion of ATF in denying licenses. Over time the numbers of licensees began to swell until 1992 when the numbers reached over 284,000.

The salient feature of a license that makes it desirable is that it enables the holder to purchase firearms in interstate commerce from other licensees. Consequently, even if a person had no plans to engage in a full-fledged retail business, the license was useful because license holders could purchase firearms out of State and sometimes at wholesale prices for themselves, friends or others. With the system cluttered with vast numbers of individuals who had no business, it was increasingly difficult for ATF to police the system. While many simply had a license they didn't need or use, others used this relatively anonymous process to obtain a license that was used to purchase large quantities of firearms that were then sold without any records and the licensee would disappear. By 1993, it was clear the process had to be revisited. In 1993, Congress increased the license application fee to \$200 for three years. Again, in 1994, Congress imposed requirements that applicants submit photographs and fingerprints to better enable ATF to identify applicants and new criteria that en-

ures that the business to be conducted would comply with all applicable State and local laws.

Licensed and Unlicensed Firearms Sellers

ATF enforces the licensing provisions of the GCA, which regulate the interstate movement of firearms. Persons engaged in the business of manufacturing, importing or dealing in firearms must obtain a license from the Secretary of the Treasury. The license entitles the holder to ship, transport and receive unlimited quantities of firearms in interstate or foreign commerce.

Federal law does not require all sellers of guns to obtain a Federal firearms license. In fact, the GCA specifically provides that a person who makes "occasional sales, exchanges, or purchases of firearms for the enhancement of a personal collection or for a hobby, or who sells all or part of his personal collection of firearms" is *not* required to obtain a firearms

license.¹⁶ Non-licensed sellers are prohibited from knowingly selling a firearm to a person prohibited by law from possessing a firearm.¹⁷ However, they are not required to conduct Brady background checks, or maintain records that permit the firearm to be traced if it is recovered by law enforcement officials in connection with a crime.

Both licensed and unlicensed gun sellers may be sources of guns for felons, unauthorized juveniles and other prohibited persons, and may be the subjects of ATF criminal investigations involving firearms trafficking.¹⁸ ATF has regulatory oversight over licensed dealers who are required to keep records of transfers and are subject to ATF inspection. There is no such oversight over unlicensed sellers. An FFL must maintain records of all acquisitions and dispositions of firearms and comply with applicable State and local laws in transferring firearms. Any unlicensed person who acquires a firearm from an FFL must complete an ATF Form 4473, Firearms Transaction Record, which includes questions about whether the purchaser falls into any of the GCA's categories of prohibited persons. An FFL must initiate a criminal background check under the Brady Act prior to transferring a firearm to an unlicensed purchaser. FFLs are subject to certain reporting requirements regarding stolen firearms and

multiple sales of handguns.¹⁹ Finally, FFLs must respond to requests within 24 hours from ATF for information to assist in tracing a crime gun. Unlicensed sellers have no such requirements.

ATF receives and examines applications for Federal firearms licenses at its National Licensing Center (NLC), where it runs criminal records checks and reviews documents for problems that are apparent on the face of the application, which it seeks to resolve before referring the license application to the relevant field office. Area supervisors in the field offices review all new license applications. ATF conducts full field inspections of all new manufacturer, importer, and pawnbroker applicants. In addition, full field inspections are conducted of other new applicants based on such factors as the applicant's proximity to high crime areas, State lines, or areas involved in illegal trafficking of firearms (either as a source or a recipient), and the applicability of zoning and other local ordinances. In processing license applications, ATF's objectives are to exclude unqualified applicants and to educate new licensees in their legal obligations for operating a firearms business. Where possible, ATF conducts a face-to-face interview with new applicants, except those who apply for a collector's license.²⁰

¹⁶ See 18 U.S.C. § 921(a)(21)(C).

¹⁷ Persons prohibited under the Gun Control Act of 1968 from possessing firearms include persons who have been convicted of a crime punishable by imprisonment for a term exceeding one year; fugitives from justice; persons who are unlawful users of, or addicted to any controlled substance; persons who have been adjudicated as mental defectives or have been committed to a mental institution; illegal aliens, or aliens who were admitted to the United States under a nonimmigrant visa; persons who have been dishonorably discharged from the Armed Forces; persons who have renounced their United States citizenship; persons subject to certain types of restraining orders; and persons who have been convicted of a misdemeanor crime of domestic violence. The GCA also prohibits anyone under a felony indictment from receiving, transporting or shipping firearms. Further, the GCA generally bans the possession of handguns by any person under 18.

¹⁸ *Youth Crime Gun Interdiction Performance Report*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999; and *Gun Shows: Brady Checks and Crime Gun Traces*, The Department of the Treasury and Department of Justice, January 1999.

¹⁹ An FFL is required to report to ATF the theft or loss of a firearm from the FFL's inventory or collection within 48 hours of discovering the theft or loss. The FFL also must report the theft or loss to the appropriate local authorities. 18 U.S.C. § 923(g)(6). The licensee shall report the theft or loss to ATF by telephoning a nationwide toll free number and by completing ATF Form 3310.11, Federal Firearms Licensee Theft/Loss Report. 27 C.F.R. § 178.39a. An FFL must file a multiple sales report (MSR) whenever the licensee sells two or more handguns to a single purchaser within five consecutive business days.

²⁰ A Type 03 Collector license allows the holder to receive, ship and sell in interstate commerce only firearms classified as "curios and relics" under the Gun Control Act. See Appendix B, describing the different categories of Federal firearms licenses under the GCA.

The GCA places an affirmative obligation on the Secretary to issue a Federal firearms license to any applicant who pays the required fee and meets the statutory criteria.

Changes in the Federal Firearms Licensing System

In 1993, the Administration and Congress focused on efforts to keep firearms out of the hands of criminals and regulate the illegal flow of guns. Noting that it was often easier to acquire a gun dealer license than a driver's license, the President directed a review of gun dealer licensing in August 1993, aimed at ensuring that only those engaged in a legitimate firearms business are licensed. At that time, ATF estimated that 46 percent of licensed dealers conducted no business at all, but used their licenses to buy and sell firearms across State lines at wholesale prices, often in violation of State and local zoning or tax laws.

In modifying the Federal firearms licensing system in 1993 and 1994, Congress added more safeguards to ensure that only legitimate gun dealers obtained Federal licenses. The 1993 Brady Act increased the dealer licensing fee from \$10 per year to \$200 for the first three years and \$90 for each addi-

tional three-year period. The Brady Act also requires license applicants to certify that they informed their Chief Law Enforcement Officer (CLEO) of the locality in which their premises will be located of their intent to apply for a license. Subsequently, under the Violent Crime Control and Law Enforcement Act of 1994 (Crime Act), licensees were required to submit photographs and fingerprints as part of their application, and to certify that their firearms business complied with all State and local laws, including zoning regulations.

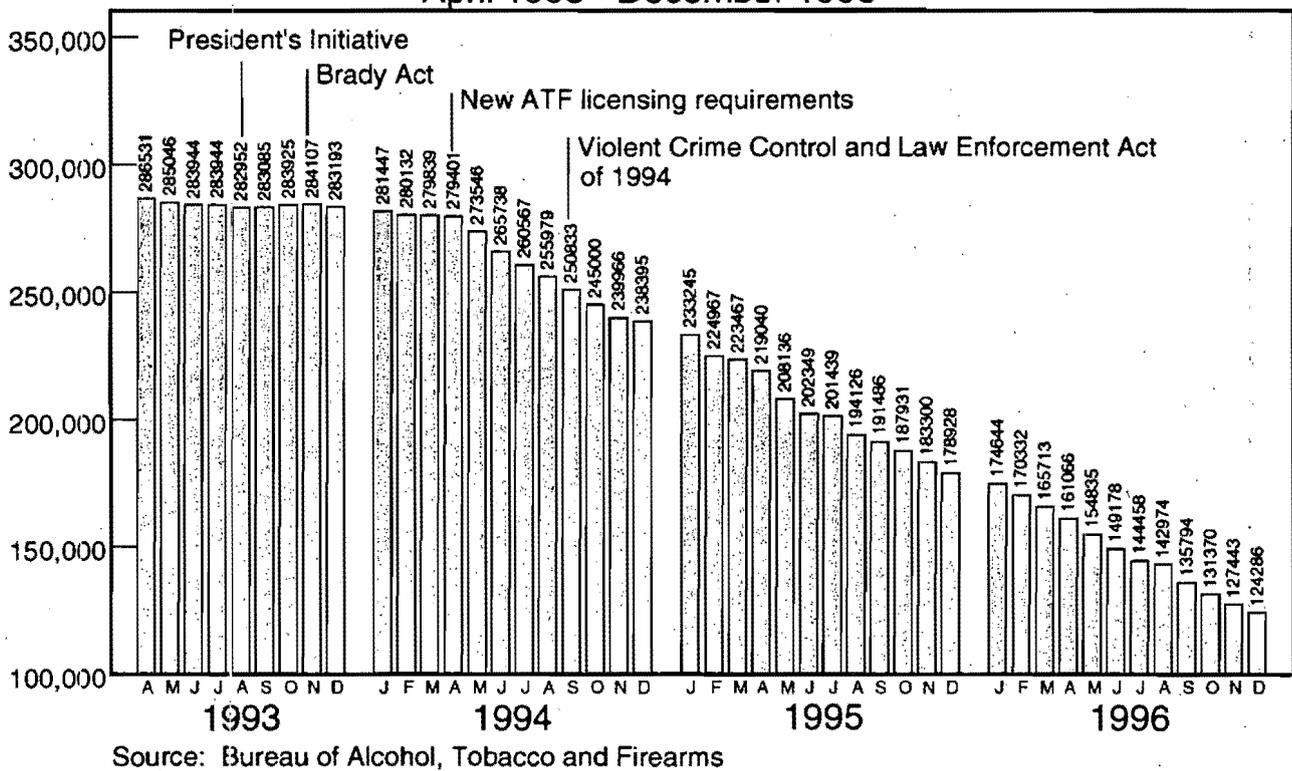
Following these changes, the NLC reviewed the eligibility of the entire licensee population over a three-year period. As licensees applied for renewal of licenses, they were required to submit complete new application packages with photographs, fingerprints and information about the proposed business. The majority of these renewal applications, as well as new applications, were sent to field offices where inspectors contacted the applicants. Beginning in 1993, ATF field offices established partnerships with State and local licensing and zoning authorities to disqualify the licensees who were operating in violation of State or local law and to ensure that applicants had notified local CLEOs of their intent to enter the gun business.

Impact of Licensing Reforms on the Size of the Licensee Population

The 1993 and 1994 licensing reforms resulted in a substantial decrease in the FFL population. The total number of licensees dropped

from 284,117 in 1992 to 107,554 in 1997, when the three-year cycle of re-licensing under the new laws was completed. The initial decline was 49 percent or more for all 50 States.²¹ Figure 8 shows the decline in the number of licensees, flagging the dates of executive and Congressional actions.

Figure 8.
Number of Federal Firearms Licenses by Year
April 1993 - December 1996



²¹ See *A Progress Report: Gun Dealer Licensing & Illegal Gun Trafficking*, Department of the Treasury, 1997.

Since 1977, the licensee population has continued a slow decrease. As shown by Figure 9, as of December 1, 1999, there were a total of 103,845 FFLs, the lowest number of licensees since 1969.

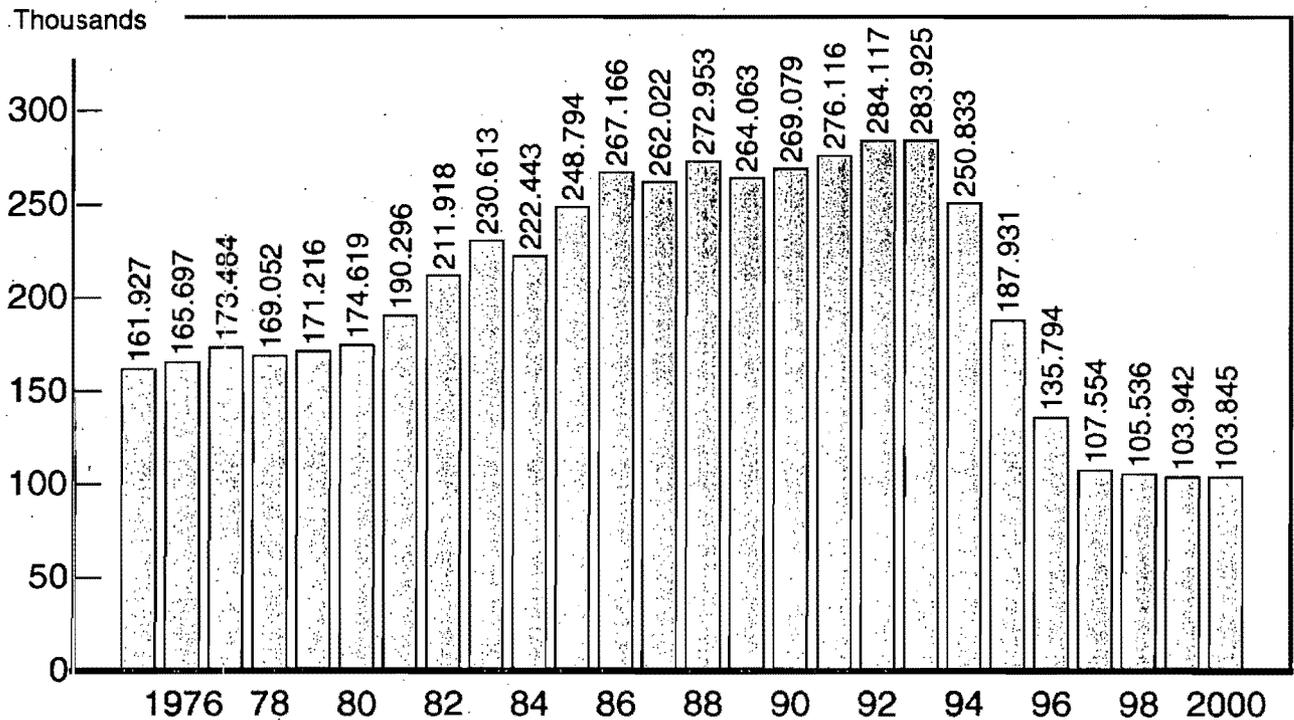
The licensee population began to decline after ATF instituted more rigorous scrutiny of applications and the license fee was increased from

\$30 to \$200 for a three-year license in 1993. By November 1994, the number of licensees had dropped to 240,000, an average monthly decrease of 3,600 licensees.

A number of licensees appear to have dropped out because of non-compliance with State and local ordinances. This is consistent with ATF's 1993 finding that while 35 percent of dealers

Figure 9.

Federal Firearms Licensee FFL Population FY 1975 - FY 2000*



*Figures as of December 1, 1999

Source: Bureau of Alcohol, Tobacco and Firearms

were required to have a State or local firearms license, only about 60 percent of these were complying with the requirement.²² Within a year of the Crime Act's passage, which required that licensees certify compliance with all applicable State and local ordinances, license holders

declined, at an average monthly drop of 5,000, to approximately 191,000. The ATF-local law enforcement partnerships established to enforce this requirement brought about significant declines in many cities, as is illustrated in Table 10.

Table 10
CHANGE IN LICENSEE POPULATION IN SELECTED CITIES

CITY	Year	Number	Year	Number	Percent Change
Baltimore, MD	1993	114	1996	62	- 46
Berkeley, CA	1993	34	1996	2	- 94
Boston, MA	1994	119	1996	36	- 70
Denver, CO	1/1994	372	7/1994	139	- 63
Detroit, MI	1992	468	1996	92	- 80
Los Angeles, CA	1993	4436	1996	2247	- 49
Louisville, KY	1993	450	1996	165	- 63
New Orleans, LA	1995	90	1996	39	- 57
New York, NY	1993	987	1996	259	- 74
Pueblo, CO	1993	109	1996	44	- 60
San Antonio, TX	1994	1108	1996	528	- 52
San Francisco, CA	1993	155	1996	10	- 94
Washington, D.C.	1993	55	1997	11	- 80

Source: Bureau of Alcohol, Tobacco and Firearms

Impact of the Licensing Reforms on the Characteristics of the Licensee Population

Table 11 shows the composition of the licensee population, as of October 1999.

Table 11

Type of Licensee	Number	Percent
Firearms manufacturers	1,639	2
Ammunition manufacturers	2,247	2
Retail gun dealers	71,290	69
Pawnbrokers	10,035	10
Collectors of Curios and Relics	7,763	17
Importers and Others	968	<1

Source: Bureau of Alcohol, Tobacco and Firearms

In 1998, ATF conducted an inspecting program, "Snapshot",²³ which involved inspecting a random sample of retail dealers and pawnbrokers. This initiative disclosed that 44 percent of dealers operated out of commercial premises and 56 percent out of residential premises (down from 74 percent in 1992). Twenty-five percent of the 44 percent in commercial premises were gunshops or other shops whose primary business was sporting goods, hardware and the like. The remainder were located in businesses such as funeral homes and auto parts stores, and other businesses not normally associated with a gun business. About 68 percent of the residential dealers were located

²² See *Operation Snapshot: An Analysis of the Retail Regulated Firearms Industry*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 1993 ("Snapshot 1993").

²³ See *Operation Snapshot: An Analysis of the Retail Regulated Firearms Industry*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 2000 ("Snapshot 2000"). Snapshot is a survey conducted by ATF of a randomly selected sample of the retail dealer population, conducted for the first time in 1992 (retail dealers only), and conducted again in 1998 (retail dealers and pawnbrokers). Snapshot is able to identify characteristics of the licensee population with a precision rate of plus/minus five percent and a confidence level of 95 percent. Thus, if Snapshot indicates that 26 percent of dealers operate from a commercial location, the true percentage rate of dealers having commercial premises is somewhere between 21 percent and 31 percent of the entire population.

in rural areas in 1998. At that time, about 36 percent of pawnbrokers and about 15 percent of other retail dealers were located in urban areas. Finally, about 5 percent of the total dealer population were gunsmiths.

Benefits Associated with the Licensing Reforms

The sharp decline in the number of licenses produced some important benefits. First, because of the reduction in the number of dealers, ATF has been able to focus its inspection efforts on viable dealers. ATF currently has just over 440 field inspectors. They perform regulatory compliance work relating to each of the industries regulated by ATF, including alcohol, tobacco and explosives, as well as firearms. The percentage of full time equivalent (FTE) staff positions (measured in annual hours) allocated to the firearms program gradually increased from 30 percent in 1991 to a high of 58 percent in 1996. In 1997 and 1998, the allocation dropped to 46 percent because inspectors were redirected to ATF's explosives program following the 1995 Oklahoma City bombing. For FY 1998, approximately 200 FTE inspector positions were dedicated to firearms field inspections. Other inspectors operate the NLC and support firearms programs in a variety of ways. The size of the inspection workforce has not changed significantly since ATF was established as a bureau of the Department of the Treasury in 1972. The number of licensees,

on the other hand, grew from about 161,000 in 1975, to about 284,117 in 1992. The reduction of licensees to closer to 100,000 will enable ATF to inspect a higher proportion of licensees.

In addition, the licensing reforms have reduced the number of dealers that cannot be located immediately during a crime gun trace because they have moved their residence, or that are otherwise non-compliant with recordkeeping requirements. On the other hand, these steps have had no noticeable effect on law-abiding citizens' access to firearms. There are still many licensed dealers, about one for every 2,487 adults in the United States. Moreover, as shown in the first section of this report, the number of new guns purchased in the last several years is fairly close to the average level of gun sales in the 1980's.

Issues Concerning the Licensee Population

There remain, however, a significant number of federally licensed dealers that are not active dealers. As stated above, in 1992, 46 percent of the licensees had not sold a gun in the previous year.²⁴ Although by 1998, this figure had dropped to 31 percent, it is still troubling.²⁵ The law provides that only persons who engage in the business of dealing in firearms within a reasonable period of time after obtaining a license may be licensed as firearms dealers.

²⁴ *Snapshot 1993.*

²⁵ *Snapshot 2000.*

NEW METHODS OF KEEPING FIREARMS OUT OF THE HANDS OF CRIMINALS AND OTHERS NOT LEGALLY ENTITLED TO POSSESS THEM

Over the past five years, ATF's ability to deny illegal access to firearms by felons, unauthorized juveniles and other persons prohibited from possessing them has significantly increased. Two developments in the regulation of firearms commerce have brought law enforcement and the firearms industry into a new era in reducing illegal access to guns. First, the Brady Act prevents prohibited persons from buying guns from licensed firearms dealers. Second, ATF's focus on trafficking enforcement helps prevent prohibited persons from obtaining firearms in the illegal market. ATF's trafficking strategy rests on a number of important sources of information, principally crime gun tracing, but also requires reporting by Federal firearms licensees of multiple sales of handguns and lost or stolen guns and traditional criminal investigative techniques, such as debriefing arrestees, confidential informants and undercover operations.

Both Brady and the intensive focus on trafficking are relatively new, and are already providing significant benefits to law enforcement. This report focuses primarily on the evolution of the tracing system and the use of trafficking indicators to focus ATF inspections on those licensed retail gun dealers that are the source of firearms used and possessed by felons, juveniles and others barred by law from possessing a firearm. It is, however, important to understand how these two tools in combination affect criminal access to guns and, therefore, a brief description of the Brady Act is useful.

The Brady Act

The Brady Act for the first time empowered FFLs and law enforcement to combat the practice of "lying and buying." Although the GCA made it illegal for felons and other prohibited persons to possess or acquire firearms, FFLs had no way to know whether a customer was lying about his background in order to get a gun. The Brady Act changed this by requiring that FFLs check with law enforcement officials before transferring a firearm to an unlicensed individual. In this way, the Brady Act eliminated the "honor system" in firearms purchases, requiring verification of statements

made by prospective purchasers that they are legally entitled to obtain a firearm.

From its effective date on February 28, 1994, through November 29, 1998, the Brady Act required background checks for handgun purchases only. These background checks were done by individual State or local Chief Law Enforcement Officials, usually the local sheriff's office or police department.²⁶ On November 30, 1998, the permanent provisions of the Brady Act went into effect. Under the provisions, the Brady Act applies to all firearms — long guns as well as handguns — transferred by an FFL to an unlicensed individual. With the creation of the FBI's National Instant Criminal Background Check System (NICS), a computerized background check is now conducted to determine if a would-be gun buyer is legally permitted to acquire a gun. Depending on the individual State, FFLs may contact NICS directly, or through their State point of contact. In its first year of operation, NICS and State points of contact processed more than 10 million background checks in connection with firearms transfers. NICS denied firearms to more than 89,836 felons, fugitives and other prohibited persons, while State points of contact denied at least as many transfers.²⁷

²⁶ For a report on the first phase of the Brady Act implementation, see *Presale Handgun Checks, the Brady Interim Period, 1994-98*, Department of Justice, Bureau of Justice Statistics, June 1999. Although the Supreme Court struck down part of interim Brady in *Printz v. United States*, 521 U.S. 898 (1997), finding that the background check requirement imposed on CLEOs unconstitutionally compelled State officers to execute Federal laws, most CLEOs continued to voluntarily do background checks.

²⁷ For reports on Brady Act enforcement activity, see *Implementation of the Brady Law*, The Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, September 1999; and the *National Instant Criminal Background Check System (NICS): The First Seven Months (November 30, 1998-June 30, 1999)*, Department of Justice, Federal Bureau of Investigation.

The Illegal Market in Firearms

Buyers denied firearms through Brady background checks, however, can still seek to obtain firearms illegally from unlicensed sellers or corrupt licensed gun dealers. Since licensed dealers have access to a large supply of firearms, they represent a significant trafficking threat if they violate the law. Prohibited persons may also obtain firearms from licensed dealers by using a "straw purchaser."²⁸ They can get guns illegally from unlicensed sellers, including traffickers who specifically seek to sell to criminals and unauthorized juveniles, and other individuals selling guns through advertising or on the streets. Unlicensed sellers do not have the same obligations as licensed firearms dealers to perform Brady checks and maintain records available for examination by ATF and other law enforcement agencies. Prohibited persons can also steal guns for their own use, from licensed or unlicensed sellers or from the residences of gun owners. Numerous ATF trafficking investigations involving licensed and unlicensed sellers and gun shows, show that illegally trafficked firearms end up as crime guns.²⁹

One available strategy to reduce access to prohibited persons is to focus on illegal sellers, in order to reduce the supply of firearms available to illegal buyers who are denied access to firearms by Brady checks. Until recently, however, there were few methods of identifying the sources of firearms to criminals, and this enforcement strategy was not widely used. This has changed with the rise of crime gun tracing. Crime gun trace information identifies the sources of guns used in crime and recovered by police and other law enforcement agencies. Analysis of crime gun traces can reveal, in combination with other investigative

techniques, both FFLs and non-FFLs actively engaged in illegally transferring firearms to prohibited persons. This information provides the basis for an anti-trafficking enforcement strategy, including both regulatory and criminal enforcement.

Crime Gun Tracing

Tracing is the systematic tracking of the movement of a firearm recovered by law enforcement officials from its first sale by the manufacturer or importer through the distribution chain (wholesaler/retailer) to the first retail purchaser. Crime gun trace information is used for three purposes: (1) to link a suspect to a firearm in a criminal investigation; (2) to identify potential traffickers, whether licensed or unlicensed sellers; and, (3) when sufficiently comprehensive tracing is undertaken by a given community, to detect in-state and interstate patterns in the sources and kinds of crime guns.

The crime gun tracing process

A crime gun trace begins when a law enforcement official recovers a firearm, usually from a crime scene or from the possession of a suspect, felon or other prohibited person, and the law enforcement agency having jurisdiction of the case submits a trace request to ATF's National Tracing Center (NTC). Although the NTC traces recovered crime guns for local, State, Federal and international law enforcement agencies, most traces are performed for local law enforcement agencies. The trace request contains information pertaining to the identification of the firearm;³⁰ the individual possessing or associated with the firearm, if known; recovery location; and the offense that brought the crime gun to the attention of law enforcement authorities.

²⁸ A "straw purchase" occurs when the actual buyer of a firearm uses another person, the "straw purchaser," to execute the paperwork necessary to purchase a firearm from an FFL. The "straw purchaser" violates the GCA by making a false statement with respect to information required to be kept in the FFL's records.

²⁹ *Youth Crime Gun Interdiction Performance Report*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999; and *Gun Shows: Brady Checks and Crime Gun Traces*, The Department of the Treasury and Department of Justice, January 1999.

³⁰ A trace request identifies the firearm by serial number, firearm type, manufacturer or importer and caliber.

This data is entered into ATF's automated Firearms Tracing System (FTS) at the NTC. The NTC then conducts a trace by first checking the records of out-of-business FFLs, which are preserved separately on microfiche and accessed through an auxiliary indexing system of firearm serial numbers, and by checking multiple sales records. If these steps do not identify the first retail transaction, the NTC contacts the manufacturer or importer, and tracks the recovered crime gun through the distribution chain (wholesaler and retailer) to the retail dealer, requesting the dealer to examine his records to determine the identity of the first retail purchaser. While manufacturers and others in the distribution chain are aware of traces about which they are contacted, they are not currently informed about traces resolved by searches of the out-of-business records or multiple sales report information.

Results are sent back to the trace requester and entered into the FTS, where they are accessible by NTC personnel. They are also entered in On-Line LEAD, a daily extract from the FTS that can be used to find repeat sellers and buyers of crime guns. In November 1999, ATF extended access to On-Line LEAD to all ATF field offices, where the system can also be used by Federal, State and local firearms task forces.

The average time it takes at present for the NTC to complete a trace to the first retail purchaser is 11.4 days. It takes another one to three days for the trace information to be delivered by mail to the State or local agency requesting the trace. Urgent traces are handled in an expedited manner.

Access 2000: Electronic access to firearms industry records for tracing

In order to speed up and reduce the cost of tracing and to reduce its burden on the firearms industry, ATF has developed a computer program called Access 2000 for accessing manufacturer, wholesaler and importer information about firearms that are the subject of trace requests. ATF does not have access to

individual purchaser information. Access 2000 allows ATF to trace firearms from manufacturers and importers 24 hours a day, 7 days a week, because the manufacturer, wholesaler or importer downloads sales records into a computer on its premises that ATF can immediately access. It saves the licensee money because it does not have to make employees available to do traces. Currently, five firearms licensees have adopted this voluntary system, which shortens the trace time by an average of five days.³¹ Additional licensees are expected to participate.

The growth of the firearms tracing system

Until recently, law enforcement agencies did not routinely trace recovered firearms unless they needed the information to solve a particular crime. Beginning in 1993, pursuant to a Presidential directive to improve tracing of crime guns recovered by law enforcement and Federal-State efforts against illegal gun traffickers, ATF made a concerted effort to increase crime gun tracing and trafficking enforcement, and to demonstrate to State and local law enforcement agencies that crime gun trace information could supply valuable investigative and strategic information about illegal sources of firearms at the local level. The Department of Justice's Bureau of Justice Assistance also began to support training of State and local agencies in tracing firearms.

In 1994, Congress amended the GCA to require licensees to respond to ATF crime gun trace requests within 24 hours of being notified of the request. Previously, cooperation had been voluntary. In 1996, President Clinton directed ATF to strengthen crime gun tracing and enforcement efforts through the Youth Crime Gun Interdiction Initiative (YCGII), an enforcement program that includes commitments to trace all recovered crime guns in a particular jurisdiction and to provide standardized analysis of trace information for law enforcement. Seventeen cities participated in the first year and 38 cities are participating in FY 2000. Also, during

³¹ The licensees using Access 2000 are: RSR Wholesale; H&R, 1871; Smith & Wesson; Davidson Wholesale; and Taurus International Firearms.

the past five years, foreign countries began to ask the NTC to trace firearms in significant numbers.

As a result of all of these efforts, the number of firearms traced has steadily increased. In 1993, there were approximately 55,000 trace requests; in 1999, there were over 200,000, including over 11,000 trace requests from foreign countries.

Trace Analysis and the Identification of Firearms Traffickers

By 1990, some ATF field offices were developing methods of analyzing trace information to detect patterns in the local supply of crime guns. ATF, the Boston Police Department and academic researchers worked together in Boston to analyze traces of all recovered crime guns, not only maximizing the number of investigative leads to illegal suppliers, but also enabling law enforcement officials to determine an overall picture of the kind and sources of crime guns in their jurisdiction.³² The Boston tracing effort revealed that a surprising proportion of crime guns, especially those used by juveniles and youth, moved rapidly from a local retailer's shelf to recovery by law enforcement officials, an indicator of illegal trafficking known as short "time-to-crime."³³

In 1997, the YCGII confirmed these basic findings for the 17 participating YCGII cities, concluding that firearms rapidly diverted from first retail sales at federally licensed gun dealers

to an illegal market accounted for between 30 percent and 54 percent of the firearms that police recovered from youth ages 18 to 24 in those cities, and from 22 percent to 43 percent of firearms recovered from juveniles. YCGII trace analysis also found that in 15 of the 17 communities, the majority or single largest supply of crime guns successfully traced came from retail sources within the State. Jersey City, N.J. and Washington, D.C. were the exceptions.³⁴

The systematic use of firearms tracing to identify licensees that are associated with diversion of firearms to the illegal market on a nationwide basis began with a joint Northeastern University-ATF study published in 1995. The study's goal was to develop potential crime gun trafficking indicators. This study concluded that a very small percentage of licensees were associated with a high volume of the total number of crime guns traced in 1994 to active dealers, and affirmed time-to-crime as a potential indicator of firearms trafficking.³⁵

With substantially increased tracing by State and local law enforcement officials, as well as multiple sales and stolen gun reports, the trace information available to be analyzed in ATF's Firearms Tracing System eventually reached a sufficient level to strengthen significantly ATF's inspection program and to provide vital new support to ATF and State and local criminal investigations. ATF established the Crime Gun Analysis Branch (CGAB) in 1997 to support regulatory and criminal investigations of illegal trafficking activity and armed criminals, using

³² The Boston anti-trafficking strategy was part of the Boston Gun Project's Operation Ceasefire, developed by David M. Kennedy and supported by the Department of Justice's National Institute of Justice. See David M. Kennedy et al., *Youth Violence in Boston: Gun Markets, Serious Youth Offenders, and a Use-Reduction Strategy*, 59 *Law and Contemp. Probs.* 147, 169-180 (1996).

³³ Time-to-crime is the time between the initial retail sale of a firearm by an FFL and its recovery as a crime gun or as the subject of a trace request. Time-to-crime of three years or less is considered an important trafficking indicator because it suggests that the firearm was rapidly diverted to the illegal market. Since identifying information, such as the original purchaser's address, is more likely to still be accurate, short time-to-crime traces generally offer the most productive investigative leads.

³⁴ *Youth Crime Gun Interdiction Initiative, Crime Gun Trace Analysis Reports: The Illegal Youth Firearms Market in 17 Communities*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, July 1997.

³⁵ Glenn L. Pierce, LeBaron Briggs, David A. Carlson, *The Identification of Patterns in Firearms Trafficking: Implications for Focused Enforcement Strategy*, Center for Criminal Justice Policy Research, College of Criminal Justice, Northeastern University, December 1995 (commissioned by ATF).

Table 12.

Sources of Firearms Trafficking Identified in ATF Illegal Trafficking Investigations Involving Youth and Juveniles

Note: Since firearms may be trafficked along multiple channels, an investigation may be included in more than one category.

Source	Number	%
Firearms trafficked by straw purchaser or straw purchasing ring	330	50.9%
Trafficking in firearms stolen from FFL	134	20.7%
Trafficking in firearms by unregulated private sellers*	92	14.2%
Trafficking in firearms stolen from residence	88	13.6%
Trafficking in firearms at gun shows, flea markets, auctions, or in want ads and gun magazines	64	9.9%
Firearms trafficked by licensed dealer, including pawnbroker	41	6.3%
Street criminals buying and selling guns from unknown sources	26	4.0%
Trafficking in firearms stolen from common carrier	16	2.5%
Other sources (e.g. selling guns over internet, illegal pawning)	9	1.4%

*as distinct from straw purchasers and other traffickers

Source: *Youth Crime Gun Interdiction Initiative Performance Report*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999.

analysis of crime gun traces, multiple sale and stolen gun reports and other information. In conjunction with Northeastern University, the CGAB began developing a series of trafficking indicators, including:

- multiple crime guns traced to an FFL or first retail purchaser;
- short time-to-crime for crime guns traced to an FFL or first retail purchaser;
- incomplete trace results, due to an unresponsive FFL or other causes;³⁶
- significant or frequently reported firearms losses or thefts by an FFL;
- frequent multiple sales of handguns by an FFL or multiple purchases of firearms by a non-licensee, combined with crime gun traces;³⁷ and
- recovery of firearms with obliterated serial numbers.

New indicators continue to be developed by the CGAB and Northeastern University. For instance, the concentration of an FFL's crime gun traces in a particular geographic area in another State may be a useful indicator. While a trafficking problem can be suggested by these indicators, further information, which can be gathered through regulatory inspections and criminal investigations, is required to determine whether trafficking has actually occurred, what form it is taking and who is responsible.

Crime Gun Traces as Indicators of Illegal Trafficking

As stated above, crime gun traces do not necessarily indicate illegal activity by licensed dealers or their employees. Guns purchased from FFLs may have been unknowingly sold by the

³⁶ Trace results are incomplete when the firearm cannot be tracked from the manufacturer or importer to an individual retail purchaser. Multiple incomplete trace results are considered a trafficking indicator because they may indicate that (a) the firearm was stolen from interstate shipment (and thus never reached the retailer); (b) the receiving FFL is not telling the truth about not receiving the firearm; or (c) the shipping FFL is not telling the truth about who the FFL shipped the firearm to.

³⁷ ATF experience has shown that multiple sales or purchases are a significant trafficking indicator; crime guns recovered with obliterated serial numbers are frequently purchased in multiple sales.

Table 13
Distribution of Traces Among Active Dealers, 1998

	Number of traces to a dealer	Dealers		Traces	
		Percent	Number	Percent	Number
All Retail Dealers (Retail Gun Dealers and Pawnbrokers)	0 or more	100.0%	83,272	...	...
	1 or more	14.3%	11,947	100.0%	55,990
	2 or more	7.2%	6,056	89.5%	50,099
	5 or more	2.7%	2,253	71.7%	40,139
	10 or more	1.2%	1,020	57.4%	32,147
	25 or more	0.4%	332	39.6%	22,168
	50 or more	0.2%	132	27.2%	15,220
Retail Gun Dealers	0 or more	100.0%	73,016		
	1 or more	11.8%	8,651	100.0%	40,809
	2 or more	5.6%	4,114	88.2%	36,272
	5 or more	2.8%	1,517	72.5%	29,599
	10 or more	1.0%	713	59.7%	24,360
	25 or more	0.3%	252	43.2%	17,630
	50 or more	0.1%	99	30.4%	12,399
Pawnbrokers	0 or more	100.0%	10,256		
	1 or more	32.1%	3,296	100.0%	15,181
	2 or more	18.9%	1,942	91.1%	13,827
	5 or more	7.2%	736	69.4%	10,540
	10 or more	3.0%	307	51.3%	7,787
	25 or more	0.8%	85	29.9%	4,638
	50 or more	0.3%	33	18.6%	2,821

Sources: Data, Bureau of Alcohol, Tobacco and Firearms; Tables prepared by Glenn L. Pierce, Northeastern University, College of Criminal Justice, Center for Criminal Justice Policy Research.

FFL to straw purchasers, resold by an innocent purchaser or by an illegal unlicensed dealer, otherwise distributed by traffickers in firearms bought or stolen from FFLs or residences, or simply stolen from its legal owner. Nevertheless, when trafficking indicators are present, it is important to find out if the FFL or someone else is violating the law. This requires either a regulatory inspection or a criminal investigation. Table 12 shows a breakdown by trafficking channel of ATF illegal trafficking investigations involving youth and juveniles conducted between July 1996 and December 1998.³⁸

Over a quarter of these investigations were initiated based on crime gun trace information,

and many more of the investigations used tracing in the investigation.

Distribution of Crime Gun Traces Among Licensed Retail Dealers

A small number of licensed dealers account for a large proportion of the firearms traced. As Table 13 shows, in 1998, among all current dealers, 14 percent had one or more firearms traced to them in that year; about 32 percent of the pawnbrokers and about 12 percent of other retail dealers had a trace that year. Only 1.2 percent of dealers in 1998 were associated with 10 or more traces. These approximately 1,000 dealers accounted for well over 50 percent of

³⁸ *Youth Crime Gun Interdiction Initiative Performance Report*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999.

Table 14.

Traces and Average Time-To-Crime, 1998^{a/}

More than half of all traces were of guns recovered by law enforcement —	Retail dealers with:				Traces to retail dealers with:			
	1-9 traces	10-24 traces	25-49 traces	50+ traces	1-9 traces	10-24 traces	25-49 traces	50+ traces
Percent^{b/}								
3 years or less after first retail purchase								
All retail dealers (retail gun dealers and pawnbrokers)	5.4 %	0.4 %	0.1 %	0.1 %	18.8 %	8.5 %	6.3 %	15.9 %
Retail gun dealers	4.4	0.3	0.1	0.1	17.6	8.0	5.7	17.0
Pawnbrokers	13.2	1.0	0.3	0.2	22.1	9.9	7.7	13.2
More than 3 years after first retail purchase								
All retail dealers (retail gun dealers and pawnbrokers)	6.9 %	0.4 %	0.1 %	0.1 %	22.9 %	9.1 %	6.6 %	11.8 %
Retail gun dealers	5.7	0.3	0.1	0.1	21.6	8.6	7.3	14.2
Pawnbrokers	15.2	1.2	0.2	0.1	26.3	11.6	3.7	5.6
Number								
3 years or less after first retail purchase (retail gun dealers and pawnbrokers)								
All retail dealers	4,503	319	102	70	10,324	4,681	3,429	8,730
Retail gun dealers	3,170	218	68	47	7,009	3,195	2,273	6,746
Pawnbrokers	1,333	101	34	23	3,315	1,486	1,156	1,984
More than 3 years after first retail purchase								
All retail dealers (retail gun dealers and pawnbrokers)	5,666	354	101	62	12,559	5,161	3,462	6,490
Retail gun dealers	4,121	234	83	52	8,606	3,410	2,901	5,653
Pawnbrokers	1,545	120	18	10	3,953	1,751	561	837

Sources: Data, Bureau of Alcohol, Tobacco and Firearms; Tables prepared by Glenn L. Pierce, Northeastern University, College of Criminal Justice, Center for Criminal Justice Policy Research.

^{a/} Gun traces without initial purchase data are excluded from these calculations.

^{b/} Percentages are based on the total for each category. For dealers, denominators are 83,502 for all; 72,358 for retail dealers; and 10,144 for pawnbrokers. For traces, the denominators are 54,836 for all; 39,793 for retail dealers; and 15,043 for pawnbrokers.

the traces to current retail dealers that year. About 330 dealers, a fraction of one percent, were associated with 25 or more traces and accounted for about 40 percent of the traces to current dealers in 1998.

Time-to-crime

Time-to-crime trace analysis enables law enforcement officials to focus on FFLs or buyers associated with newer crime guns. Because these guns are less likely to have changed hands

frequently before being used in a crime, their sources can more easily be identified. While the average time-to-crime for traced firearms is about 6 years, many traced firearms are recovered in three years or less. ATF found, for instance, that in 27 communities in 1998, up to half of all traced crime guns recovered from youth ages 18 to 24 were recovered in three years or less.³⁹ In 1998, there were nearly 480 active dealers with 10 or more crime guns with a time-to-crime of three years or less traced to them based on trace requests submitted that year, and there were 1,015 current dealers with five or more crime guns with a time-to-crime of three years or less traced to them.

Table 14 shows that there is a subset of active dealers that have both a high volume of traces and for which more than half of those traces had a time to crime of less than three years.

This particular indicator is a useful measure of the number of dealers whose guns move frequently and quickly end up in the wrong hands. It is a conservative measure, however, because while older crime guns may also have been trafficked or stolen, only the chain of ownership of new guns can be determined by a National Tracing Center trace, which stops at the first retail purchase. Many instances of trafficking cannot be investigated because of the NTC's inability to trace effectively secondhand firearms, whether they are sold by licensed or unlicensed sellers. Older businesses may have a relatively higher percentage of longer time-to-crime guns, simply because they have been in business for a longer period of time. Less than 50 percent of such establishments' traces may be fast time-to-crime traces, even if they sold a significant number of short time-to-crime guns.

Application of a combination of trafficking indicators, such as the volume of crime gun traces or traces with short time-to-crime, to the licensee population allows ATF to focus its limited resources on these dealers that are the source of guns used in crimes. As the method evolves and results in inspections and criminal investigations, more can be learned about the causes of these indicators and diversion from

licensed retail dealers.

Limitations of the Firearms Tracing System

Approximately 200,000 trace requests were received in 1999. Until all crime guns are traced, the level of diversion of crime guns from FFLs to felons and other prohibited persons cannot be fully measured, and the illegal sources may remain unknown to law enforcement. In addition, not all trace requests result in the identification of the original licensed retail dealer or purchaser of the traced firearm. A firearms trace currently identifies the first retail dealer for approximately 60 percent of trace requests and the first retail purchaser for approximately 40 percent of trace requests. A number of factors, discussed below, prevent the tracing system from identifying the source of every crime gun traced.

- *Non-responsive dealers.* The firearms tracing system depends entirely on the accuracy and completeness of licensee records. Manufacturers, wholesalers and importers maintain records of the retail dealers that initially acquire the firearms for sale. Retail dealers are required to maintain the transaction records that link the make, model and firearms serial numbers with firearms purchasers. FFLs are required to respond to trace requests within 24 hours. If an FFL fails to respond, ATF inspectors must spend extra time seeking the information. Traces can be conducted in a timely manner and be completed only if FFLs keep proper records and cooperate with ATF trace requests. While most FFLs respond promptly to trace inquiries, some FFLs either totally disregard or refuse to comply with a request, others fail to respond within 24 hours and still others supply incorrect information. In 1999, there were approximately 50 active retail dealers who were either entirely non-responsive to a trace request, slow to respond to a trace

³⁹ Youth Crime Gun Interdiction Initiative, *Trace Analysis Reports: 27 Communities*, p.12, February 1999, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms.

request on at least three occasions or who gave incorrect information requiring an NTC re-check. Uncooperative FFLs often fail to maintain accurate records or fulfill other statutory and regulatory responsibilities.

- *Untraceable secondhand guns.* Federal law does not require unlicensed sellers to preserve transfer records, nor are gun owners required to keep a record of the serial number of their firearms or to report lost or stolen firearms. It is generally impossible for a crime gun trace to identify purchasers beyond the initial retail buyer. The initial purchaser may have transferred the gun to a third party or it may have been stolen. To trace a gun beyond the first retail purchaser, law enforcement authorities must conduct an "investigative trace," using traditional investigative methods, such as interviews and use of informants. Investigative traces are extremely resource intensive and, because of the absence of records, often unsuccessful. For these reasons, ATF conducts investigative traces only in rare cases. Even though FFLs do maintain transaction records on firearms they sell secondhand, a regular crime gun trace cannot capture this information because no link exists between first and subsequent retail transactions. Since over half of ATF's trafficking investigations involve secondhand firearms, the fact that the tracing process is unable to capture sales of used firearms by FFLs and unlicensed sellers is a major problem.⁴⁰
- *Unreported firearms stolen in shipment.* Some traces cannot be completed because the firearm is lost or stolen while in transit between two licensees, and not reported as such to ATF. Current regulations do not

specify whether the shipping or receiving licensee is responsible for reporting the theft or loss of a firearm while it is in transit. Interstate carriers are not required to report the theft or loss of firearms shipped in commerce. In Fiscal Year 1999, there were 1,290 crime gun traces in which the FFL claimed that it never received the firearm shipped to it.

- *Obliterated serial numbers.* The intentional obliteration of firearms serial numbers by traffickers and criminals poses a serious threat to the effectiveness of the firearms tracing system. Since serial numbers are the principal means by which firearms are identified, the obliteration of serial numbers make it difficult to trace recovered crime guns. ATF restores obliterated serial numbers at its three national firearms laboratories, and over the past two years has increased its efforts to train other law enforcement laboratories to restore obliterated serial numbers on crime guns. Due to the growing problem of obliterated serial numbers, on June 23, 1999, ATF issued a Notice of Proposed Rulemaking to impose marking requirements that would make it more difficult to obliterate serial numbers.⁴¹
- *Incomplete trace requests.* A significant fraction of trace requests cannot be completed because the trace submission from State and local law enforcement agencies does not contain adequate information. Reading serial numbers on imported firearms poses particular problems. ATF is working with State and local agencies to address this problem.
- *Out-of-business records.* Out-of-business FFLs are required to submit their records

⁴⁰ *Youth Crime Gun Interdiction Initiative Performance Report*, Appendix Table 7, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999; and *Gun Shows: Brady Background Checks and Crime Gun Traces*, Appendix Table 6, Department of the Treasury and Department of Justice, January 1999. As part of the Youth Gun Crime Enforcement Act of 1999, the President proposed that licensees be required to submit to the NTC the serial numbers and other identifying information for used firearms taken into inventory. This would fill a major void in the tracing system. However, Congress has yet to act on this legislation.

⁴¹ Notice No. 877, 64 Fed. Reg. 33450 (1999). See *Youth Crime Gun Interdiction Initiative Crime Gun Trace Analysis Reports: The Illegal Youth Firearms Markets in 27 Communities*, Tables F2, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999.

to the NTC. This permits the continued tracing of crime guns that have been sold by the out of business FFL. Many FFLs do not comply with this requirement, necessitating follow-up efforts by ATF inspectors. The NTC uses a microfilm system to create an index of FFL and serial number for every firearm transaction in the out of business records submitted by the FFL. While over 100 million firearms records have been indexed, over 300 million records are still in the process of being indexed and are, therefore, accessed for crime gun tracing purposes by manual searches. The approximately one quarter of crime gun trace requests that are currently resolved through searches of out-of-business records could be completed more rapidly if all out-of-business records were indexed. ATF estimates that it will take at least two years to complete its ongoing process of indexing the additional out-of-business records.

- *Untraceable older firearms.* A regulation enacted in 1958 required that all handguns and most rifles have serial numbers. Although many pre-1958 firearms were manufactured with serial numbers, some were not, and are, therefore, untraceable.

Guns Reported Lost and Stolen As Indicators of Illegal Trafficking

The accuracy of a dealer's inventory is critical to ATF's ability to trace crime guns. Pursuant to the Violent Crime Control and Law Enforcement Act of 1994, FFLs are required to report firearms lost and stolen from inventory to the NTC within 48 hours of theft or loss. This permits ATF to launch an immediate criminal investigation in order to arrest the thief, prevent potential use of the firearms in a crime or

trafficking by the thief, and use the information as another indicator to establish priorities for compliance inspections. ATF has no authority to require FFLs to take security measures, but can seek to determine whether firearms reported lost or stolen were accurately reported, or trafficked by the licensee or an employee of the licensee.

In 1998 and 1999, licensees filed reports on over 5,000 incidents, involving 27,287 lost or stolen firearms. These included the following types of incidents:

- Inventory errors, recordkeeping errors, and employee theft, accounting for approximately 39 percent of reported incidents and over 11,000 firearms.
- Burglary (breaking and entering during non-business hours), accounting for 21 percent of reported incidents, and nearly 11,000 firearms, an average of 10 per incident.
- Larceny (unlawful taking through fraud, deception or trickery), accounting for 38 percent of reported incidents and over 3,500 firearms.
- Robbery (unlawful taking by force/violence or threat of force/violence), accounting for only 2 percent of all reported incidents and about 1,000 firearms, an average of 11 per incident.

Among retail dealers, including pawnbrokers, inspected as part of a special ATF survey in 1998, over half had reported a firearm stolen at some point. Among those that had sold 50 or more firearms the previous year, 10 percent of pawnbrokers and 16 percent of other retail dealers had reported a theft since commencing business. Inventory inconsistencies were discovered at some time in the records of about 45 percent of the pawnbrokers, and nearly 20

percent of the other retail dealers that had sold 50 or more firearms the previous year.⁴²

The records of ATF inspections confirm that inventory errors are occurring at a high rate. During inspections conducted in 1999, 21,000 firearms were initially identified as missing from inventory. During the course of their work, inspectors verified firearms in inventory against the record books. This allowed corrections of the records to reduce the number of missing firearms to 5,700. Thus, inspectors corrected a total of over 15,000 inventory errors. Errors in inventory records are a seri-

ous problem because a firearm missing from inventory cannot be traced.

Another obstacle to effective regulation of retail dealers is the lack of reporting about thefts that take place in transit to a licensee's business premises. While ATF has long requested common carriers to report firearms thefts, they are not required to do so by law and only a few companies regularly file reports.⁴³ In 1998 and 1999, common carriers reported about 1,900 interstate thefts, involving over 3,700 firearms. It can be assumed that many more interstate thefts occur than are reported to ATF.

⁴² *Snapshot 2000.*

⁴³ As part of the Youth Gun Crime Enforcement Act of 1999, the President proposed that common carriers be required to report firearms thefts to ATF. However, Congress has yet to act on this legislation.

ENSURING COMPLIANCE BY LICENSED RETAIL DEALERS

ATF's goal is to maximize voluntary compliance by the firearms industry through education and partnerships. ATF strives to maintain a focused and fair regulatory enforcement program that disqualifies dealers that are in violation, and refers them for criminal investigation where appropriate. The development of trafficking indicators, principally indicators based on crime gun tracing, has fundamentally changed ATF's firearms regulatory program and allowed it to focus on those licensed retail dealers that are the source of crime guns. This section reports on ATF's regulatory enforcement program for licensed retail dealers.

Industry Education and Partnerships

To reduce the potential for violations by FFLs, including retail dealers, ATF conducts industry educational activities, sometimes in cooperation with law enforcement organizations or members of the firearms industry.

ATF inspectors regularly hold informational firearms seminars intended for licensed dealers. These meetings are generally held after a major change in the law or regulations results in changes in the recordkeeping or reporting requirements, and allow licensees to ask questions and meet inspectors. The seminars also inform inspectors about the issues facing dealers. Since the early 1980s, ATF has conducted seminars open to the industry and public. In fiscal year 1999, ATF inspectors conducted 155 firearms seminars. It also runs an informational booth at the firearms industry's annual Shooting, Hunting, and Outdoor Trade (SHOT) show.

ATF also provides a variety of instructional and informational materials to the industry. For example, in 1998, ATF developed and issued a publication aimed at assisting licensed dealers in reducing the number of firearms stolen from FFL inventory, which represent a source of supply to illegal gun traffickers. Titled *Safety and Security Information for Federal Firearms Licensees*, the manual provided advice for FFLs based on the investigation of thefts reported by licensees between September 1994 and December 1997. It urged dealers to evaluate their individual risk factors to determine how vulnerable they may be to thefts, implement and use basic security measures, and screen employees

carefully. ATF publishes and regularly updates a reference guide to Federal firearms regulations.⁴⁴

Current educational projects include an instructional videotape on compliance with the GCA, being developed with the International Association of Chiefs of Police (IACP) for distribution to retail firearms dealers.

Compliance Inspections and the Imposition of Penalties

Once a license is issued, ATF may inspect an FFL's inventory and records without a warrant to ensure compliance with the recordkeeping requirements of the GCA. Since 1986, however, the law has limited ATF to one such inspection during a 12-month period, absent consent of the licensee.

Inspectors check for a range of violations, including: falsification of records; knowingly selling firearms to prohibited or underage persons; missing firearms inventory; inventory and bound book discrepancies; handgun sales to out-of-state residents; noncompliance with Brady Act requirements; and unreported multiple sales of handguns. Compliance inspections also offer licensees an opportunity to ask questions regarding compliance with the provisions of the GCA.

Establishing whether there are firearms that cannot be accounted for by a licensee is a particularly labor intensive but critical component of compliance inspections. Unaccounted for firearms can indicate unreported theft, poor

⁴⁴ *Federal Firearms Regulations Reference Guide*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, 2000 (ATF F 5300.4 (01.00)).

record keeping or illegal trafficking. Inspectors seek to document discrepancies, and correct them when possible, since this reduces the quantity of firearms untraceable by law enforcement. Theft is a major concern; it involves a direct crime, and may also involve subsequent trafficking to prohibited persons.

Compliance inspections may also lead to administrative actions, penalties and criminal referrals. Depending on the severity and frequency of the violations, ATF will issue a warning letter; hold a warning conference with the dealer; strongly encourage the dealer to voluntarily surrender the license; deny license renewal, or initiate revocation procedures. A licensee who willfully violates the provisions of the GCA is subject to license revocation. With one exception related to certain violations of the Brady Act, ATF has no authority to suspend a firearms license or impose a civil fine for GCA violations. ATF's policy is that while honest errors should not be a basis for revocation, licensees who are unable or unwilling to meet their obligations cannot be allowed to continue in the business.

If the violations suggest that the FFL or its customers are engaged in illegal firearms activity, field inspectors may refer the matter to ATF special agents for possible criminal investigation. A recent ATF analysis shows that at least two percent of ATF's criminal trafficking investigations involving juveniles and youth are initiated because of regulatory referrals.⁴⁵ Criminal penalties for most recordkeeping violations by FFLs were reduced from felonies to misdemeanors by the 1986 Firearms Owners' Protection Act.

The Compliance Inspection Program: Focused Inspections

In October 1998, ATF initiated the current policy, referred to as focused inspections, which

requires field division personnel to select licensees for inspection based on a range of indicators of potential firearms trafficking derived from the National Tracing Center (NTC) database. In addition to relying on NTC indicators, inspectors adhere to guidelines for addressing dealers who come to the attention of ATF locally, such as small volume licensed dealers with relatively high numbers of crime gun traces, and licensed dealers that special agents refer to inspectors. Inspectors also support specific firearms trafficking and Youth Crime Gun Interdiction Initiative investigations; and follow up on information required by the ATF Licensing Center and the NTC, including obtaining trace information and out-of-business records that FFLs fail to submit.

In addition, the establishment of the NICS background check system by the FBI resulted in new ATF compliance responsibilities. ATF has been working with the FBI to include a NICS audit as part of compliance inspections, in order to ensure that the checks are done properly as part of the over-the-counter transaction, and that the NICS system is not being used for purposes other than firearms transactions.⁴⁶

Results of Inspections

A random sample of inspections of retail licensees in 1998 showed numerous violations, although many were minor. Among all retail dealers, 45 percent of pawnbrokers, and 30 percent of other retail dealers were in violation of dealer requirements. Among gun dealers that had sold 50 or more guns the previous year, the level was higher, over half of retail dealers, and about 30 percent of pawnbrokers were in violation. Violations clearly warranting a follow-up inspection were found at between a quarter and a third of the dealers and pawnbrokers selling 50 or more guns the previous year.⁴⁷

⁴⁵ *Youth Crime Gun Interdiction Initiative Performance Report for the Senate and House Committees on Appropriations*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, February 1999.

⁴⁶ *Implementation of the Brady Law*, Department of the Treasury, Bureau of Alcohol, Tobacco and Firearms, September 1999.

⁴⁷ *Snapshot 2000*.

Among all pawnbrokers, about a quarter had violations warranting a follow-up inspection, and, among all other retail dealers, about nine percent warranted a follow-up inspection.

A review of 1,700 compliance inspections conducted during FY 1999 reveals that about 400, slightly less than 25 percent, were cited for one or more violations. One or more of the following actions were taken concerning these cited licensees:

- License revocation: 13 (3 percent).
- License surrender, placed out-of-business, or denial of renewal: 75 (19 percent).
- Warning conferences: 35 (9 percent).
- Warning letters: 120 (30 percent).
- Re-call or Follow-up inspection (after one year) planned: 223 (56 percent).

Some dealers with a substantial number of crime gun traces and sales volume ranging from 6,000 to 15,000 firearms per year had no compliance problems; other dealers had gone out of business since the time of their last inspection or were the subjects of ATF criminal investigations. After one year has passed and

ATF is permitted to conduct a follow-up inspection, it will be possible to assess the rates of non-compliance for this group.

Coverage of Field Inspectors

Based on inspections conducted in FY1998, including the average time it took to complete an inspection of an FFL retail dealer, and assuming a licensee population of 100,000, it would take 2,600 full time inspectors to inspect all licensed retail dealers annually. A two-year cycle would require a staff of 1,300; a three-year cycle would require 650 inspectors. While in the past the average inspection took approximately 10 to 20 hours to complete, under the focused inspection policy, which thoroughly addresses the trafficking indicators, the average inspection of an FFL retail dealer selected by firearms trafficking indicators takes approximately 60 to 100 hours to complete. The use of trafficking indicators to direct compliance inspection efforts should allow ATF to use its regulatory resources more efficiently and effectively to stop the diversion of firearms from licensed retail dealers to the illegal market.

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Note: Except as otherwise noted, dates refer to calendar years.

Table A.1.1—Firearms Manufacturers' Shipments, 1899-1998

Year	Number of weapons in thousands					
	Total	Total	Handguns		Rifles	Shotguns
			Pistols	Revolvers		
1899-1945	45,711	11,722	...	...	20,651	13,338
1946	1,526	176	...	...	729	621
1947	2,070	257	...	...	953	860
1948	2,610	427	...	...	1,170	1,013
1949	2,168	256	...	...	862	1,050
1950	2,432	261	...	...	847	1,324
1951	1,976	307	...	...	668	1,001
1952	1,818	398	...	...	541	948
1953	1,844	355	...	...	541	948
1954	1,471	327	...	...	437	707
1955	1,657	362	...	...	556	739
1956	1,835	451	...	...	554	830
1957	1,662	460	...	...	514	688
1958	1,377	440	...	...	406	531
1959	1,646	519	...	...	517	610
1960	1,508	475	...	...	469	564
1961	1,504	447	...	...	482	575
1962	1,551	431	...	...	529	591
1963	1,671	453	...	...	579	639
1964	1,950	491	...	...	713	746
1965	2,355	666	...	...	790	899
1966	2,526	700	...	...	850	976
1967	2,879	926	...	...	909	1,044
1968	3,514	1,259	...	...	1,100	1,155
1969	3,671	1,255	...	...	1,297	1,119
1970	3,733	1,394	...	...	1,195	1,144
1971	3,858	1,448	...	...	1,269	1,141
1972	4,617	1,805	...	...	1,677	1,135
1973	4,842	1,734	...	...	1,837	1,271
1974	5,623	1,715	...	...	2,105	1,803
1975	5,745	2,024	...	...	2,126	1,595
1976	5,282	1,833	...	...	2,112	1,337
1977	5,038	1,880	...	...	1,933	1,225
1978	4,861	1,877	...	...	1,788	1,196
1979	5,320	2,124	...	...	1,876	1,320
1980	5,645	2,370	764	1,605	1,936	1,339
1981	5,374	2,537	835	1,702	1,681	1,156
1982	5,130	2,629	853	1,775	1,623	879
1983	4,036	1,967	734	1,233	1,110	960
1984	3,873	1,680	753	927	1,107	1,086
1985	3,460	1,550	707	844	1,141	770
1986	3,040	1,428	693	735	971	641
1987	3,523	1,659	964	695	1,006	858
1988	3,818	1,746	991	755	1,145	928
1989	4,374	2,031	1,403	629	1,407	936
1990	3,844	1,839	1,376	462	1,156	849
1991	3,550	1,838	1,381	457	883	828
1992	4,030	2,010	1,550	460	1,002	1,018
1993	5,130	2,825	2,272	553	1,160	1,145
1994	5,161	2,582	1,996	586	1,324	1,255
1995	4,228	1,723	1,195	528	1,332	1,174
1996	3,835	1,484	986	499	1,424	926
1997	3,574	1,407	1,036	370	1,251	916
1998	3,645	1,240	916	324	1,536	869

Source: Bureau of Alcohol, Tobacco and Firearms; Department of Justice, Bureau of Justice Statistics.

Table A.1.2—Firearms Manufacturers' Exports, 1899-1998

Number of weapons in thousands

Year	Total	Total	Handguns		Rifles	Shotguns
			Pistols	Revolvers		
1899-1945	3,684	1,723	...	...	1,073	888
1946	123	57	...	...	36	30
1947	167	78	...	...	49	40
1948	210	98	...	...	61	51
1949	175	82	...	...	51	42
1950	196	92	...	...	57	47
1951	158	74	...	...	46	38
1952	146	68	...	...	43	35
1953	148	69	...	...	43	36
1954	118	55	...	...	34	29
1955	133	62	...	...	39	32
1956	148	69	...	...	43	36
1957	134	63	...	...	39	32
1958	111	52	...	...	32	27
1959	133	62	...	...	39	32
1960	121	57	...	...	35	29
1961	121	57	...	...	35	29
1962	126	59	...	...	37	30
1963	135	63	...	...	39	33
1964	157	73	...	...	46	38
1965	190	89	...	...	55	46
1966	203	95	...	...	59	49
1967	232	108	...	...	68	56
1968	282	132	...	...	82	68
1969	295	138	...	...	86	71
1970	301	141	...	...	88	72
1971	311	145	...	...	91	75
1972	372	174	...	...	108	90
1973	279	95	...	...	124	60
1974	337	100	...	...	147	90
1975	421	173	...	...	148	100
1976	482	202	...	...	147	133
1977	556	208	...	...	196	152
1978	541	246	...	...	162	133
1979	515	224	...	...	168	123
1980	517	220	32	187	171	127
1981	588	252	26	227	159	176
1982	446	254	25	229	87	105
1983	293	159	12	147	55	79
1984	235	117	10	107	49	69
1985	183	95	29	66	44	45
1986	217	121	17	104	37	59
1987	242	159	25	134	42	41
1988	254	132	33	99	54	69
1989	259	118	42	76	73	68
1990	354	178	73	105	72	104
1991	398	190	79	110	91	118
1992	398	189	77	112	90	119
1993	414	149	59	90	94	171
1994	401	173	94	79	82	147
1995	420	230	98	132	89	101
1996	326	154	64	90	75	97
1997	271	108	44	64	77	86
1998	200	45	29	16	66	90

Source: Bureau of Alcohol, Tobacco and Firearms.

Table A.1.3—Firearms Imports, 1899-1999

Number of weapons in thousands

Year	Total Imported	Handguns	Rifles	Shotguns
1899-1945	2,013	769	531	713
1946	7	0	0	7
1947	30	7	0	23
1948	50	17	4	29
1949	36	7	5	24
1950	63	17	14	32
1951	110	41	24	45
1952	139	56	27	56
1953	155	61	13	81
1954	143	50	11	82
1955	171	67	15	89
1956	214	84	38	92
1957	318	78	130	110
1958	370	79	198	93
1959	528	130	269	129
1960	655	128	402	125
1961	533	115	310	108
1962	516	168	231	117
1963	562	223	219	120
1964	574	253	182	139
1965	766	347	245	174
1966	996	513	291	192
1967	1,208	747	239	222
1968	1,784	1,240	263	281
1969	889	406	197	286
1970	855	280	219	356
1971	1,156	337	253	566
1972	1,038	440	178	420
1973	859	248	189	422
1974	1,113	408	175	530
1975	793	312	169	312
1976	918	345	139	434
1977	751	253	184	314
1978	1,040	272	278	490
1979	886	271	257	358
1980	754	299	182	273
1981	689	306	200	184
1982	665	333	175	157
1983	838	411	228	199
1984	773	342	213	219
1985	697	229	271	197
1986	701	231	269	201
1987	1,064	342	414	308
1988	1,276	622	283	372
1989	1,008	440	293	274
1990	844	449	204	192
1991	721	293	311	116
1992	2,847	982	1,423	442
1993	3,043	1,205	1,593	246
1994	1,881	915	848	118
1995	1,103	706	261	136
1996	882	491	263	128
1997	939	474	359	106
1998	1,000	532	249	219
1999	892	308	198	386

Source: Bureau of Alcohol, Tobacco and Firearms. Data prior to 1992 are for fiscal years; data after 1992 are calendar years; 1992 is a transition year with five quarters.

Table A.1.4—Firearms Importation Applications, FY 1986-1999

Fiscal Year	Total	Applications for importation (Form 6) ^a processed			Permits (Form 6) processed
		Importer	Military	Other	
1986	19,793	7,728	9,434	2,631	6,201
1987	18,022	7,833	8,059	2,130	6,347
1988	17,513	7,711	7,680	2,122	7,174
1989	18,437	7,950	8,293	2,194	10,713
1990	19,248	8,292	8,696	2,260	12,319
1991	21,483	8,098	10,973	2,412	9,024
1992	19,805	7,960	9,222	2,623	7,124
1993	16,458	7,591	6,282	2,585	9,299
1994	14,298	6,704	4,570	3,024	7,650
1995	10,649	5,267	2,834	2,548	6,211
1996	11,527	6,340	2,792	2,395	8,857
1997	11,752	8,288	2,069	1,395	9,798
1998	13,019	8,767	2,715	1,536	10,647
1999	12,776	9,505	2,235	1,036	15,043

Source: Bureau of Alcohol, Tobacco and Firearms, Firearms, Explosives Imports System Database and Firearms and Explosives Imports Branch Log. Import applications are generally for more than one firearm at a time.

^a Form 6 (Application and Permit for Importation of Firearms, Ammunition and Implements of War) is both the application and permit to import firearms and ammunition. An importer completes Form 6 and sends it to ATF. If ATF approves the application, Form 6 becomes a permit to import the firearms or ammunition at issue.

Table A.2—Firearms and Ammunition Excise Tax Collections

Fiscal Year	Dollars in thousands			
	Total	Pistols and revolvers	Other Firearms	Shells and cartridges
1983 ^{a/}	\$90,637	\$24,080	\$34,711	\$31,846
1984	\$87,665	\$22,011	\$37,276	\$28,378
1985	\$102,403	\$25,107	\$48,906	\$28,390
1986	\$98,362	\$23,433	\$39,037	\$35,892
1987	\$102,521	\$25,361	\$42,182	\$34,978
1988	\$114,064	\$29,074	\$48,867	\$36,123
1989	\$134,277	\$38,230	\$48,870	\$47,177
1990	\$137,409	\$42,015	\$61,402	\$33,992
1991	\$144,745	\$42,226	\$50,237	\$52,282
1992	\$140,608	\$41,760	\$45,697	\$53,151
1993	\$171,434	\$54,019	\$60,482	\$56,933
1994	\$213,966	\$68,533	\$75,637	\$69,796
1995	\$184,302	\$53,779	\$72,947	\$57,576
1996	\$157,816	\$38,649	\$72,422	\$46,745
1997 ^{b/}	\$149,090	...	...	...
1998 ^{b/}	\$164,789	...	...	...
1999 ^{b/}	\$187,977	...	...	...

Source: Bureau of Alcohol, Tobacco and Firearms. The tax rate on the displayed categories is as follows: pistols and revolvers, 10% of sale price; firearms other than pistols and revolvers, 11% of sale price; shells and cartridges, 11% of sale price.

^{a/} From FY 1983-1990, the Internal Revenue Service collected excise taxes. ATF assumed the collection function in FY 1991.

^{b/} ATF no longer maintains these statistics by individual category.

Table A.3—Producer Price Indices: Small Arms and Ammunition

Year	Small arms	Pistols and revolvers	Shotguns	Rifles, centerfire	Small arms ammunition	Pistol and revolver cartridges	PPI, Finished Consumer Goods (excluding food and energy)
1947	24.7	24.4	27.8	...	22.4	...	...
1948	26.1	24.5	29.4	...	25.5	...	...
1949	26.9	24.5	30.3	...	27.4	...	...
1950	27.7	24.6	31.2	...	28.4	...	...
1951	30.6	25.3	34.5	...	33.2	...	...
1952	29.2	25.3	32.3	...	32.2	...	...
1953	29.2	25.8	32.3	...	31.9	...	...
1954	29.3	26.1	32.3	...	31.9	...	...
1955	29.3	26.1	32.3	...	33.6	...	...
1956	31.3	26.4	34.3	...	35.7	...	...
1957	32.9	27.0	36.0	...	36.5	...	...
1958	33.3	27.8	36.2	...	36.5	...	...
1959	33.5	28.0	36.3	...	35.7	...	...
1960	34.3	28.6	37.1	...	35.5	...	...
1961	35.0	29.4	37.7	...	37.5	...	...
1962	35.3	29.5	38.1	...	37.5	...	...
1963	35.3	29.2	38.2	...	37.5	...	...
1964	35.7	28.2	39.4	...	37.9	...	...
1965	36.3	28.3	40.0	...	39.5	...	...
1966	37.3	29.4	40.9	...	39.5	...	...
1967	38.3	31.0	41.5	...	39.4	...	...
1968	40.3	36.6	42.3	...	41.0	...	...
1969	41.9	39.7	43.9	...	42.2	...	...
1970	43.7	...	45.8	...	46.2	...	...
1971	45.5	...	48.7	...	47.4	...	...
1972	46.0	40.5	49.5	...	48.4	...	...
1973	46.8	41.3	50.5	...	49.2	...	50.4
1974	50.8	44.8	54.3	...	53.2	...	55.5
1975	56.5	49.5	61.0	...	59.7	...	60.6
1976	60.0	52.8	64.8	...	62.3	...	63.7
1977	64.4	57.1	69.6	...	67.5	...	67.3
1978	70.1	62.5	76.0	...	72.8	...	72.2
1979	75.4	67.1	81.5	...	80.5	...	78.8
1980	87.3	80.0	92.3	...	88.7	...	87.8
1981	98.2	92.4	103.3	...	96.9	...	94.6
1982	100.0	100.0	...	...	100.0	...	100.0
1983	103.0	102.3	...	...	109.9	...	103.1
1984	111.4	111.7	...	...	115.9	...	105.7
1985	119.8	112.8	...	...	123.6	...	108.4
1986	125.5	116.4	136.2	105.8	126.3	100.8	111.1
1987	131.5	121.9	141.6	110.4	125.0	109.1	114.2
1988	138.1	130.4	148.0	115.6	130.2	112.6	118.5
1989	146.7	135.4	157.1	120.5	136.4	114.3	124.0
1990	153.6	138.4	162.2	126.8	133.4	114.9	128.8
1991	160.1	142.2	166.2	131.7	138.9	116.9	133.7
1992	162.6	142.6	167.2	132.6	138.3	119.0	137.3
1993	165.9	143.9	170.9	135.9	139.5	120.3	138.6
1994	170.2	145.4	176.9	139.7	140.3	127.7	139.0
1995	173.1	148.0	179.5	143.4	144.3	133.6	141.9
1996	175.6	149.1	182.0	145.9	143.1	129.5	144.3
1997	177.3	151.1	184.2	148.3	142.8	129.4	145.1
1998	180.2	156.2	188.0	153.5	144.1	130.8	147.7
1999	184.6	160.3	197.0	158.6	144.2	134.1	151.7

Source: Bureau of Labor Statistics. 1999 data are preliminary; 1982=100.

Table B.1—National Firearms Act Application, Registration, Tax Revenues, and Related Activities, 1979-1999^{a/}

Year ^{b/}	Number of applications processed	Number of weapons registered ^{c/}	Tax revenues (\$ in thousands)		Enforcement Support ^{d/}	
			Occupational tax	Transfer and making Tax	Certifications	Records checks
1979	14,607	127,024	...	\$500	3,559	...
1980	16,772	176,365	...	\$716	4,377	...
1981	18,597	121,901	\$268	\$611	1,482	3,627
1982	21,606	102,318	\$391	\$723	1,306	2,841
1983	27,084	97,341	\$591	\$594	4,335	...
1984	26,692	76,790	\$596	\$666	1,196	2,771
1985	26,779	84,839	\$606	\$594	921	3,682
1986	39,451	277,368	\$667	\$1,372	690	3,376
1987	64,597	290,000	\$869	\$1,576	575	4,135
1988	83,250	310,000	\$2,095	\$1,481	701	3,738
1989	152,067	374,774	\$1,560	\$1,527	673	6,128
1990	194,215	439,339	\$1,442	\$1,308	666	7,981
1991	201,391	477,020	\$1,556	\$1,210	764	7,857
1992	169,762	538,875	\$1,499	\$1,237	1,257	8,582
1993	221,627	613,079	\$1,493	\$1,264	1,024	7,230
1994	238,945	678,077	\$1,444	\$1,596	586	6,283
1995	216,026	756,260	\$1,007	\$1,311	882	5,677
1996	242,054	823,459	\$1,143	\$1,402	529	5,215
1997	246,781	...	\$1,284	\$1,630	488	4,395
1998	315,641	1,016,863	\$1,299	\$1,969	353	3,824
1999	306,515	1,148,984	\$1,330	\$2,422	345	3,994

Source: Bureau of Alcohol, Tobacco and Firearms, National Firearms Registration and Transfer Record.

^{a/} National Firearms weapons are defined in the Internal Revenue Code, Title 26, USC, Chapter 53, and include items such as machine guns, short-barreled rifles and shotguns, and destructive devices. The number of weapons registered for FY 1979 - 1985 is the number of weapons associated with the applications processed during the fiscal year. The number of weapons registered for FY 1986 - FY 1999 is the number of weapons in the National Firearms Registration and Transfer Record (NFRTR) - the total number of registered weapons. The number of weapons registered for FY 1987 and 1988 are approximate. Occupational tax revenues for FY 1988 - 1996 include collections made during the fiscal year for prior tax years.

^{b/} Data from 1979 - 1996 are on a fiscal year basis; data for 1997 - 1999 represent calendar years.

^{c/} Two circumstances contributed to the rise in the number of NFA weapons registered in the NFRTR after 1985. First, Public Law 99-308 was enacted in 1986, and restricted the private possession of machineguns manufactured on or after the effective date of the law - May 19, 1986. Manufacturers registered a large number of machineguns in anticipation of the ban. Second, law enforcement increased their use of "flash/bang" weapons, which must be registered in the NFRTR as destructive devices.

^{d/} ATF searches the National Firearms Registration and Transfer Record in support of criminal investigation and regulatory enforcement inspections.

Table B.2--National Firearms Act Transfer Applications, FY 1990 - 1999

Fiscal Year	Transfers		Personal/Government application to make NFA firearms (Form 1)
	Application for tax paid transfer (Form 4)	Application for tax exempt transfer (Form 5)	
1990	7,024	54,959	399
1991	5,395	44,146	524
1992	6,541	45,390	351
1993	7,388	60,193	310
1994	7,600	67,580	1,076
1995	8,263	60,055	1,226
1996	6,418	72,395	1,174
1997	7,873	70,690	855
1998	10,181	93,135	1,093
1999	11,768	95,554	1,071

Fiscal Year	Manufactured and imported (Form 2)	Exported (Form 9)
1990	66,084	21,725
1991	80,619	40,387
1992	107,313	22,120
1993	70,342	24,041
1994	97,665	34,242
1995	95,061	31,258
1996	103,511	40,439
1997	110,423	36,284
1998	141,101	40,221
1999	137,373	28,128

Fiscal Year	Tax exempt licensees (Form 3)	Items processed	
		Number of applications	Number of firearms
1990	23,149	194,215	439,339
1991	19,507	201,391	477,020
1992	26,352	169,762	538,875
1993	22,071	221,627	613,079
1994	27,950	238,945	678,077
1995	18,593	216,026	756,260
1996	16,931	242,054	823,459
1997	18,371	246,781	905,647
1998	27,921	315,641	1,016,863
1999	28,288	306,515	1,148,984

Source: Bureau of Alcohol, Tobacco and Firearms, NFA Special Taxpayers and Revenue Collected Database.

Table B.3—National Firearms Act Registered Weapons by State, FY 1999

State	Total	Machinegun	Silencer	Short-barreled		Destructive device	Any other weapon ^a	Other ^b
				Rifle	Shotgun			
Total (FY1999)	1,148,984	277,362	83,627	14,896	54,109	676,837	41,003	1,150
Alabama	26,302	9,890	2,557	372	1,253	11,268	952	10
Alaska	3,832	1,238	446	45	391	1,433	277	2
Arizona	55,337	9,921	4,382	673	960	38,646	732	23
Arkansas	13,050	2,805	1,278	157	530	7,818	441	21
California	112,055	14,326	1,828	950	5,277	86,137	3,463	74
Colorado	21,312	3,573	1,114	396	857	14,608	746	18
Connecticut	22,708	14,266	2,076	365	1,019	4,324	637	21
Delaware	934	147	20	31	194	512	30	0
District of Columbia	8,874	2,133	73	40	340	6,227	61	0
Florida	70,668	14,602	7,253	505	1,921	44,145	2,224	18
Georgia	41,013	13,360	8,584	403	5,983	11,301	1,349	33
Hawaii	1,715	246	17	41	35	1,339	35	2
Idaho	8,257	2,069	1,068	151	214	4,265	482	8
Illinois	31,783	9,035	340	383	1,313	19,760	923	29
Indiana	34,239	10,576	2,967	244	3,881	15,621	926	24
Iowa	8,278	1,198	86	175	618	5,326	851	24
Kansas	10,671	1,392	89	187	586	7,758	640	19
Kentucky	15,917	4,419	1,365	244	945	8,323	605	16
Louisiana	27,490	3,543	861	183	819	21,588	481	15
Maine	5,143	2,529	361	369	258	986	629	11
Maryland	31,852	8,112	2,129	257	1,077	19,551	713	13
Massachusetts	10,602	4,333	213	283	495	4,464	786	28
Michigan	16,964	6,370	740	335	797	7,690	989	43
Minnesota	18,598	3,823	497	251	781	11,807	1,388	51
Mississippi	6,055	2,846	103	110	395	2,283	310	8
Missouri	19,193	5,175	810	406	1,380	10,219	1,152	51
Montana	3,232	1,270	68	126	166	1,262	333	7
Nebraska	4,987	1,461	291	160	427	1,990	642	16
Nevada	11,045	3,255	1,106	146	292	5,876	360	10
New Hampshire	6,832	4,477	666	98	157	1,122	300	12
New Jersey	24,404	3,531	568	132	887	18,862	404	20
New Mexico	15,198	2,918	597	185	343	10,941	206	8
New York	22,847	4,642	232	519	1,732	14,589	1,091	42
North Carolina	26,271	6,449	1,887	291	837	16,147	640	20
North Dakota	2,919	998	1,011	60	122	570	154	4
Ohio	49,889	11,671	3,129	630	2,148	30,783	1,484	44
Oklahoma	15,061	6,719	1,614	333	884	4,572	919	20
Oregon	17,397	4,725	3,396	623	872	6,437	1,316	28
Pennsylvania	37,209	13,028	3,008	681	1,314	17,627	1,397	154
Rhode Island	1,723	390	12	34	93	1,145	43	6
South Carolina	12,765	2,753	498	196	892	7,859	553	14
South Dakota	2,711	1,008	76	64	132	1,096	327	8
Tennessee	25,170	6,036	2,370	274	1,936	13,058	1,210	16
Texas	78,938	18,919	16,304	1,302	3,878	35,265	3,177	93
Utah	12,463	7,073	582	109	294	4,184	221	0
Vermont	3,035	989	41	42	51	1,704	205	3
Virginia	58,130	13,591	2,768	415	2,372	37,349	1,620	15
Washington	19,550	2,195	637	461	562	14,370	1,300	25
West Virginia	4,558	1,723	329	176	200	1,763	365	2
Wisconsin	17,954	4,061	1,046	202	858	11,143	636	8
Wyoming	51,854	1,283	134	81	341	49,724	278	13

Source: Bureau of Alcohol, Tobacco and Firearms.

^a The term "any other weapon" includes: any weapon or device capable of being concealed on the person that can be discharged through the energy of an explosive; a pistol or revolver having a barrel with a smooth bore that can fire a fixed shotgun shell; weapons with combination shotgun and rifle barrels of a certain size, from which only a single discharge can be made from either barrel without manual reloading; or any such weapon that can be readily restored to so fire.

^b "Other" includes firearms that meet the legal definition of firearms under the National Firearms Act, but cannot be categorized as machineguns, silencers, short-barreled rifles and shotguns, destructive devices and any other weapon.

Table B.4—National Firearms Act Special Occupational Taxpayers, FY 1980-1999

Fiscal Year	Special Occupational Taxpayers ^a	Percent Change from FY 1980
1980	920	
1981	1,192	30%
1982	1,758	91%
1983	2,306	151%
1984	2,678	191%
1985	2,696	193%
1986	3,297	258%
1987	5,427	490%
1988	3,673	299%
1989	2,977	224%
1990	2,827	207%
1991	2,775	202%
1992	2,754	199%
1993	2,733	197%
1994	2,684	192%
1995	2,468	168%
1996	2,283	148%
1997	2,499	172%
1998	2,283	148%
1999	2,521	174%

Source: Bureau of Alcohol, Tobacco and Firearms.

^a Special occupational taxpayers are persons wishing to manufacture, import, or deal in firearms as defined in the NFA. Special occupation taxpayers must: (1) be properly licensed as a federal firearms licensee; (2) have an employer identification number (even if the licensee has no employees); and (3) pay the special occupational tax required of those manufacturing, importing, or dealing in NFA weapons.

**Table B.5—National Firearms Act Special Occupational Taxpayers
(as of January 2000) by State**

State	Total	Importers	Manufacturers	Dealers
Total	2,521	107	709	1,705
Alabama	55	5	16	34
Alaska	18	0	3	15
Arizona 139	4	38	97	
Arkansas	26	0	10	16
California	116	6	31	79
Colorado	36	0	8	28
Connecticut	57	5	17	35
Delaware	0	0	0	0
District of Columbia	1	0	0	1
Florida	212	13	61	138
Georgia 94	5	22	67	
Hawaii	1	0	0	1
Idaho	29	0	21	8
Illinois	72	5	17	50
Indiana 57	0	11	46	
Iowa	11	1	2	8
Kansas	25	2	6	17
Kentucky	37	2	6	29
Louisiana	50	1	9	40
Maine	16	3	6	7
Maryland	60	4	20	36
Massachusetts	43	0	16	27
Michigan	69	7	11	51
Minnesota	46	2	28	16
Mississippi	25	0	3	22
Missouri	76	2	26	48
Montana	13	0	2	11
Nebraska	14	0	6	8
Nevada 50	4	21	25	
New Hampshire	39	1	11	27
New Jersey	14	0	2	12
New Mexico	28	1	6	21
New York	14	1	8	5
North Carolina	81	1	17	63
North Dakota	6	0	2	4
Ohio	126	2	36	88
Oklahoma	41	0	11	30
Oregon	66	0	20	46
Pennsylvania	122	2	30	90
Puerto Rico	0	0	0	0
Rhode Island	5	0	0	5
South Carolina	14	1	10	3
South Dakota	11	0	0	11
Tennessee	62	4	21	37
Texas	238	4	44	190
Utah	19	3	11	5
Vermont	11	2	4	5
Virginia 91	11	27	53	
Washington	18	2	11	5
West Virginia	20	0	9	11
Wisconsin	37	0	10	27
Wyoming	10	1	2	7

Source: Bureau of Alcohol, Tobacco and Firearms.

TABLE C.1—Federal Firearms Licensees (FFLs), Dealers and Pawnbrokers by State, Number, and Rate per 100,000 Population

State	Population as of 7/1/99	Number of FFLs as of 12/1/99	FFLs per 100,000 Population
Total	272,690,813	80,644	47
Alabama	4,369,862	1,430	33
Alaska	619,500	1,160	187
Arizona	4,778,332	1,426	30
Arkansas	2,551,373	1,323	52
California	33,145,121	4,261	13
Colorado	4,056,133	1,549	38
Connecticut	3,282,031	688	21
Delaware	753,538	138	18
District of Columbia	519,000	...	...
Florida	15,111,244	3,180	21
Georgia	7,788,240	2,336	30
Hawaii	1,185,497	150	13
Idaho	1,251,700	989	79
Illinois	12,128,370	2,666	22
Indiana	5,942,901	2,115	36
Iowa	2,869,413	1,473	51
Kansas	2,654,052	1,261	48
Kentucky	3,960,825	1,704	43
Louisiana	4,372,035	1,490	34
Maine	1,253,040	636	51
Maryland	5,171,634	779	15
Massachusetts	6,175,169	942	15
Michigan	9,863,775	3,386	34
Minnesota	4,775,508	2,068	43
Mississippi	2,768,619	1,373	50
Missouri	5,468,338	2,695	49
Montana	882,779	1,370	155
Nebraska	1,666,028	885	53
Nevada	1,809,253	603	33
New Hampshire	1,201,134	542	45
New Jersey	8,143,412	504	6
New Mexico	1,739,844	803	46
New York	18,196,601	2,746	15
North Carolina	7,650,789	2,275	30
North Dakota	633,666	594	94
Ohio	11,256,654	3,158	28
Oklahoma	3,358,044	1,666	50
Oregon	3,316,154	1,905	57
Pennsylvania	11,994,016	3,623	30
Rhode Island	990,819	130	13
South Carolina	3,885,736	927	24
South Dakota	733,133	573	78
Tennessee	5,483,535	1,868	34
Texas	20,044,141	6,457	32
Utah	2,129,836	769	36
Vermont	593,740	490	83
Virginia	6,872,912	2,053	30
Washington	5,756,361	1,549	27
West Virginia	1,806,928	1,279	71
Wisconsin	5,250,446	1,944	37
Wyoming	479,602	713	149

Sources: Population data, Census Bureau; FFL data, Bureau of Alcohol, Tobacco and Firearms.

Table C.2.1—Federal Firearms Licensees by State, FY 1997

State	Total	Dealer	Pawn- broker	Collector	Manufacturer			Destructive Device		
					Ammu- nition	Firearms	Importer	Armor Piercing Ammunition		
								Dealer	Manufac- turer	Importer
Total	107,554	79,285	9,956	13,512	2,451	1,414	733	13	118	72
Alabama	1,785	1,071	456	184	38	17	10	...	5	4
Alaska	1,388	1,232	67	48	34	2	5	...	...	...
Arizona	1,868	1,392	128	176	75	63	24	...	6	4
Arkansas	1,533	921	461	100	27	15	4	...	4	1
California	7,023	4,808	317	1,466	161	127	121	1	15	7
Colorado	1,893	1,432	235	153	33	25	15	...	...	...
Connecticut	1,234	779	13	343	21	53	20	1	2	2
Delaware	205	140	8	49	5	...	2	...	1	...
District of Columbia	...	...	...	...	...	...	...	...	...	...
Florida	4,431	2,600	854	726	100	95	41	...	8	7
Georgia	2,885	1,701	791	290	50	35	16	...	1	1
Guam	40	24	...	4	6	...	6	...	...	...
Hawaii	220	172	1	42	5	...	...	...	...	...
Idaho	1,160	874	173	50	38	21	3	...	1	...
Illinois	3,814	2,843	90	737	82	37	19	...	4	2
Indiana	2,754	2,282	127	250	66	23	6	...	...	...
Iowa	1,708	1,493	96	83	26	6	3	...	1	...
Kansas	1,536	1,239	130	98	45	13	9	...	1	1
Kentucky	2,046	1,490	383	137	18	10	6	...	1	1
Louisiana	1,798	1,339	263	157	23	11	3	...	...	2
Maine	873	713	35	74	23	15	9	...	3	1
Maryland	1,373	839	49	421	18	33	11	...	...	2
Massachusetts	1,995	1,146	2	734	33	57	15	2	4	2
Michigan	4,593	3,744	80	631	76	34	20	1	2	5
Minnesota	2,615	2,130	139	232	52	39	18	...	3	2
Mississippi	1,595	1,119	357	88	20	3	8	...	...	...
Missouri	3,725	2,610	337	655	66	35	16	...	4	2
Montana	1,662	1,386	146	55	45	20	10	...	...	...
Nebraska	1,097	933	51	70	27	9	6	...	1	...
Nevada	796	562	70	103	26	23	11	...	1	...
New Hampshire	739	572	8	102	27	24	6	...	...	...
New Jersey	855	579	1	221	24	9	16	1	2	2
New Mexico	948	705	135	75	18	9	4	...	2	...
New York	4,160	3,194	11	810	72	31	40	...	2	...
North Carolina	3,020	2,016	499	381	82	33	9	...	...	...
North Dakota	706	623	30	31	20	2	...	...	...	...
Ohio	4,111	3,314	153	458	119	47	16	...	4	...
Oklahoma	1,990	1,320	465	112	60	25	8	...	...	...
Oregon	2,328	2,042	42	117	83	29	14	...	1	...
Pennsylvania	5,104	3,979	13	849	155	69	25	2	9	3
Puerto Rico	84	63	...	10	9	...	2	...	...	...
Rhode Island	281	152	1	117	8	2	1	...	...	...
South Carolina	1,216	771	239	169	19	12	5	...	...	1
South Dakota	704	594	51	23	20	11	5	...	...	...
Tennessee	2,366	1,605	419	219	47	48	16	2	10	...
Texas	7,857	5,821	1,232	482	168	100	45	1	4	4
Utah	913	700	115	39	26	25	7	...	1	...
Vermont	630	541	1	44	22	10	8	1	1	2
Virginia	2,886	2,079	175	510	52	24	30	1	3	12
Washington	2,141	1,588	203	206	80	35	28	...	1	...
West Virginia	1,496	1,199	195	58	23	11	6	...	3	1
Wisconsin	2,523	2,099	30	298	59	26	5	...	6	...
Wyoming	851	715	79	25	19	11	...	...	1	1

Source: Bureau of Alcohol, Tobacco and Firearms; National Licensing Center. Data as of September 30, 1997.

Table C.1.2.2—Federal Firearms Licensees by State, FY 1998

State	Total	Dealer	Pawn- broker	Collector	Manufacturer			Destructive Device		
					Ammu- nition	Firearms	Importer	Dealer	Armor Piercing Ammunition	
									Manufac- turer	Importer
Total	105,536	75,619	10,176	14,865	2,374	1,546	741	12	125	68
Alabama	1,799	1,058	450	215	37	21	9	...	5	4
Alaska	1,331	1,165	65	60	35	1	5	...	...	...
Arizona	1,865	1,336	144	213	67	70	25	...	6	4
Arkansas	1,528	889	472	119	24	15	2	...	5	2
California	6,607	4,354	314	1,515	147	134	119	1	18	5
Colorado	1,848	1,362	240	176	34	24	12	...	...	...
Connecticut	1,193	721	15	352	21	58	21	1	2	2
Delaware	203	135	6	56	3	...	2	...	1	...
Dist of Columbia	...	...	...	...	...	...	...	...	...	...
Florida	4,422	2,503	834	832	93	98	44	2	9	7
Georgia	2,839	1,583	797	360	44	40	13	...	1	1
Guam 37	23	...	2	6	...	6	...	...	...	...
Hawaii	206	159	1	45	1	...	...	...	...	...
Idaho	1,156	861	170	60	38	23	3	...	1	...
Illinois	3,718	2,724	92	762	82	35	18	...	3	2
Indiana	2,674	2,160	129	291	62	26	6	...	...	...
Iowa	1,688	1,444	94	109	29	8	3	...	1	...
Kansas	1,515	1,198	130	119	43	14	9	...	1	1
Kentucky	2,023	1,427	400	155	19	13	7	...	1	1
Louisiana	1,793	1,307	254	189	24	14	3	...	...	2
Maine	833	666	42	77	22	11	11	...	3	1
Maryland	1,361	776	49	473	17	32	11	...	1	2
Massachusetts	1,972	1,073	2	780	33	61	17	1	4	1
Michigan	4,466	3,552	84	692	77	35	18	1	2	5
Minnesota	2,567	2,051	133	256	56	46	20	...	3	2
Mississippi	1,587	1,091	355	109	18	5	9	...	...	...
Missouri	3,722	2,524	345	727	64	43	13	...	4	2
Montana	1,645	1,356	152	55	48	23	11	...	...	...
Nebraska	1,093	911	52	84	29	11	6	...	...	...
Nevada	795	539	76	112	27	29	11	...	1	...
New Hampshire	733	560	8	108	28	22	7	...	...	...
New Jersey	758	537	1	168	24	9	16	1	1	1
New Mexico	948	687	136	91	18	9	5	...	2	...
New York	3,958	2,955	11	854	61	34	41	...	2	...
North Carolina	2,994	1,930	511	431	75	37	10	...	...	...
North Dakota	696	600	35	37	21	2	1	...	...	...
Ohio	4,080	3,218	157	513	117	55	16	...	4	...
Oklahoma	2,007	1,276	500	140	58	26	7	...	...	...
Oregon	2,306	1,987	48	141	80	36	13	...	1	...
Pennsylvania	4,976	3,787	16	914	150	72	24	1	9	3
Puerto Rico	75	57	...	10	7	...	1	...	...	...
Rhode Island	270	138	2	120	7	2	1	...	...	...
South Carolina	1,202	733	246	183	18	15	5	...	1	1
South Dakota	685	568	60	20	20	12	5	...	...	...
Tennessee	2,394	1,571	431	261	48	56	17	1	9	...
Texas	7,702	5,497	1,285	571	170	108	51	1	5	4
Utah	905	681	120	43	28	26	6	...	1	...
Vermont	616	514	1	54	21	11	10	1	2	2
Virginia	2,845	2,001	178	538	52	31	30	1	4	10
Washington	2,096	1,502	204	250	72	37	28	...	2	1
West Virginia	1,504	1,166	215	76	24	12	7	...	3	1
Wisconsin	2,474	2,019	37	316	58	32	6	...	6	...
Wyoming	826	687	77	31	17	12	...	...	1	1

Source: Bureau of Alcohol, Tobacco and Firearms; National Licensing Center. Data as of September 30, 1998.

Table C.1.2.3—Federal Firearms Licensees by State, FY 1999

State	Total	Dealer	Pawn- broker	Collector	Manufacturer			Destructive Device		
					Ammu- nition	Firearms	Importer	Dealer	Armor Piercing Ammunition	
									Manufac- turer	Importer
Total	103,942	71,290	10,035	17,763	2,247	1,639	755	11	127	75
Alabama	1,805	999	437	281	39	27	11	...	6	5
Alaska	1,277	1,108	64	68	30	2	5	...	...	...
Arizona	1,862	1,289	140	257	61	80	24	...	7	4
Arkansas	1,514	845	474	140	27	16	3	...	7	2
California	6,406	4,005	286	1,728	127	127	108	1	17	7
Colorado	1,863	1,325	238	234	32	23	11	...	...	...
Connecticut	1,181	675	13	382	19	61	25	1	2	3
Delaware	200	128	6	61	2	...	2	...	1	...
District of Columbia	...	...	...	...	...	...	...	...	...	...
Florida	4,488	2,403	800	1,028	89	104	46	2	9	7
Georgia	2,893	1,535	795	461	42	45	13	...	1	1
Guam	41	26	...	3	6	...	6	...	...	...
Hawaii	206	152	1	52	1	...	...	...	...	...
Idaho	1,126	825	163	69	37	26	5	...	1	...
Illinois	3,717	2,604	92	877	83	36	18	...	4	3
Indiana	2,607	2,014	133	367	59	28	6	...	...	...
Iowa	1,674	1,386	101	142	31	9	3	...	2	...
Kansas	1,490	1,141	127	155	41	15	9	...	1	1
Kentucky	1,943	1,341	374	178	23	17	8	...	1	1
Louisiana	1,810	1,245	255	267	25	13	3	...	...	2
Maine	788	602	41	97	24	11	9	...	3	1
Maryland	1,394	740	51	539	17	33	12	...	1	1
Massachusetts	1,971	957	3	897	30	63	15	1	4	1
Michigan	4,367	3,339	82	810	71	38	19	1	2	5
Minnesota	2,552	1,953	129	337	53	50	21	...	5	4
Mississippi	1,561	1,041	344	140	17	9	9	...	1	...
Missouri	3,725	2,382	342	870	61	49	15	...	4	2
Montana	1,527	1,229	152	70	44	18	14	...	...	...
Nebraska	1,028	841	46	96	27	12	6	...	...	...
Nevada	806	519	86	134	24	29	13	...	1	...
New Hampshire	724	533	7	128	25	20	11	...	...	...
New Jersey	708	512	1	141	23	10	18	1	1	1
New Mexico	956	666	139	113	16	14	6	...	2	...
New York	3,795	2,745	13	903	62	32	39	...	1	...
North Carolina	2,935	1,779	500	547	66	35	8	...	...	...
North Dakota	675	563	40	45	22	3	2	...	...	...
Ohio	3,976	3,021	158	604	111	62	17	...	3	...
Oklahoma	1,962	1,212	475	186	55	29	5	...	...	...
Oregon	2,255	1,876	52	204	70	41	11	...	1	...
Pennsylvania	4,946	3,647	15	1,027	138	79	27	1	9	3
Puerto Rico	76	55	...	9	10	...	2	...	...	...
Rhode Island	273	129	2	135	6	1	...	...	...	...
South Carolina	1,184	691	242	209	18	17	5	...	1	1
South Dakota	651	522	61	34	19	10	5	...	...	...
Tennessee	2,386	1,456	426	377	41	60	18	...	8	...
Texas	7,575	5,198	1,299	739	163	110	55	2	5	4
Utah	896	652	120	65	25	28	5	...	1	...
Vermont	599	493	1	63	18	10	10	...	2	2
Virginia	2,847	1,888	178	641	55	35	34	1	4	11
Washington	2,022	1,364	202	325	66	39	24	...	1	1
West Virginia	1,445	1,082	210	96	28	17	8	...	3	1
Wisconsin	2,444	1,917	38	392	53	34	6	...	4	...
Wyoming	790	640	81	40	15	12	...	...	1	1

Source: Bureau of Alcohol, Tobacco and Firearms, National Licensing Center. Data as of September 30, 1999.

Table C.3—Federal Firearms Licensees Total, FY 1975-1999

Fiscal Year	Total	Dealer	Pawn-broker	Collector	Manufacturer			Destructive Device			Change from prior year
					Ammunition	Firearms	Importer	Dealer	Armor Piercing Ammunition		
									Manufacturer	Importer	
1975	161,927	146,429	2,813	5,211	6,668	364	403	9	23	7	
1976	165,697	150,767	2,882	4,036	7,181	397	403	4	19	8	2.3%
1977	173,484	157,463	2,943	4,446	7,761	408	419	6	28	10	4.7%
1978	169,052	152,681	3,113	4,629	7,735	422	417	6	35	14	-2.6%
1979	171,216	153,861	3,388	4,975	8,055	459	426	7	33	12	1.3%
1980	174,619	155,690	3,608	5,481	8,856	496	430	7	40	11	2.0%
1981	190,296	168,301	4,308	6,490	10,067	540	519	7	44	20	
1982	211,918	184,840	5,002	8,602	12,033	675	676	12	54	24	
1983	230,613	200,342	5,388	9,859	13,318	788	795	16	71	36	8.8%
1984	222,443	195,847	5,140	8,643	11,270	710	704	15	74	40	-3.5%
1985	248,794	219,366	6,207	9,599	11,818	778	881	15	85	45	11.8%
1986	267,166	235,393	6,998	10,639	12,095	843	1,035	16	95	52	7.4%
1987	262,022	230,888	7,316	11,094	10,613	852	1,084	16	101	58	-1.9%
1988	272,953	239,637	8,261	12,638	10,169	926	1,123	18	112	69	4.2%
1989	264,063	231,442	8,626	13,536	8,345	922	989	21	110	72	-3.3%
1990	269,079	235,684	9,029	14,287	7,945	978	946	20	117	73	1.9%
1991	276,116	241,706	9,625	15,143	7,470	1,059	901	17	120	75	2.6%
1992	284,117	248,155	10,452	15,820	7,412	1,165	894	15	127	77	2.9%
1993	283,925	246,984	10,958	16,635	6,947	1,256	924	15	128	78	-0.1%
1994	250,833	213,734	10,872	17,690	6,068	1,302	963	12	122	70	-11.7%
1995	191,495	158,240	10,155	16,354	4,459	1,242	842	14	118	71	-23.7%
1996	135,794	105,398	9,974	14,966	3,144	1,327	786	12	117	70	-29.1%
1997	107,554	79,285	9,956	13,512	2,451	1,414	733	13	118	72	-20.8%
1998	105,536	75,619	10,176	14,875	2,374	1,546	741	12	125	68	-1.9%
1999	103,942	71,290	10,035	17,763	2,247	1,639	755	11	127	75	-1.5%

Source: Bureau of Alcohol, Tobacco and Firearms, National Licensing Center. Data are based on active firearms licenses, license type statistics as of the end of each fiscal year.

**Table C.4.1—License Applications and Application Inspections,
FY 1969-1989**

Fiscal Year	New Applications ^{a/}	Inspections ^{b/}	Percent inspected
1969	86,598 ^{c/}	47,454	... ^{d/}
1970	27,866	21,295	... ^{d/}
1971	23,826	32,684	... ^{d/}
1972	24,526	31,259	100.0%
1973	24,321	21,732	89.4%
1974	24,873	27,483	100.0%
1975	29,183	26,695	91.4%
1976	29,511	28,222	95.6%
1977	32,560	20,736	63.7%
1978	29,531	8,361	29.3%
1979	32,678	1,037	3.2%
1980	36,052	1,157	3.2%
1981	41,798	2,128	5.0%
1982	44,745	1,831	5.0%
1983	49,669	2,723	5.4%
1984	39,321	2,551	6.4%
1985	37,385	2,672	7.1%
1986	42,842	2,519	5.9%
1987	36,835	2,191	5.9%
1988	32,724	1,431	4.4%
1989	34,318	2,384	6.9%

Source: Bureau of Alcohol, Tobacco and Firearms.

^{a/} Statistics for FY 1969-1971 combine new and renewal applications.

^{b/} Statistics for FY 1969-1971 combine application and compliance inspections.

^{c/} Does not include approximately 24,000 existing federal firearms licensees.

^{d/} Percent inspected could not be calculated because application and compliance inspections were combined with new applications, due to implementation of the Gun Control Act of 1968.

**Table C.4.2—License Applications and Application Inspections,
FY 1990-1999**

Fiscal Year	New applicants	Renewals	Full field inspection	Preliminary ^a investigation
1990	34,336	61,536	3,358	...
1991	34,567	57,327	4,000	...
1992	37,085	58,873	3,582	...
1993	41,545	66,811	4,701	25,922
1994	25,393	37,079	2,462	14,805
1995	7,777	19,541	4,815	10,822
1996	8,461	34,304	6,385	21,795
1997	6,188	30,290	6,430	16,363
1998	6,881	24,092	8,959	1,579
1999	8,581	31,978	... ^b	... ^b

Source: Bureau of Alcohol, Tobacco and Firearms.

^a Preliminary investigation applies to applications for renewal that were not subject to full field inspection, but were part of the enhanced renewal screening begun in 1993.

^b Data for 1999 are not yet available.

**Table C.5—Firearms Licensees and Compliance Inspections,
FY 1969-1999**

Fiscal Year	Licensees	Inspections ^b	Percent inspected
1969	86,598 ^a	47,454	54.7%
1970	138,928	21,295	15.3%
1971	149,212	32,684	21.9%
1972	150,215	31,164	20.7%
1973	152,232	16,003	10.5%
1974	158,753	15,751	10.0%
1975	161,927	10,944	6.7%
1976	165,697	15,171	9.1%
1977	173,484	19,741	11.3%
1978	169,052	22,130	13.1%
1979	171,216	14,744	8.6%
1980	174,619	11,515	6.5%
1981	190,296	11,035	5.7%
1982	211,918	1,829	8.0%
1983	230,613	2,662	1.1%
1984	222,443	8,861	3.9%
1985	248,794	9,527	3.8%
1986	267,166	8,605	3.2%
1987	262,022	8,049	3.1%
1988	272,953	9,283	3.4%
1989	264,063	7,142	2.7%
1990	269,079	8,471	3.1%
1991	276,116	8,258	3.0%
1992	284,117	16,328	5.7%
1993	283,925	22,330	7.9%
1994	250,833	20,067	8.0%
1995	187,931	13,141	7.0%
1996	135,794	10,051	7.4%
1997	107,554	5,925	5.5%
1998	105,536	5,043	4.8%
1999	103,942	... ^c	... ^c

Source: Bureau of Alcohol, Tobacco and Firearms

^a New licenses issued first year of Gun Control Act (GCA).

^b Application and compliance inspections, 1969-1971

^c Data for 1999 are not yet available.

Table C.6—Actions on Federal Firearms Licenses , FY 1975-1999

Fiscal Year	Original application				Renewal applications			Other Actions	
	Processed	Denied	Withdrawn	Abandoned	Processed	Denied	Withdrawn	Abandoned	Licenses revoked
1975	29,183	150	1,651	...	138,719	273	334	...	7
1976	29,511	209	2,077	...	138,050	261	436	...	6
1977	32,560	216	1,645	...	136,629	207	409	...	10
1978	29,531	151	1,015	414	139,383	168	141	449	0
1979	32,678	124	432	433	143,021	93	240	942	12
1980	36,052	96	601	661	143,527	31	336	800	10
1981	41,798	85	742	329	152,153	16	385	495	7
1982	44,745	52	580	370	161,390	12	332	350	4
1983	49,669	151	916	649	163,386	48	514	700	6
1984	39,321	98	706	833	163,950	23	449	825	9
1985	37,385	103	666	598	52,768	9	226	307	18
1986	42,842	299	698	452	47,648	14	135	181	27
1987	36,835	121	874	458	61,596	38	428	225	14
1988	32,724	30	506	315	52,738	19	422	182	4
1989	34,318	34	561	360	54,892	14	1,456 ^w	215	12
1990	34,336	46	893	404	61,536	29	48	63	9
1991	34,567	37	1,059	685	57,327	15	82	106	17
1992	37,085	57	1,337	611	58,873	4	26	88	24
1993	41,545	343	6,030	1,844	66,811	53	1,187	683	26
1994	25,393	136	4,480	3,917	37,079	191	1,128	969	44
1995	7,777	49	1,046	1,180	19,541	65	1,077	1,254	35
1996	8,461	58	1,061	629	34,304	99	2,700	980	22
1997	7,039	24	692	366	30,660	144	2,185	801	11
1998	7,090	19	621	352	26,042	65	689	509	19
1999	8,581	23	48	298	31,978	63	698	539	20

Source: FELC Monthly Operations Reports.

^w High number is due to transfer of the backlog of firearms files of three regional offices to the Firearms and Explosives Licensing Center (FELC) in 1989. Also, 1989 was the renewal year for three-year ammunition-only licenses issued in 1986, prior to a change in the law eliminating licenses to deal in ammunition only. These licensees were advised to withdraw their renewal applications.

Table D.1—Distribution of Traces Among Active Dealers, 1998

	Number of traces to a dealer	Dealers		Traces	
		Percent	Number	Percent	Number
All Retail Dealers (Retail Gun Dealers and Pawnbrokers)	0 or more	100.0%	83,272	...	...
	1 or more	14.3%	11,947	100.0%	55,990
	2 or more	7.2%	6,056	89.5%	50,099
	5 or more	2.7%	2,253	71.7%	40,139
	10 or more	1.2%	1,020	57.4%	32,147
	25 or more	0.4%	332	39.6%	22,168
	50 or more	0.2%	132	27.2%	15,220
Retail Gun Dealers	0 or more	100.0%	73,016		
	1 or more	11.8%	8,651	100.0%	40,809
	2 or more	5.6%	4,114	88.2%	36,272
	5 or more	2.8%	1,517	72.5%	29,599
	10 or more	1.0%	713	59.7%	24,360
	25 or more	0.3%	252	43.2%	17,630
	50 or more	0.1%	99	30.4%	12,399
Pawnbrokers	0 or more	100.0%	10,256		
	1 or more	32.1%	3,296	100.0%	15,181
	2 or more	18.9%	1,942	91.1%	13,827
	5 or more	7.2%	736	69.4%	10,540
	10 or more	3.0%	307	51.3%	7,787
	25 or more	0.8%	85	29.9%	4,638
	50 or more	0.3%	33	18.6%	2,821

Sources: Data, Bureau of Alcohol, Tobacco and Firearms; Tables prepared by Glenn L. Pierce, Northeastern University, College of Criminal Justice, Center for Criminal Justice Policy Research.

Table D.2—Distribution Traces for Guns with Time-To-Crime of Three Years or Less

	Number of traces to a dealer	Dealers		Traces	
		Percent	Number	Percent	Number
All Retail Dealers (Retail Gun Dealers and Pawnbrokers)					
Total		100.0%	82,502	100.0%	54,836
0		86.5%	71,325	...	...
0-24		6.2%	5,152	24.6%	13,470
25-49		1.2%	1,031	25.9%	14,202
50-74		1.9%	1,552	26.6%	14,615
75or more		4.2%	3,442	22.9%	12,549
Retail Gun Dealers					
Total		100.0%	72,358	100.0%	39,793
0		89.0%	64,365	...	...
0-24		5.3%	3,802	24.8%	9,872
25-49		1.0%	688	26.9%	10,698
50-74		1.5%	1,054	26.7%	10,623
75or more		3.4%	2,449	21.6%	8,600
Pawnbrokers					
Total		100.0%	10,144	100.0%	15,043
0		68.6%	6,960	...	...
0-24		13.3%	1,350	23.9%	3,598
25-49		3.4%	343	23.3%	3,504
50-74		4.9%	498	26.5%	3,992
75or more		9.8%	993	26.3%	3,949

Sources: Data, Bureau of Alcohol, Tobacco and Firearms; Tables prepared by Glenn L. Pierce, Northeastern University, College of Criminal Justice, Center for Criminal Justice Policy Research.

Table D.3.—Traces and Average Time-To-Crime, 1998^a

More than half of all traces were of guns recovered by law enforcement —	Retail dealers with:				Traces to retail dealers with:			
	1-9 traces	10-24 traces	25-49 traces	50+ traces	1-9 traces	10-24 traces	25-49 traces	50+ traces
Percent^b								
3 years or less after first retail purchase								
All retail dealers (retail gun dealers and pawnbrokers)	5.4 %	0.4 %	0.1 %	0.1 %	18.8 %	8.5 %	6.3 %	15.9 %
Retail gun dealers	4.4	0.3	0.1	0.1	17.6	8.0	5.7	17.0
Pawnbrokers	13.2	1.0	0.3	0.2	22.1	9.9	7.7	13.2
More than 3 years after first retail purchase								
All retail dealers (retail gun dealers and pawnbrokers)	6.9 %	0.4 %	0.1 %	0.1 %	22.9 %	9.1 %	6.6 %	11.8 %
Retail gun dealers	5.7	0.3	0.1	0.1	21.6	8.6	7.3	14.2
Pawnbrokers	15.2	1.2	0.2	0.1	26.3	11.6	3.7	5.6
Number								
3 years or less after first retail purchase (retail gun dealers and pawnbrokers)								
All retail dealers	4,503	319	102	70	10,324	4,681	3,429	8,730
Retail gun dealers	3,170	218	68	47	7,009	3,195	2,273	6,746
Pawnbrokers	1,333	101	34	23	3,315	1,486	1,156	1,984
More than 3 years after first retail purchase								
All retail dealers (retail gun dealers and pawnbrokers)	5,666	354	101	62	12,559	5,161	3,462	6,490
Retail gun dealers	4,121	234	83	52	8,606	3,410	2,901	5,653
Pawnbrokers	1,545	120	18	10	3,953	1,751	561	837

Sources: Data, Bureau of Alcohol, Tobacco and Firearms; Tables prepared by Glenn L. Pierce, Northeastern University, College of Criminal Justice, Center for Criminal-Justice Policy Research.

^a Gun traces without initial purchase data are excluded from these calculations.

^b Percentages are based on the total for each category. For dealers, denominators are 83,502 for all; 72,358 for retail dealers; and 10,144 for pawnbrokers. For traces, the denominators are 54,836 for all; 39,793 for retail dealers; and 15,043 for pawnbrokers.

Appendix C

An Overview of Federal Firearms Legislation in the United States

Revenue Act of 1918

Section 4181 of Title 18 U.S.C. imposes a tax on the sale of firearms and ammunition by the manufacturer or importer of the firearm or ammunition. The tax is 10% for handguns and 11% for all other firearms. The tax was first imposed by the Revenue Act of 1918, and with few modifications, has been in effect since that time.

The National Firearms Act of 1934

The first significant Federal firearms legislation was the National Firearms Act of 1934 (NFA).¹ The NFA was enacted to combat "gangster" violence that had increased markedly during Prohibition. The NFA imposes an excise tax on manufacturing and transferring a narrow class of firearms, defined by statute, which include machineguns, short-barreled shotguns and rifles, silencers, and "gadget" guns such as umbrella guns and pen guns.²

By taxing the manufacture and transfer of these weapons, the NFA sought to reduce the easy availability and commerce of these weapons to the criminal element. The NFA also requires that these weapons, and each transfer of them, be recorded in the National Registration and Transfer Record.

The Federal Firearms Act of 1938

The Federal Firearms Act of 1938³ applied to

all firearms and prohibited anyone not licensed as a manufacturer or dealer from transporting, shipping, or receiving any firearm or ammunition in interstate or foreign commerce. Licensed dealers and manufacturers could ship firearms interstate only to other licensed dealers and manufacturers, and to those who had or were not required to have a license under state law to purchase the firearm. Licensed dealers and manufacturers were required to keep records of firearms transactions.

The law prohibited any person from shipping or transporting in interstate or foreign commerce any firearm or ammunition to any felon, person under felony indictment, or fugitive from justice, and these persons could not ship or transport any firearm or ammunition in interstate or foreign commerce. Although later repealed by the Gun Control Act of 1968 (GCA), many of its provisions formed the framework for the GCA.

The Gun Control Act of 1968⁴

The GCA is the primary federal law regulating firearms.⁵ It was enacted following the assassinations of President John F. Kennedy, Senator Robert F. Kennedy, and Dr. Martin Luther King, Jr., as an amendment (Title I) to the Omnibus Crime Control and Safe Streets Act of 1968.

A key provision of the GCA creates a licensing scheme that regulates the interstate movement

¹ See 48 Stat. 1236-1240, originally codified as 26 U.S.C. § 1132, now codified, as amended, as chapter 53 of the Internal Revenue Code of 1986, 26 U.S.C. §§ 5801-5872.

² 26 U.S.C. § 5845(a).

³ See 52 Stat. 1250, originally codified as former 15 U.S.C. § 901-910, repealed by the Gun Control Act of 1968.

⁴ Some of the provisions discussed in the following section were contained in the original GCA, and some have been added over the years through amendments to the GCA. Major amendments to the GCA are discussed in depth in the remaining sections of this legislative history.

⁵ The Arms Export Control Act (AECA), 22 U.S.C. § 2778(a)(1), gives the President broad authority to control the importation of defense articles in furtherance of "world peace and the security and foreign policy of the United States." That authority has been delegated to the Bureau of Alcohol, Tobacco and Firearms. The term "defense article" is defined to include, in part, firearms (other than sporting shotguns), firearms parts, and ammunition and its components. See 27 C.F.R. §§ 47.11, 47.21, and 47.22.

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of firearms. Persons wishing to engage in the business of manufacturing, importing, or dealing in firearms are required to obtain a license from the Secretary of the Treasury. The license entitles the holder to ship, transport, and receive firearms in interstate or foreign commerce. The Federal firearms licensee (FFL) must maintain records of all firearms acquisitions and dispositions and comply with applicable state and local laws in transferring firearms.

The GCA helps individual states enforce their own laws regulating firearms possession and transfers by generally prohibiting the transport and shipment of firearms across state lines. Before the GCA, differences among state controls over firearms commerce impaired the ability of states to enforce their own laws. The GCA's interstate prohibitions were intended to minimize the impact of different state laws, which had led to illicit commerce in guns between states with little firearms regulation and states with strict controls.

The GCA also makes it unlawful for certain persons to possess firearms and makes it a felony for anyone to transfer a firearm, knowing or having reasonable cause to believe that the transferee is prohibited from receiving a firearm. Since 1968, the categories of prohibited persons have been expanded to include the following groups:

- Persons convicted of a crime punishable by imprisonment for a term exceeding one year;
- Fugitives from justice;
- Persons who are unlawful users of, or addicted to, any controlled substance;

- Persons who have been adjudicated as mental defectives or have been committed to a mental institution;
- Illegal aliens, or aliens who were admitted to the United States under a nonimmigrant visa;⁶
- Persons dishonorably discharged from the Armed Forces;
- Persons who have renounced their United States citizenship;
- Persons subject to certain types of restraining orders;⁷ and
- Persons convicted of a misdemeanor crime of domestic violence.⁸

The GCA also prohibits anyone under a felony indictment from receiving or transporting firearms.

The GCA makes it unlawful for an FFL to transfer a handgun to anyone under 21 years of age or a long gun to anyone under 18 years of age. Under a 1994 amendment,⁹ the GCA generally bans possession of handguns by any person under age 18 and prohibits anyone from transferring a handgun to any person under age 18. Prior to this amendment, FFLs were prohibited from transferring handguns to anyone under age 21, but there were no Federal restrictions on the possession of handguns by juveniles or the transfer of handguns to juveniles by nonlicensees.

The GCA generally prohibits the importation of firearms. However, it contains an exception for firearms which are of a type "generally recognized as particularly suitable for, or readily adaptable to, sporting purposes". Since 1968, factoring criteria, which include overall length,

⁶ The nonimmigrant alien prohibition, 18 U.S.C. § 922(g)(5)(B), was added by Pub. L. 105-277, the Omnibus Consolidated Emergency Supplemental Appropriations Act of 1999.

⁷ This provision, 18 U.S.C. § 922(g)(8), was added as part of Pub. L. 103-22, the Violent Crime Control and Law Enforcement Act of 1994.

⁸ This provision, 18 U.S.C. § 922(g)(9), was added by Pub. L. 104-208, the Omnibus Consolidated Appropriations Act of 1997.

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frame construction, weight, caliber, and safety features, have been used to determine if handguns meet the sporting purposes test. In April 1998, the Department of the Treasury conducted a study and determined that modified semiautomatic assault rifles that had the ability to accept a large capacity military magazine were not sporting under the GCA, and therefore could not be imported into the United States.

The GCA contains penalty provisions, including significant prison terms for persons who use or carry a firearm during or in relation to any Federal crime of violence or drug trafficking crime, or who possesses a firearm in furtherance of any such crime. See 18 U.S.C. § 924(c). The GCA also provides mandatory fifteen-year prison terms for persons who violate § 922(g) and have three prior convictions for violent felonies or serious drug offenses. See 18 U.S.C. § 924(e).

Firearms Owners Protection Act of 1986

In 1986, Congress enacted several amendments to the GCA as part of the Firearms Owners Protection Act (FOPA). Congress enacted the amendments "to reaffirm the intent of the Congress," expressed in the GCA, that its purpose was not to "place any undue or unnecessary Federal restrictions or burdens on law abiding citizens."¹⁰ Under the original GCA, only individuals "engaged in the business" of importing, manufacturing, or dealing in firearms must be licensed and regulated as FFLs. However, the original GCA did not define the term "engaged in the business." FOPA amended the law to define engaged in the business,¹¹ as well as the term, "with the principal objective of livelihood and profit," used in

the definition of engaged in the business.¹² The new definitions give certain people a basis to contend that their firearm activities do not rise to a level that requires them to obtain a license and be regulated by the Federal government.

FOPA also amended the GCA in the following ways:

- **Gun Shows** FOPA amended the GCA specifically to allow FFLs to conduct business temporarily at gun shows, provided the gun show was located within the same state as the FFL's licensed premises.
- **Definition of "conviction"** The original GCA made it unlawful for persons convicted of a crime punishable by a prison term exceeding one year to possess a firearm. FOPA amended the GCA to provide that what constitutes such a conviction would be determined by the law of the jurisdiction where the conviction occurs. Furthermore, FOPA provided that an expungement, pardon, set aside, or restoration of civil rights removes the "conviction" for purposes of the GCA, unless the individual's firearms rights are expressly restricted by the pardon, expungement, or restoration.
- **FFL Recordkeeping Offenses** FOPA reduced most recordkeeping offenses committed by FFLs from felonies to misdemeanors.
- **Limits on Inspection Authority** Prior to 1986, ATF was authorized to conduct warrantless inspections of FFLs' records and inventory. FOPA amended the GCA to provide that ATF could conduct only one

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warrantless inspection of a licensee for compliance purposes in any 12-month period. ATF retained warrantless inspection authority to investigate criminal violations of persons other than the licensee, or to trace firearms involved in criminal activity.

- **Knowing or willful violations** Prior to 1986, the GCA did not include any specific *mens rea* requirements. FOPA amended the GCA to require proof of either a “knowing” or a “willful” state of mind for all GCA violations.
- **System of registration** FOPA prohibits ATF from establishing any national system of gun registration.
- **Forfeiture of Firearms** Before 1986, the GCA provided for the seizure and forfeiture of any firearm or ammunition involved in, or used or intended to be used in, any violation of the GCA. FOPA amended the GCA to require “clear and convincing evidence” of intent to violate the law before the government could seize and forfeit firearms used in GCA violations. In addition, the Government must begin forfeiture proceedings within 120 days of seizure.
- **Machineguns** FOPA banned the manufacture of machineguns for civilian use.

Gun Free School Zones Act

In response to several multiple school shootings, Congress enacted the Gun Free School Zones Act in 1990, which made it unlawful for anyone to possess a firearm within 1000 feet of a school. The Gun Free School Zones Act was held unconstitutional by the Supreme Court in Lopez v. United States, 514 U.S. 549 (1995), because the Act lacked a sufficient connection to interstate commerce. Congress amended the Act in 1996 to remedy this flaw by requiring that the firearm move in, or otherwise affect, interstate commerce.

The Brady Handgun Violence Prevention Act of 1993

Before purchasing a firearm from an FFL, an unlicensed gun buyer is required to complete ATF Form 4473, the “Firearm Transaction Record.” Form 4473 requires gun purchasers to provide their name, address, and date of birth, and answer a series of questions designed to ensure that they are not prohibited from receiving a firearm under Federal law. Gun purchasers are required to certify, under penalty of perjury, that the answers to these questions are correct. Prior to the enactment of the Brady Act on November 30, 1993, no system under Federal law existed for confirming the truthfulness of information on Form 4473. Consequently, a convicted felon could purchase a firearm from an FFL simply by lying on Form 4473 about prior felony convictions. The Brady Act was enacted in part to allow FFLs to verify the statements provided by a prospective purchaser of a firearm.

The Brady Act was implemented in two stages: an interim stage and a permanent stage. The interim provisions of the Brady Act went into effect on February 28, 1994. Under interim Brady, FFLs were generally required to submit a “Brady form” to a chief law enforcement officer (CLEO), who would conduct a background check on every prospective purchaser of a handgun. The FFL could proceed with the transfer if the CLEO informed the FFL that he or she had no information indicating that the purchaser’s possession of the handgun would violate Federal, State, or local law, or if the CLEO provided no response within five business days of receiving the Brady form.¹³

The permanent provisions of the Brady Act went into effect on November 30, 1998. As part of permanent Brady, the Attorney General was charged with establishing a National Instant Criminal Background Check System (NICS). This system is run by the Federal Bureau of Investigation and is used to conduct background checks on firearm purchasers.

¹³ Although the Supreme Court struck down part of interim Brady in Printz v. United States, 521 U.S. 898 (1997), finding the background check requirement imposed on CLEOs unconstitutionally compelled state officers to execute Federal laws, most CLEOs continued to voluntarily do background checks.

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The Brady Handgun Violence Prevention Act of 1993

Before purchasing a firearm from an FFL, an unlicensed gun buyer is required to complete ATF Form 4473, the “Firearm Transaction Record.” Form 4473 requires gun purchasers to provide their name, address, and date of birth, and answer a series of questions designed to ensure that they are not prohibited from receiving a firearm under Federal law. Gun purchasers are required to certify, under penalty of perjury, that the answers to these questions are correct. Prior to the enactment of the Brady Act on November 30, 1993, no system under Federal law existed for confirming the truthfulness of information on Form 4473. Consequently, a convicted felon could purchase a firearm from an FFL simply by lying on Form 4473 about prior felony convictions. The Brady Act was enacted in part to allow FFLs to verify the statements provided by a prospective purchaser of a firearm.

The Brady Act was implemented in two stages: an interim stage and a permanent stage. The interim provisions of the Brady Act went into effect on February 28, 1994. Under interim Brady, FFLs were generally required to submit a “Brady form” to a chief law enforcement officer (CLEO), who would conduct a background check on every prospective purchaser of a handgun. The FFL could proceed with the transfer if the CLEO informed the FFL that he or she had no information indicating that the purchaser’s possession of the handgun would violate Federal, State, or local law, or if the CLEO provided no response within five business days of receiving the Brady form.¹³

The permanent provisions of the Brady Act went into effect on November 30, 1998. As part of permanent Brady, the Attorney General was charged with establishing a National Instant Criminal Background Check System (NICS). This system is run by the Federal Bureau of Investigation and is used to conduct background checks on firearm purchasers.

¹³ Although the Supreme Court struck down part of interim Brady in *Printz v. United States*, 521 U.S. 898 (1997), finding the background check requirement imposed on CLEOs unconstitutionally compelled state officers to execute Federal laws, most CLEOs continued to voluntarily do background checks.

Unlike interim Brady, permanent Brady applies to all firearms, not simply handguns. In general, FFLs are required to contact NICS before transferring any firearm to an unlicensed individual. If NICS provides an "approved" response, the FFL may transfer the firearm. If the FFL does not get a "denied" response from NICS within three business days, indicating receipt of the firearm by the prospective purchaser would be in violation of law, the firearm may be transferred to the purchaser.

The Brady Act also increased the FFL's licensing fee from \$10 per year to \$200 for the first three years, and \$90 for each three-year renewal.

Violent Crime Control and Law Enforcement Act of 1994

On September 13, 1994, Congress passed the Violent Crime Control and Law Enforcement Act of 1994,¹⁴ which made it unlawful, with certain exceptions, to manufacture, transfer, or possess semiautomatic assault weapons not lawfully possessed on the date of enactment.¹⁵ The statute defined semiautomatic assault weapons to include 19 named models of firearms (or copies or duplicates of the firearms in any caliber); semiautomatic rifles that have the ability to accept detachable magazines and have at least two of five features specified in the

law; semiautomatic pistols that have the ability to accept detachable magazines and have at least two of five features specified in the law; and semiautomatic shotguns that have at least two of four features specified in the law.¹⁶

The 1994 law also made it generally unlawful to possess and transfer large capacity ammunition feeding devices manufactured after September 13, 1994.¹⁷ A large capacity ammunition feeding device was generally defined as a magazine, belt, drum, feed strip, or similar device that has the capacity of, or that can be readily restored or converted to accept, more than 10 rounds of ammunition.¹⁸

Congress passed these provisions of the 1994 law in response to the use of semiautomatic assault weapons and large capacity ammunition feeding devices in crime. Congress had been presented with much evidence demonstrating that these weapons were "the weapons of choice among drug dealers, criminal gangs, hate groups, and mentally deranged persons bent on mass murder."¹⁹

The 1994 Act also required people applying for Federal firearm licenses to submit photographs and fingerprints as part of their application, and to certify that their firearms business complied with all state and local laws, including zoning regulations.

¹⁴ Pub. L. No. 103-22. Title XI, Subtitle A of this Act may be cited as the "Public Safety and Recreational Firearms Use Protection Act."

¹⁵ 18 U.S.C. § 922(v).

¹⁶ 18 U.S.C. § 921(a)(30).

¹⁷ 18 U.S.C. § 922(w).

¹⁸ 18 U.S.C. § 921(a)(31).

¹⁹ H. Rep. No. 103-489, at 13.

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B

Appendix C

CATEGORIES OF FEDERAL FIREARMS LICENSEES

Under the Gun Control Act of 1968, there are currently nine different categories of federal firearms licenses, each affording the holder certain privileges and imposing certain responsibilities.

The **Type 01-Dealer license** is the most common type of federal firearms license. It applies to individuals who purchase firearms for resale to law enforcement agencies, the general public or other licensees. Dealers are required to be "engaged in the business" of buying and selling firearms with the principal objective of livelihood or profit. A Type 01 license will not be issued merely to enhance a personal gun collection. However, some Type 01 dealers operate as gunsmiths, receiving and repairing firearms for others. Dealers are required to maintain certain receipt and sale records (chiefly, a written acquisition/disposition logbook and firearms transaction records), which are subject to a regulatory compliance inspection by ATF every 12 months. Dealers may receive firearms through the mail and may sell a shotgun or rifle to residents of states other than the state they are licensed in, if the sale is legal in both states. The dealer's license is specific to a location and the dealer must maintain regular business hours at that location.

The **Type 02 Pawnbroker license** gives pawnbrokers all the rights and responsibilities of a Type 01 dealer, and in addition, authorizes pawnbrokers to receive firearms "in pawn" as collateral for loans.

The **Type 03 Collector license** allows the holder to receive and sell (across state lines) only firearms classified as "curios and relics" under the Gun Control Act. Collector licensees have no special privileges with regard to firearms that are not curios or relics. Curios and relics are defined as items of special interest to collectors by reason of some quality other than a quality associated with sporting or defensive weapons. To be considered a curio or relic, a firearm must 1) have been manufactured at least fifty years ago, 2) be certified by the curator of a municipal, state or federal museum that exhibits firearms to be curio or relics of museum interest, or 3) derive a substantial amount of their monetary value from the fact that they are novel, rare, bizarre or associated with some historical event, period or figure. ATF may inspect the inventory and records of a li-

censed collector in a warrantless inspection once during a 12-month period to ensure compliance with GCA record keeping requirements. However, at the collector's option, the compliance inspection may be conducted at an ATF office. Collectors do not have to complete Form 4473 before transferring a curio or relic firearm, but must maintain a logbook that includes purchaser information.

Type 04 and 05 licenses are reserved.

The **Type 06 Ammunition Manufacturer license** applies to manufacturers of ammunition for resale. Ammunition manufacturers are required to maintain only normal commercial records and pay an excise tax on their ammunition directly to ATF. Ammunition manufacturers typically sell to licensed dealers, but may sell directly to the public.

The **Type 07 Firearms Manufacturer license** applies to manufacturers who make firearms for resale. Firearms manufacturers maintain the same general type of logbook kept by dealers and also pay an excise tax on the weapons they manufacture (10% or 11% of the sale price) directly to ATF. Manufacturers of firearms typically sell to licensed dealers, but may sell directly to the public if they prepare and retain firearms transaction records.

The **Type 08 Importer license** applies to importers of firearms or ammunition. Importers must maintain the same general type of logbook kept by dealers and also pay an excise tax directly to ATF on the firearms or ammunition they import. Importers of firearms typically sell to licensed dealers, but may sell directly to the public if they prepare and maintain firearms transaction records. Ammunition importers may sell directly to the public and need not maintain transaction records.

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OMB No. 1512-0509 (04/30/98)

DEPARTMENT OF THE TREASURY BUREAU OF ALCOHOL, TOBACCO AND FIREARMS		FOR ATF USE ONLY	
FEDERAL FIREARMS AND AMMUNITION EXCISE TAX DEPOSIT		UNDERPAY	
		PENALTY	
1. CALENDAR QUARTER (Check one)		TOTAL	
<input type="checkbox"/> JANUARY - MARCH <input type="checkbox"/> APRIL - JUNE <input type="checkbox"/> JULY - SEPTEMBER <input type="checkbox"/> OCTOBER - DECEMBER		EXAMINED BY: DATE:	
		OTHER	
2. CALENDAR YEAR		3. TAXPAYER IDENTIFICATION NUMBER (Employer or Social Security)	
4. AMOUNT OF DEPOSIT	5. DEPOSIT IS MADE BY (Check one)		
\$	<input type="checkbox"/> CHECK OR MONEY ORDER <input type="checkbox"/> EFT (Electronic fund transfer) <input type="checkbox"/> OTHER (Specify)		
6. NAME, TRADE NAME AND ADDRESS OF TAXPAYER (Include number, street, city, State and ZIP Code)		7. DAYTIME TELEPHONE NUMBER (Include area code) OF NEW TAXPAYER OR IF YOUR NUMBER CHANGED.	
<input type="checkbox"/> CHECK THIS BOX IF THERE IS ANY CHANGE IN THIS INFORMATION			

INSTRUCTIONS

1. **GENERAL.** Use this form to deposit firearms and ammunition excise tax (26 U.S.C. 4181). Your excise tax liability for firearms and ammunition is reportable on ATF Form 5300.26, Federal Firearms and Ammunition Excise Tax Return.
2. **WHO MUST DEPOSIT.** If you will be filing a one-time or occasional return (ATF Form 5300.26) because you are not engaged in any trade or business covered by the return, deposits are not required. If ATF has informed you, in writing, to file semimonthly returns, do not make deposits. Otherwise, make deposits if you will have a tax liability of more than \$2,000 for a calendar quarter (January to March, April to June, July to September, and October to December).
3. **HOW TO DETERMINE TAX LIABILITY.** Complete ATF Form 5300.26 to determine the amount of tax liability. The tax period on which you base your calculations will depend on how often and what rule you follow to deposit tax as explained instruction 4. You may include any overpayment which you designate on ATF Form 5300.26 to be applied against your next tax return. Also, you may include the excess amount of any prior deposit for the same calendar quarter.
4. **HOW OFTEN AND HOW MUCH TO DEPOSIT.**
 - a. **General Rule.** Make your first deposit beginning with the period in which your tax liability exceeds \$2,000 for the calendar quarter. The periods for the calendar quarter are semimonthly (first 15 days and the 16th through the last day of a calendar month) except the period of September 16 through 30. For September 16-30, there are two deposit periods, September 16-25 and September 26 through 30.

The amount of your deposit for the first deposit of the calendar quarter must be at least equal to the unpaid tax liability. Subsequent deposits must be at least equal to the amount of the tax liability incurred for the period.

If you expect your tax liability will exceed \$2,000 during the calendar quarter, you may be able to use the look-back quarter or first-time filer rules.
 - b. **Look-back quarter rule.** The look-back quarter is the second preceding calendar quarter. For example, the look-back quarter for July through September 1995 is January through March 1995. Except for September 16-30, make a deposit for each semimonthly period in an amount which is at least 1/6 of the tax liability for the look-back quarter. For each of the periods of September 16-25 and September 26-30, make a deposit in an amount which is at least 1/12 of the tax liability for the look-back quarter. You may still use this rule even if you did not file a return for the look-back quarter; however, you must have incurred tax and filed a return (ATF Form 5300.26) for your business or trade in a preceding the look-back quarter.

If any deposit during a calendar quarter is made late, or if tax due for the return for the calendar quarter, you cannot use this rule. Also, ATF may withdraw your right to make look-back quarter deposits for failure to comply with deposit requirements.
 - c. **First-time filer.** A first-time filer has never filed a return (ATF Form 5300.26) or has only filed a one-time or occasional return. A first-time filer also has not been engaged in business or trade covered by the return. If you are a first-time filer, make a deposit in an amount not less than 95 percent of your tax liability for each semimonthly period. The periods are semimonthly except for the period of September 16-30 which is split into two periods, September 16-25 and September 26-30.

You cannot use this rule if any semimonthly deposit is made late or if you pay tax late due on the return for the calendar quarter.
5. **WHEN DEPOSITS ARE DUE.** If a due date falls on a Saturday, Sunday or legal holiday, the date becomes the next succeeding day which is not a Saturday, Sunday or legal holiday. This rule does not apply to the tax deposit for the period September 16-25.
 - a. **Semimonthly.** Deposit by the 9th day following the end of the semimonthly period except September 16-30. For example, the deposit for the first semimonthly period of March (1-15) must be made by March 24. The deposit for the second semimonthly period of March (16-31) must be made by April 9.
 - b. **September 16 through 25.** Deposit by the September 28 of the same month. If September 28 is a Saturday, the deposit is due Friday, September 27. If September 28 is a Sunday, the deposit is due Monday, September 29.
 - c. **September 26 through 30.** Deposit by the following October 9.
6. **LATE DEPOSIT, UNDERPAYMENT, AND PENALTY.** Except in the case of deposits of \$20,000 or more, a deposit which is properly addressed and mailed will be considered timely if the U.S. Postal Service postmark is at least 2 or more days before the due date for the

ATF Form 5300.27 (3-97) PREVIOUS EDITIONS ARE OBSOLETE

OMB No. 1512-0509 (04/30/98)

DEPARTMENT OF THE TREASURY BUREAU OF ALCOHOL, TOBACCO AND FIREARMS		FOR ATF USE ONLY	
FEDERAL FIREARMS AND AMMUNITION EXCISE TAX DEPOSIT		UNDERPAY	
		PENALTY	
1. CALENDAR QUARTER (Check one)		TOTAL	
<input type="checkbox"/> JANUARY - MARCH <input type="checkbox"/> APRIL - JUNE <input type="checkbox"/> JULY - SEPTEMBER <input type="checkbox"/> OCTOBER - DECEMBER		EXAMINED BY: _____ DATE: _____	
		OTHER _____	
2. CALENDAR YEAR		3. TAXPAYER IDENTIFICATION NUMBER (Employer or Social Security)	
4. AMOUNT OF DEPOSIT		5. DEPOSIT IS MADE BY (Check one)	
\$ _____		<input type="checkbox"/> CHECK OR MONEY ORDER <input type="checkbox"/> EFT (Electronic fund transfer) <input type="checkbox"/> OTHER (Specify) _____	
6. NAME, TRADE NAME AND ADDRESS OF TAXPAYER (Include number, street, city, State and ZIP Code)		7. DAYTIME TELEPHONE NUMBER (Include area code) OF NEW TAXPAYER OR IF YOUR NUMBER CHANGED.	
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3. **HOW TO DETERMINE TAX LIABILITY.** Complete ATF Form 5300.26 to determine the amount of tax liability. The tax period on which you base your calculations will depend on how often and what rule you follow to deposit tax as explained instruction 4. You may include any overpayment which you designate on ATF Form 5300.26 to be applied against your next tax return. Also, you may include the excess amount of any prior deposit for the same calendar quarter.
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You cannot use this rule if any semimonthly deposit is made late or if you pay tax late due on the return for the calendar quarter.
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ATF Form 5300.27 (3-97) PREVIOUS EDITIONS ARE OBSOLETE

OMB. No. 1512-0507 (03/31/2002)

<p>DEPARTMENT OF THE TREASURY BUREAU OF ALCOHOL, TOBACCO AND FIREARMS FEDERAL FIREARMS AND AMMUNITION EXCISE TAX RETURN <i>(Prepare in Duplicate - See Attached Instructions)</i></p>	<p>FOR ATF USE ONLY</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>TAX</td><td>\$</td></tr> <tr><td>PENALTY</td><td>\$</td></tr> <tr><td>INTEREST</td><td>\$</td></tr> <tr><td>TOTAL</td><td>\$</td></tr> <tr><td>EXAMINED BY:</td><td>DATE:</td></tr> <tr><td>OTHER</td><td></td></tr> </table>	TAX	\$	PENALTY	\$	INTEREST	\$	TOTAL	\$	EXAMINED BY:	DATE:	OTHER	
TAX	\$												
PENALTY	\$												
INTEREST	\$												
TOTAL	\$												
EXAMINED BY:	DATE:												
OTHER													

PART I - GENERAL

<p>1. NAME, TRADE OR BUSINESS NAME, AND ADDRESS (mailing and location) OF TAXPAYER (number, street, city, State and ZIP Code)</p>	<p>2. TELEPHONE NUMBER (If new taxpayer, or if your phone number changed)</p>
<p>3. EMPLOYER IDENTIFICATION NUMBER, OR IF FILING ONE-TIME OR OCCASIONAL RETURN, SOCIAL SECURITY NUMBER</p>	
<p>4. IF FINAL, ONE-TIME OR OCCASIONAL RETURN (see instruction 9), CHECK THIS BOX <input type="checkbox"/></p>	
<p>5. PAYMENT, IF ANY, FOR THIS RETURN MADE BY: <input type="checkbox"/> CHECK OR <input type="checkbox"/> EFT <input type="checkbox"/> OTHER (Specify) _____ MONEY ORDER</p>	
<p><input type="checkbox"/> CHECK IF ABOVE INFORMATION HAS CHANGED SINCE FILING LAST RETURN.</p>	

PART II - COMPUTATION OF TAX ON SALES OR USES DURING TAX PERIOD

6. TAX PERIOD (see instruction 3) STARTS ON ____/____/____ AND ENDS ON ____/____/____
 (month, day, year) (month, day, year)

TOTALS DURING TAX PERIOD	PISTOLS AND REVOLVERS	OTHER FIREARMS	SHELLS AND CARTRIDGES
7. ALL ARTICLES SOLD by sale price	\$	\$	\$
8. ARTICLES SOLD TAX-FREE OR TAX EXEMPT by sale price			
9. TAXABLE SALES (line 7 minus line 8)			
10. NET ADJUSTMENTS TO SALE PRICE OF TAXABLE SALES MADE DURING PERIOD (show decrease in parentheses)			
11. ADJUSTED TAXABLE SALES (line 9 plus or minus line 10)			
12. TAXABLE USE OF ARTICLES by taxable sale price			
13. TAXABLE AMOUNT OF SALES AND USES (line 11 plus line 12)			
14. TAX RATE	10%	11%	11%
15. AMOUNT OF TAX (multiply line 13 by line 14)	\$	\$	\$

PART III - COMPUTATION OF TAX LIABILITY FOR TAX PERIOD

16. TOTAL OF AMOUNTS FROM LINE 15	\$
17. ADJUSTMENTS INCREASING AMOUNT DUE (line 33, Schedule B)	\$
18. GROSS TAX DUE (line 16 plus line 17)	\$
19. ADJUSTMENTS DECREASING AMOUNT DUE (line 39, Schedule C) (Cannot be more than the amount on line 18.)	\$
20. NET TAX LIABILITY (Line 18 minus line 19. Should agree with line 27, Schedule A. Cannot be less than zero.)	\$
21. TOTAL DEPOSITS FOR TAX PERIOD	\$
▶ COMPARE LINE 20 TO LINE 21 AND COMPLETE LINE 22 OR 23 AS APPLICABLE ◀	
22. BALANCE OF TAX DUE (amount that line 20 exceeds line 21)	\$
23. CHECK WHAT YOU WANT DONE WITH THE AMOUNT THAT LINE 21 EXCEEDS LINE 20. <input type="checkbox"/> REFUND TO ME OR <input type="checkbox"/> APPLY TO MY NEXT TAX RETURN (show in Schedule C of next tax return)	\$

ATF F 5300.26 (3-99) PREVIOUS EDITION MAY BE USED

<p>DEPARTMENT OF THE TREASURY BUREAU OF ALCOHOL, TOBACCO AND FIREARMS FEDERAL FIREARMS AND AMMUNITION EXCISE TAX RETURN <i>(Prepare in Duplicate - See Attached Instructions)</i></p>	<p>FOR ATF USE ONLY</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>TAX \$</td></tr> <tr><td>PENALTY \$)</td></tr> <tr><td>INTEREST \$</td></tr> <tr><td>TOTAL \$</td></tr> <tr><td>EXAMINED BY: _____ DATE: _____</td></tr> <tr><td>OTHER _____</td></tr> </table>	TAX \$	PENALTY \$)	INTEREST \$	TOTAL \$	EXAMINED BY: _____ DATE: _____	OTHER _____
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INTEREST \$							
TOTAL \$							
EXAMINED BY: _____ DATE: _____							
OTHER _____							

PART I - GENERAL

<p>1. NAME, TRADE OR BUSINESS NAME, AND ADDRESS (mailing and location) OF TAXPAYER (number, street, city, State and ZIP Code)</p>	<p>2. TELEPHONE NUMBER (if new taxpayer, or if your phone number changed)</p> <p>3. EMPLOYER IDENTIFICATION NUMBER, OR IF FILING ONE-TIME OR OCCASIONAL RETURN, SOCIAL SECURITY NUMBER</p> <p>4. IF FINAL, ONE-TIME OR OCCASIONAL RETURN (see instruction 9), CHECK THIS BOX <input type="checkbox"/></p> <p>5. PAYMENT, IF ANY, FOR THIS RETURN MADE BY: <input type="checkbox"/> CHECK OR <input type="checkbox"/> EFT <input type="checkbox"/> OTHER (Specify) _____</p>
<p><input type="checkbox"/> CHECK IF ABOVE INFORMATION HAS CHANGED SINCE FILING LAST RETURN.</p>	

PART II - COMPUTATION OF TAX ON SALES OR USES DURING TAX PERIOD

6. TAX PERIOD (see instruction 3) STARTS ON ____/____/____ AND ENDS ON ____/____/____
(month, day, year) (month, day, year)

TOTALS DURING TAX PERIOD	PISTOLS AND REVOLVERS	OTHER FIREARMS	SHELLS AND CARTRIDGES
7. ALL ARTICLES SOLD by sale price	\$	\$	\$
8. ARTICLES SOLD TAX-FREE OR TAX EXEMPT by sale price			
9. TAXABLE SALES (line 7 minus line 8)			
10. NET ADJUSTMENTS TO SALE PRICE OF TAXABLE SALES MADE DURING PERIOD (show decrease in parentheses)			
11. ADJUSTED TAXABLE SALES (line 9 plus or minus line 10)			
12. TAXABLE USE OF ARTICLES by taxable sale price			
13. TAXABLE AMOUNT OF SALES AND USES (line 11 plus line 12)			
14. TAX RATE	10%	11%	11%
15. AMOUNT OF TAX (multiply line 13 by line 14)	\$	\$	\$

PART III - COMPUTATION OF TAX LIABILITY FOR TAX PERIOD

16. TOTAL OF AMOUNTS FROM LINE 15	\$
17. ADJUSTMENTS INCREASING AMOUNT DUE (line 33, Schedule B)	\$
18. GROSS TAX DUE (line 16 plus line 17)	\$
19. ADJUSTMENTS DECREASING AMOUNT DUE (line 39, Schedule C) (Cannot be more than the amount on line 18.)	\$
20. NET TAX LIABILITY (Line 18 minus line 19. Should agree with line 27, Schedule A. Cannot be less than zero.)	\$
21. TOTAL DEPOSITS FOR TAX PERIOD	\$
▶ COMPARE LINE 20 TO LINE 21 AND COMPLETE LINE 22 OR 23 AS APPLICABLE ◀	
22. BALANCE OF TAX DUE (amount that line 20 exceeds line 21)	\$
23. CHECK WHAT YOU WANT DONE WITH THE AMOUNT THAT LINE 21 EXCEEDS LINE 20. <input type="checkbox"/> REFUND TO ME OR <input type="checkbox"/> APPLY TO MY NEXT TAX RETURN (show in Schedule C of next tax return)	\$

ATF F 5300.26 (3-99) PREVIOUS EDITION MAY BE USED

SCHEDULE A - STATEMENT OF NET TAX LIABILITY DURING TAX PERIOD

DEPOSIT PERIOD (a)	NET TAX LIABILITY (b)	DEPOSIT PERIOD (a)	NET TAX LIABILITY (b)
24. FIRST MONTH Day 1 through 15 Day 16 through last day	\$ _____ \$ _____	26. THIRD MONTH Day 1 through 15 Day 16 through last day*	\$ _____ \$ _____
25. SECOND MONTH Day 1 through 15 Day 16 through last day	\$ _____ \$ _____	27. TOTAL OF COLUMN (b)	\$ _____ \$ _____

*For the period of September 16-30, show a separate amount for September 16-25 and September 26-30.

SCHEDULE B - EXPLANATION OF INCREASING ADJUSTMENTS

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	(d) PENALTY
28.	\$ _____	\$ _____	\$ _____
29.			
30.			
31.			
32. TOTALS OF COLUMNS (b), (c) and (d)	\$ _____	\$ _____	\$ _____
33. TOTAL ADJUSTMENTS INCREASING AMOUNT DUE (line 32, col. (b) plus cols. (c) and (d)):			\$ _____

SCHEDULE C - EXPLANATION OF DECREASING ADJUSTMENTS

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS	
	(b) TAX	(c) INTEREST
34.	\$ _____	\$ _____
35.		
36.		
37.		
38. TOTALS OF COLUMNS (b), (c) and (d)	\$ _____	\$ _____
39. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (line 38, col. (b) plus cols. (c)):		\$ _____

CERTIFICATION

The tax in schedule C for overpayments other than under 26 U.S.C. Sections 6416(b)(1), (2), (3) and (5), shown on this tax return: (1) has not been included in the price of the article with respect to which it was imposed nor collected from a vendee and for which I have identified the nature of evidence available to establish this fact; or (2) has been repaid to the ultimate purchaser of the article by me.

The tax in schedule C for overpayments under 26 U.S.C. Section 6416(b)(1) for certain price readjustments, section 6416(b)(2) for certain uses, sales or resales of a taxable article or section 6416(b)(3) on tax-paid articles used for further manufacture: (1) has not been included in the price of the article with respect to which it was imposed nor collected from a vendee and for which I have identified the nature of evidence available to establish this fact; or authorized official, the written consent of the ultimate vendor to the allowance of the credit.

The tax in schedule C for overpayments under 26 U.S.C. Section 6416(b)(5) for return of installment accounts has been repaid or credited to the purchaser upon return of the account to me pursuant to the original sales agreement of the account.

Under penalties of perjury I declare that I have examined this return (including any accompanying explanations, statements, schedules and forms) and to the best of my knowledge and belief it is true, correct, and includes all transactions and tax liabilities required by law or regulations to be reported.

40. DATE:	41. SIGNATURE	41. TITLE
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ATF F 5300.26 (3-99)

SCHEDULE A - STATEMENT OF NET TAX LIABILITY DURING TAX PERIOD

DEPOSIT PERIOD (a)	NET TAX LIABILITY (b)	DEPOSIT PERIOD (a)	NET TAX LIABILITY (b)
24. FIRST MONTH Day 1 through 15 Day 16 through last day	\$ _____ \$ _____	26. THIRD MONTH Day 1 through 15 Day 16 through last day*	\$ _____ \$ _____
25. SECOND MONTH Day 1 through 15 Day 16 through last day	\$ _____ \$ _____	27. TOTAL OF COLUMN (b)	\$ _____ \$ _____

*For the period of September 16-30, show a separate amount for September 16-25 and September 26-30.

SCHEDULE B - EXPLANATION OF INCREASING ADJUSTMENTS

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS		
	(b) TAX	(c) INTEREST	(d) PENALTY
28.	\$ _____	\$ _____	\$ _____
29.			
30.			
31.			
32. TOTALS OF COLUMNS (b), (c) and (d)	\$ _____	\$ _____	\$ _____
33. TOTAL ADJUSTMENTS INCREASING AMOUNT DUE (line 32, col. (b) plus cols. (c) and (d)):			\$ _____

SCHEDULE C - EXPLANATION OF DECREASING ADJUSTMENTS

EXPLANATION OF INDIVIDUAL ERRORS OR TRANSACTIONS (a)	AMOUNT OF ADJUSTMENTS	
	(b) TAX	(c) INTEREST
34.	\$ _____	\$ _____
35.		
36.		
37.		
38. TOTALS OF COLUMNS (b), (c) and (d)	\$ _____	\$ _____
39. TOTAL ADJUSTMENTS DECREASING AMOUNT DUE (line 38, col. (b) plus cols. (c)):		\$ _____

CERTIFICATION

The tax in schedule C for overpayments other than under 26 U.S.C. Sections 6416(b)(1), (2), (3) and (5), shown on this tax return: (1) has not been included in the price of the article with respect to which it was imposed nor collected from a vendee and for which I have identified the nature of evidence available to establish this fact; or (2) has been repaid to the ultimate purchaser of the article by me.

The tax in schedule C for overpayments under 26 U.S.C. Section 6416(b)(1) for certain price readjustments, section 6416(b)(2) for certain uses, sales or resales of a taxable article or section 6416(b)(3) on tax-paid articles used for further manufacture: (1) has not been included in the price of the article with respect to which it was imposed nor collected from a vendee and for which I have identified the nature of evidence available to establish this fact; or authorized official, the written consent of the ultimate vendor to the allowance of the credit.

The tax in schedule C for overpayments under 26 U.S.C. Section 6416(b)(5) for return of installment accounts has been repaid or credited to the purchaser upon return of the account to me pursuant to the original sales agreement of the account.

Under penalties of perjury I declare that I have examined this return (including any accompanying explanations, statements, schedules and forms) and to the best of my knowledge and belief it is true, correct, and includes all transactions and tax liabilities required by law or regulations to be reported.

40. DATE:	41. SIGNATURE	41. TITLE
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ATF F 5300.26 (3-99)

GENERAL INSTRUCTIONS

1. **GENERAL.** Liability for the manufacturers excise tax under 26 U.S.C. 4131 (pistols, revolvers other firearms, and shells and cartridges) is reported using this form. tax is imposed on the sale or use of firearms or ammunition by the manufacturer or importer.
2. **HOW TO PREPARE.** Follow all the instructions and complete this form in duplicate. Complete each part and schedule of this return. If not applicable, write 101 or none. Be sure to sign your return. Keep a copy for your records for at least 3 years. Use blank sheets if additional space is needed. Mark each sheet with your name, employer identification or social security number, the tax return period and the item number.
3. **HOW OFTEN AND WHEN TO FILE.** If a filing date of a return falls on a Saturday, Sunday or legal holiday, the filing date becomes the next succeeding day which is not a Saturday, Sunday or legal holiday. Also, a taxpayer may apply to extend the filing date on ATF F 5600.38 because of temporary conditions beyond the taxpayer's control.
 - a. **Quarterly.** You are generally required to file a return for a calendar quarter in which a tax liability is incurred. Calendar quarters are 3-month periods ending March 31, June 30, September 30, and December 31. However, you are not required to file a return for a calendar quarter in which no tax liability has been incurred.

A calendar quarter return is due no later than 1 month after the end of that quarter (April 30, July 31, October 31, and January 31). When you have made sufficient and timely deposits of tax (see instruction 6) for the return, an additional 10 days may be taken to file the return.
 - b. **Annually.** If you filed a return for this tax before but have not tax liability for an entire calendar year and have not filed a final return (see instruction 9); then your annual return is due not later than January 31st of this following year.
 - c. **Monthly or Semi-monthly.** File monthly or semi-monthly returns when ATF notifies you to do so in writing. A monthly return is due 15 days following the month, a semi-monthly period.
4. **WHERE AND HOW TO FILE.** Send this return to the address listed below that is appropriate for your principal place of business or of residence. Include your payment of the amount owed on line 22. Please make checks or money orders payable to the Bureau of Alcohol, Tobacco and Firearms and write your employer identification or social security number on all checks or money orders.

State of Your
Principal Place
of Business OR
Residence:

All states and DC

PR or VI

Send To:
Bureau of ATF
Excise Tax

P.O. Box 360804
Pittsburgh, PA 15251-6804

Federal Building, Room 659
Carlos Chardon Street
Hato Rey, PR 00918

5. **TIMELY FILING.** - A tax return and any accompanying payment will be considered timely filed if it is mailed by the due date. The official postmark of the U.S. Postal Service on the envelope or on the sender's receipt of certified mail is evidence of the date of mailing. Otherwise, the taxpayer has the burden of proving the date of filing.
6. **DEPOSITS OF TAX.** If you will be filing a one-time or occasional return because you are engaged in any trade or business covered by this return, deposits are not required. If ATF has informed you, in writing, to file semi-monthly returns, do not make deposits. Otherwise, make deposits if you will have a tax liability of more than \$2,000 for a calendar quarter. ATF F 5300.27 must accompany the tax deposit and refer to this form for additional instructions on how to make deposits.

7. **OVERPAYMENTS AND UNDERPAYMENTS.** Do not file amended returns for overpayments and underpayments or for any other reason. Tax overpayments may be claimed as credits in Schedule C or by filing a claim for refund on ATF F 2635 (5620.8). Tax overdeposited for a quarterly return can be refunded on that quarterly return on line 23. ATF Announcement 94-9 contains additional information about credits and refunds. Underpayments can be paid through an entry in Schedule B or according to the instructions of the appropriate ATF office listed in instruction 10.

The law provides for the payment of interest on underpayments and on some overpayments of tax. Compute interest, if applicable, at the rate prescribed by 26 U.S.C. 6821.

8. **RECORDS.** Every taxpayer must keep records to support all entries made on this return. Generally, records must be kept at least 3 years from the date the tax return is filed.
9. **FINAL RETURN.** If you permanently cease operations related to the return, check the box in line 4 and attach a statement of: (a) who (name) will keep the records; (b) the location (address) of the records; (c) whether the business was transferred to another person; and (d) to whom (name and address) the business was transferred. Also, if you making a one-time or occasional importation and are not engaged in any business related to the return, check the box in line 4.
10. **ADDITIONAL INFORMATION.** If you have questions about this tax return or need assistance, please contact the appropriate ATF office listed below.

State of Your
Principal Place
of Business OR
Residence:

All states and DC

PR or VI

Office to contact:
BATF

National Revenue Center
550 Main Street
Cincinnati, OH 45202-3263
513-684-3817 or 800-398-2282

Chief, Puerto Rico Operations
Federal Building, Room 659
Carlos Chardon Street
Hato Rey, PR 00918
809-786-5584

SPECIFIC INSTRUCTIONS

LINE 5. Payment of tax by EFT (electronic funds transfer) requires that you notify ATF. Refer to ATF P 5000.11.

PART II. Entries on the lines in Part II are limited to the sales and uses occurring during the tax period specified in line 6. You can use Schedule C to show tax decreases for sales or uses reported as taxable in this or previous tax returns that are resold for certain tax-free purposes or determined later to qualify as tax-free. Use Schedule B for tax on sales or uses that occurred in a previous tax period but were NOT included in the return for that period.

LINE 7. Enter the dollar amount of your total sales of taxable articles, including tax-exempt or tax-free sales during the tax period stated in line 6. Do not include articles of which you are not considered to be the manufacturer or importer for purposes of this excise tax. Except for leases and certain installments sales, you must include all sales even if your customers have not paid.

For most sales and taxpayers, the sale prices are stated on the invoices to their customers. This line should also include the dollar value of things other than money to be given in consideration for the article, such as services, personal property, and articles traded in.

GENERAL INSTRUCTIONS

1. **GENERAL.** Liability for the manufacturers excise tax under 28 U.S.C. 4181 (pistols, revolvers other firearms, and shells and cartridges) is reported using this form. tax is imposed on the sale or use of firearms or ammunition by the manufacturer or importer.
2. **HOW TO PREPARE.** Follow all the instructions and complete this form in duplicate. Complete each part and schedule of this return. If not applicable, write 0 or none. Be sure to sign your return. Keep a copy for your records for at least 3 years. Use blank sheets if additional space is needed. Mark each sheet with your name, employer identification or social security number, the tax return period and the item number.
3. **HOW OFTEN AND WHEN TO FILE.** If a filing date of a return falls on a Saturday, Sunday or legal holiday, the filing date becomes the next succeeding day which is not a Saturday, Sunday or legal holiday. Also, a taxpayer may apply to extend the filing date on ATF F 5800.38 because of temporary conditions beyond the taxpayer's control.
 - a. **Quarterly.** You are generally required to file a return for a calendar quarter in which a tax liability is incurred. Calendar quarters are 3-month periods ending March 31, June 30, September 30, and December 31. However, you are not required to file a return for a calendar quarter in which no tax liability has been incurred.

A calendar quarter return is due no later than 1 month after the end of that quarter (April 30, July 31, October 31, and January 31). When you have made sufficient and timely deposits of tax (see instruction 6) for the return, an additional 10 days may be taken to file the return.
 - b. **Annually.** If you filed a return for this tax before but have not tax liability for an entire calendar year and have not filed a final return (see instruction 9), then your annual return is due not later than January 31st of the following year.
 - c. **Monthly or Semi-monthly.** File monthly or semi-monthly returns when ATF notifies you to do so in writing. A monthly return is due 15 days following the month. a semi-monthly period.
4. **WHERE AND HOW TO FILE.** Send this return to the address listed below that is appropriate for your principal place of business or of residence. Include your payment of the amount owed on line 22. Please make checks or money orders payable to the Bureau of Alcohol, Tobacco and Firearms and write your employer identification or social security number on all checks or money orders.

State of Your Principal Place of Business OR Residence:	Send To: Bureau of ATF Excise Tax	
All states and DC	P.O. Box 360604 Pittsburgh, PA 15251-6804	Office to contact: BATF
PR or VI	Federal Building, Room 659 Carlos Chardon Street Hato Rey, PR 00918	National Revenue Center 550 Main Street Cincinnati, OH 45202-3263 513-684-3817 or 800-398-2282
7. **OVERPAYMENTS AND UNDERPAYMENTS.** Do not file amended returns for overpayments and underpayments or for any other reason. Tax overpayments may be claimed as credits in Schedule C or by filing a claim for refund on ATF F 2835 (5620.8). Tax overdeposited for a quarterly return can be refunded on that quarter's return on line 23. ATF Announcement 94-9 contains additional information about credits and refunds. Underpayments can be paid through an entry in Schedule B or according to the instructions of the appropriate ATF office listed in instruction 10.

The law provides for the payment of interest on underpayments and on some overpayments of tax. Compute interest, if applicable, at the rate prescribed by 28 U.S.C. 6621.
8. **RECORDS.** Every taxpayer must keep records to support all entries made on this return. Generally, records must be kept at least 3 years from the date the tax return is filed.
9. **FINAL RETURN.** If you permanently cease operations related to the return, check the box in line 4 and attach a statement of: (a) who (name) will keep the records; (b) the location (address) of the records; (c) whether the business was transferred to another person; and (d) to whom (name and address) the business was transferred. Also, if you making a one-time or occasional importation and are not engaged in any business related to the return, check the box in line 4.
10. **ADDITIONAL INFORMATION.** If you have questions about this tax return or need assistance, please contact the appropriate ATF office listed below.

State of Your Principal Place of Business OR Residence:		
All states and DC		Chief, Puerto Rico Operations Federal Building, Room 659 Carlos Chardon Street Hato Rey, PR 00918 809-768-5584
PR or VI		

SPECIFIC INSTRUCTIONS

5. **TIMELY FILING.** - A tax return and any accompanying payment will be considered timely filed if it is mailed by the due date. The official postmark of the U.S. Postal Service on the envelope or on the sender's receipt of certified mail is evidence of the date of mailing. Otherwise, the taxpayer has the burden of proving the date of filing.
 6. **DEPOSITS OF TAX.** If you will be filing a one-time or occasional return because you are engaged in any trade or business covered by this return, deposits are not required. If ATF has informed you, in writing, to file semi-monthly returns, do not make deposits. Otherwise, make deposits if you will have a tax liability of more than \$2,000 for a calendar quarter. ATF F 5300.27 must accompany the tax deposit and refer to this form for additional instructions on how to make deposits.
 - LINE 5.** Payment of tax by EFT (electronic funds transfer) requires that you notify ATF. Refer to ATF P 5000.11.
 - PART II.** Entries on the lines in Part II are limited to the sales and uses occurring during the tax period specified in line 6. You can use Schedule C to show tax decreases for sales or uses reported as taxable in this or previous tax returns that are resold for certain tax-free purposes or determined later to qualify as tax-free. Use Schedule B for tax on sales or uses that occurred in a previous tax period but were NOT included in the return for that period.
 - LINE 7.** Enter the dollar amount of your total sales of taxable articles, including tax-exempt or tax-free sales during the tax period stated in line 6. Do not include articles of which you are not considered to be the manufacturer or importer for purposes of this excise tax. Except for leases and certain installments sales, you must include all sales even if your customers have not paid.
- For most sales and taxpayers, the sale prices are stated on the invoices to their customers. This line should also include the dollar value of things other than money to be given in consideration for the article, such as services, personal property, and articles traded in.

ATF F 5300.26 (3-99)

Do not include the sale price of a non-taxable article unless it was sold as a unit with the taxable article. When a taxable article is sold as a unit with a non-taxable article (for example, a pistol and holster) or with extra parts or accessories, then enter the sale price of the unit. If a taxable sale, adjust the unit's sale price on line 10 to exclude the non-taxable article, part or accessory.

LINE 8. Enter the sale prices of all articles included in line 7 that you sold tax-free or tax-exempt. Do not include the sale of articles sold taxpaid to customers who later resell or use the articles for a tax-free purpose; however, you may take a credit in Schedule C or file a claim for refund.

You and your customer may need a Certificate of Tax-Free Registry (ATF F 5300.23). Refer to ATF Industry Circular 93-5 about selling articles tax-exempt or tax-free. Failure to follow requirements or to have a Certificate may result in additional taxes, penalties and interest.

LINE 10. Enter on line 10 the net amount of adjustments to the sale prices of taxable sales of line 9 during the tax return period.

Decreasing adjustments: are allowed for certain items if included in the sales price to your customer. 27 CFR 53.61(b), and 53.91-93 describe these exclusions from the sale price. These exclusions include the following items when included in the sales price of the article and not as a separate charge: this excise tax, certain expenses related to the transportation and delivery of articles to customers, carrying finance or service charges for credit sales, extra and identical parts, accessories, and non-taxable articles sold in combination with a taxable article. Also, price readjustments in the same tax period in which the sale occurs may also be taken in this line, as an adjustment to the tax in Schedule C, or used in determining the sales price (line 7).

Do not use line 10 to subtract the sales price, including excise tax, you paid to another manufacturer or importer. If you further manufacture articles on which excise tax was paid by another person, then a credit can be taken in Schedule C or a claim for refund may be filed.

Increasing adjustments. You may have to increase the sale price of an article from the amount shown on your invoice. Include any charge which is required to be paid as a condition of your sale of a taxable article and is not specifically excluded. Such charges may include warranty, tool and die, packing or special handling charges and taxes other than this excise tax. Refer to 267 CFR 53.91 for further information.

Constructive Sale Price. A decreasing or increasing adjustment to a sale price may be necessary because of the type of sale. Articles sold at retail, on consignment, or in sales not at arms length (for example, between affiliated companies) and at less than fair market value require constructive sale prices. Usually, the constructive sale price differs from the sales price at which you sold the article; therefore, an adjustment is necessary. Refer to 27 CFR 53.94-97.

LINE 12. Tax is imposed on your business use of taxable articles that you manufactured or imported. If you regularly sell the articles, compute the tax based on the lowest established wholesale price. Enter the sum of the prices for the articles used. Use, among other acts, includes loans of articles for display, demonstration or familiarization, or for further manufacture of an article not subject to any Federal manufacturers excise tax (26 U.S.C. Chapter 32). Refer to 27 CFR 53.111-115 and ATF Announcement 93-23.

LINE 19. The amount shown on line 19 cannot exceed the amount on line 18. Any excess should be carried over as a credit to your next tax return in Schedule C or claimed as a refund.

LINE 21. Enter the total amount of deposits made on ATF F 5300.27 for the tax return period.

LINE 22. Make checks or money orders payable to the Bureau of Alcohol, Tobacco and Firearms and write your employer identification or social security number on the check or money order.

SCHEDULE A. If you are required to deposit taxes (see general instruction 6), complete this schedule. Start entering your tax liability beginning with the period in which your unpaid tax liability exceeds \$2,000. For the remaining period(s) during the quarter, enter the tax liability based on what line 20 of this return would show if the return was completed just for that period. Adjustments (Schedules B and C) may not be made earlier than the period in which they arose.

SCHEDULES B AND C. Use these schedules to show underpayment of tax due on past returns or to claim credit for overpayments of tax paid or for authorized reductions of tax. The amount of credit claimed in Schedule C cannot exceed the amount on line 18. Carry over any excess credit to the next tax return or file ATF F 2635 for a refund.

Fully explain all entries in Schedules B and C. Any claim for credit must be explained sufficiently to determine the legitimacy and circumstances of the credit and must be supported by the evidence prescribed in 27 CFR Part 53 and 27 CFR 70.123.

LINES 41-42. If the taxpayer is an individual, the individual must sign. If the taxpayer is a corporation, the president, vice-president or other principal officer must sign. If the taxpayer is a partnership or other unincorporated organization, a responsible and authorized member officer having knowledge of its affairs, must sign. If the taxpayer is a trust or estate, the fiduciary must sign. An agent of the taxpayer may sign if an acceptable power of attorney is filed with the appropriate ATF office.

PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. The information collection is mandatory pursuant to 26 U.S.C. 6302. The purpose of this information collection is to correctly identify the taxpayer and to correctly credit the taxpayer's liability.

The estimated average burden associated with this collection of information is 7 hours per respondent. Comments concerning the accuracy of this burden should be directed to the Reports Management Officer, Document Services Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Do not include the sale price of a non-taxable article unless it was sold as a unit with the taxable article. When a taxable article is sold as a unit with a non-taxable article (for example, a pistol and holster) or with extra parts or accessories, then enter the sale price of the unit. If a taxable sale, adjust the unit's sale price on line 10 to exclude the non-taxable article, part or accessory.

LINE 8. Enter the sale prices of all articles included in line 7 that you sold tax-free or tax-exempt. Do not include the sale of articles sold taxpaid to customers who later resell or use the articles for a tax-free purpose; however, you may take a credit in Schedule C or file a claim for refund.

You and your customer may need a Certificate of Tax-Free Registry (ATF F 5300.28). Refer to ATF Industry Circular 93-5 about selling articles tax-exempt or tax-free. Failure to follow requirements or to have a Certificate may result in additional taxes, penalties and interest.

LINE 10. Enter on line 10 the net amount of adjustments to the sale prices of taxable sales of line 9 during the tax return period.

Decreasing adjustments are allowed for certain items if included in the sales price to your customer. 27 CFR 53.61(b), and 53.91-93 describe these exclusions from the sale price. These exclusions include the following items when included in the sales price of the article and not as a separate charge: this excise tax, certain expenses related to the transportation and delivery of articles to customers, carrying finance or service charges for credit sales, extra and identical parts, accessories, and non-taxable articles sold in combination with a taxable article. Also, price readjustments in the same tax period in which the sale occurs may also be taken in this line, as an adjustment to the tax in Schedule C, or used in determining the sales price (line 7).

Do not use line 10 to subtract the sales price, including excise tax, you paid to another manufacturer or importer. If you further manufacture articles on which excise tax was paid by another person, then a credit can be taken in Schedule C or a claim for refund may be filed.

Increasing adjustments. You may have to increase the sale price of an article from the amount shown on your invoice. Include any charge which is required to be paid as a condition of your sale of a taxable article and is not specifically excluded. Such charges may include warranty, tool and die, packing or special handling charges and taxes other than this excise tax. Refer to 267 CFR 53.91 for further information.

Constructive Sale Price. A decreasing or increasing adjustment to a sale price may be necessary because of the type of sale. Articles sold at retail, on consignment, or in sales not at arms length (for example, between affiliated companies) and at less than fair market value require constructive sale prices. Usually, the constructive sale price differs from the sales price at which you sold the article; therefore, an adjustment is necessary. Refer to 27 CFR 53.94-97.

LINE 12. Tax is imposed on your business use of taxable articles that you manufactured or imported. If you regularly sell the articles, compute the tax based on the lowest established wholesale price. Enter the sum of the prices for the articles used. Use, among other acts, includes loans of articles for display, demonstration or familiarization, or for further manufacture of an article not subject to any Federal manufacturers excise tax (26 U.S.C. Chapter 32). Refer to 27 CFR 53.111-115 and ATF Announcement 93-23.

LINE 18. The amount shown on line 18 cannot exceed the amount on line 18. Any excess should be carried over as a credit to your next tax return in Schedule C or claimed as a refund.

LINE 21. Enter the total amount of deposits made on ATF F 5300.27 for the tax return period.

LINE 22. Make checks or money orders payable to the Bureau of Alcohol, Tobacco and Firearms and write your employer identification or social security number on the check or money order.

SCHEDULE A. If you are required to deposit taxes (see general instruction 6), complete this schedule. Start entering your tax liability beginning with the period in which your unpaid tax liability exceeds \$2,000. For the remaining period(s) during the quarter, enter the tax liability based on what line 20 of this return would show if the return was completed just for that period. Adjustments (Schedules B and C) may not be made earlier than the period in which they arose.

SCHEDULES B AND C. Use these schedules to show underpayment of tax due on past returns or to claim credit for overpayments of tax paid or for authorized reductions of tax. The amount of credit claimed in Schedule C cannot exceed the amount on line 18. Carry over any excess credit to the next tax return or file ATF F 2635 for a refund.

Fully explain all entries in Schedules B and C. Any claim for credit must be explained sufficiently to determine the legitimacy and circumstances of the credit and must be supported by the evidence prescribed in 27 CFR Part 53 and 27 CFR 70.123.

LINE 41-42. If the taxpayer is an individual, the individual must sign. If the taxpayer is a corporation, the president, vice-president or other principal officer must sign. If the taxpayer is a partnership or other unincorporated organization, a responsible and authorized member officer having knowledge of its affairs, must sign. If the taxpayer is a trust or estate, the fiduciary must sign. An agent of the taxpayer may sign if an acceptable power of attorney is filed with the appropriate ATF office.

PAPERWORK REDUCTION ACT NOTICE

This request is in accordance with the Paperwork Reduction Act of 1995. The information collection is mandatory pursuant to 26 U.S.C. 6302. The purpose of this information collection is to correctly identify the taxpayer and to correctly credit the taxpayer's liability.

The estimated average burden associated with this collection of information is 7 hours per respondent. Comments concerning the accuracy of this burden should be directed to the Reports Management Officer, Document Services Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

**DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
ANNUAL FIREARMS MANUFACTURING AND EXPORTATION REPORT
UNDER 18 U.S.C. CHAPTER 44, FIREARMS**

(See Instructions on Reverse)

1. NAME OF LICENSEE	2. TRADE NAME <i>(If any)</i>
3. FEDERAL FIREARMS LICENSE NUMBER	4. EMPLOYER IDENTIFICATION NUMBER (EIN)
5. ADDRESS <i>(Number, street, city, state, ZIP Code)</i>	6. MAIL ADDRESS <i>(If different than item 5)</i>

7. REPORTING PERIOD OF THIS REPORT

a. ANNUAL FOR CALENDAR YEAR ENDING DECEMBER 31, 19 ____

OR, IF BUSINESS HAS BEEN DISCONTINUED

b. FINAL REPORT FOR THE PERIOD JANUARY 1, 19 ____ THROUGH ____

(Date of discontinuance)

8. NUMBER OF FIREARMS PRODUCED, BY TYPES, FOR THE PERIOD COVERED BY THIS REPORT
(See instructions on reverse) (If no manufacture was accomplished, enter 101)

TYPE OF FIREARM PRODUCED	NUMBER OF FIREARMS PRODUCED BY CALIBERS <i>(pistols and revolvers only)</i>						TOTAL PRODUCTION
	TO .22	TO .25	TO .32	TO .380	TO 9MM PARA.	TO .50	
a. PISTOL							
	TO .22	TO .32	TO .38 SPEC.	TO .357 MAG.	TO .44 MAG.	TO .50	
b. REVOLVERS							
c. RIFLES							
d. SHOTGUNS AND COMBINATION GUNS							
e. MACHINE GUNS							
f. ANY OTHER WEAPON <i>(NFA)</i>							
g. MISCELLANEOUS FIREARMS <i>(Identify type)</i>							

9. NUMBER OF FIREARMS, BY TYPES, FOR THE PERIOD COVERED BY THIS REPORT WHICH WERE EXPORTED
(If no exportation was accomplished, enter 101)

TYPES OF FIREARMS EXPORTED	QUANTITY	TYPES OF FIREARMS EXPORTED	QUANTITY
a. PISTOL		e. MACHINE GUNS	
b. REVOLVERS		f. ANY OTHER WEAPON <i>(NFA)</i>	
c. RIFLES		g. MISCELLANEOUS FIREARMS <i>(Identify type)</i>	
d. SHOTGUNS AND COMBINATION GUNS		h. [RESERVED]	

Under penalties of perjury, I declare that I have examined this report and, to the best of my knowledge and belief, it is true, correct and complete.

10. NAME	11. TITLE
12. SIGNATURE	13. TELEPHONE NUMBER
	14. DATE

ATF F 5300.11 (6-97) PREVIOUS EDITIONS ARE OBSOLETE

**DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO AND FIREARMS
ANNUAL FIREARMS MANUFACTURING AND EXPORTATION REPORT
UNDER 18 U.S.C. CHAPTER 44, FIREARMS**

(See Instructions on Reverse)

1. NAME OF LICENSEE	2. TRADE NAME <i>(If any)</i>
3. FEDERAL FIREARMS LICENSE NUMBER	4. EMPLOYER IDENTIFICATION NUMBER (EIN)
5. ADDRESS <i>(Number, street, city, state, ZIP Code)</i>	6. MAIL ADDRESS <i>(If different than item 5)</i>

7. REPORTING PERIOD OF THIS REPORT

a. ANNUAL FOR CALENDAR YEAR ENDING DECEMBER 31, 19 ____

OR, IF BUSINESS HAS BEEN DISCONTINUED

b. FINAL REPORT FOR THE PERIOD JANUARY 1, 19 ____ THROUGH ____

(Date of discontinuance)

8. NUMBER OF FIREARMS PRODUCED, BY TYPES, FOR THE PERIOD COVERED BY THIS REPORT
(See instructions on reverse) (If no manufacture was accomplished, enter 101)

TYPE OF FIREARM PRODUCED	NUMBER OF FIREARMS PRODUCED BY CALIBERS <i>(pistols and revolvers only)</i>						TOTAL PRODUCTION
	TO .22	TO .25	TO .32	TO .380	TO 9MM PARA.	TO .50	
a. PISTOL							
	TO .22	TO .32	TO .38 SPEC.	TO .357 MAG.	TO .44 MAG.	TO .50	
b. REVOLVERS							
c. RIFLES							
d. SHOTGUNS AND COMBINATION GUNS							
e. MACHINE GUNS							
f. ANY OTHER WEAPON <i>(NFA)</i>							
g. MISCELLANEOUS FIREARMS <i>(Identify type)</i>							

9. NUMBER OF FIREARMS, BY TYPES, FOR THE PERIOD COVERED BY THIS REPORT WHICH WERE EXPORTED
(If no exportation was accomplished, enter 101)

TYPES OF FIREARMS EXPORTED	QUANTITY	TYPES OF FIREARMS EXPORTED	QUANTITY
a. PISTOL		e. MACHINE GUNS	
b. REVOLVERS		f. ANY OTHER WEAPON <i>(NFA)</i>	
c. RIFLES		g. MISCELLANEOUS FIREARMS <i>(Identify type)</i>	
d. SHOTGUNS AND COMBINATION GUNS		h. [RESERVED]	

Under penalties of perjury, I declare that I have examined this report and, to the best of my knowledge and belief, it is true, correct and complete.

10. NAME	11. TITLE
12. SIGNATURE	13. TELEPHONE NUMBER
	14. DATE

ATF F 5100.11 (6-97) PREVIOUS EDITIONS ARE OBSOLETE

Instructions for the Preparation of ATF F 5300.11

1. REPORTING:

- (a) **THOSE FEDERAL FIREARMS LICENSEES** who hold either a Type 07 (manufacture of firearms), or a Type 10 (manufacture of destructive devices) must file in compliance with 27 CFR B 178.126.
- (b) **EVEN IF THERE HAS BEEN NO PRODUCTION, A REPORT MUST BE FILED.**
- (c) **MANUFACTURERS HAVE UNTIL APRIL 1ST** to submit an annual report covering the preceding year's business activity. Prepare the report in duplicate, and **retain a copy for your file.**
- (d) **A FINAL REPORT MUST BE FILED** if the manufacturing license is discontinued during the year. Please submit a report no later than 30 days following the end of your business activity. Include the date in Item 7E1 of the form.
- (e) **MAIL THE ORIGINAL COPY TO**

Bureau of Alcohol, Tobacco and Firearms
650 Massachusetts Ave., N.W., Room 5100
Washington, DC 20226

OR THIS REPORT MAY BE FAXED TO ATF AT:
(202) 927-8601.

2. TERMS USED IN THIS REPORT HAVE THE FOLLOWING MEANINGS:

- (a) **PRODUCTION** - Firearms manufactured during the Calendar Year, to include separate frames or receivers, actions or barreled actions, disposed of in commerce. A manufacturer who uses these items, produced by another licensed manufacturer, in the assembly and production of complete firearms, will include the manufacture of these firearms in this report. Separate frames or receivers, actions or barreled actions, are to be included in this report when they are exported or disposed of in commerce to a person other than a licensed manufacturer. **PLEASE SEE EXCEPTIONS NOTED IN INSTRUCTION NUMBER 3.**
- (b) **PISTOL** - A firearm designed and intended to be fired by one hand, the cartridges for which must be inserted directly into the chamber which must be inserted directly into the chamber which is an integral part of the barrel.
- (c) **REVOLVER** - A firearm designed and intended to be fired by one hand, the cartridges for which must be inserted in individual chambers successively in alignment with the barrel and firing pin.
- (d) **RIFLE** - A firearm designed and intended to be fired from the shoulder and using a fixed metallic cartridge to fire a single projectile through a rifled bore.
- (e) **SHOTGUN** - A firearm designed and intended to be fired from the shoulder and using a fixed shotgun shell to fire through a smooth bore.
- (f) **COMBINATION GUN** - A firearm designed and intended to be fired from the shoulder, having two dissimilar barrels, or more than two barrels which are rifled, smooth bore, or a combination thereof.
- (g) **MACHINEGUN** - Any weapon which shoots, is designed to shoot, or can be readily restored to shoot, automatically more than one shot without manual reloading by a single function of the trigger, the frame or receiver of any such weapon, any combination of parts designed and intended for use in converting a weapon into a machinegun; and any combination of parts from which a machinegun can be assembled if such parts are in the possession or under the control of a person.

- (h) **ANY OTHER WEAPON** - Any weapon or device capable of being concealed on the person from which a shot can be discharged through the energy of an explosive, a pistol or revolver having a barrel with a smooth bore designed or redesigned to fire a fixed shotgun shell, weapons with combination shotgun and rifle barrels 12 inches or more, less than 18 inches in length, from which only a single discharge can be made from either barrel without manual reloading, and shall include any such weapon which may be readily restored to fire. Such term shall not include a pistol or a revolver having a rifled bore, or rifled bores, or weapons designed, made, or intended to be fired from the shoulder and not capable of firing fixed ammunition.
- (i) **MISCELLANEOUS FIREARMS** - Any firearms not defined above such as pen guns, starter guns, silencers, etc. You must identify or briefly describe the firearm. Attach a separate sheet if necessary.

3. SHOULD ALL OF YOUR PRODUCTION FALL WITHIN THE FOLLOWING CATEGORIES, YOUR REPORT WOULD REFLECT [ZERO]:

- (a) Firearms produced solely for the official use of the Armed Forces of the United States;
 - (b) Firearms disposed of to another licensed firearms manufacturer for the purposes of final finishing and assembly;
 - (c) Destructive devices as defined under 18 U.S.C. B 921(a)(4) and 26 U.S.C. B 5845(f);
 - (d) Antique firearms as defined under 18 U.S.C. B 921(a)(16);
 - (e) Firearms incorporating frames or receivers of foreign manufacture; or
 - (f) Firearms remanufactured or customized and previously in the possession of nonlicensees.
4. **EXECUTION.** Every report must be executed (signed) by a person authorized to sign and be responsible for the completeness and accuracy of the information furnished.

PAPERWORK REDUCTION ACT NOTICE

This form is in accordance with the Paperwork Reduction Act of 1995. The information you provide is used to compile statistics on the manufacture and exportation of firearms. The furnishing of this information is mandatory (18 U.S.C. B 921(g)).

The estimated average burden associated with this collection of information is 45 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Document Services Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

ATF F 5300.11 (6-97)

Instructions for the Preparation of ATF F 5300.11

1. REPORTING:

(a) **THOSE FEDERAL FIREARMS LICENSEES** who hold either a Type 07 (manufacture of firearms), or a Type 10 (manufacture of destructive devices) must file in compliance with 27 CFR § 178.126.

(b) **EVEN IF THERE HAS BEEN NO PRODUCTION, A REPORT MUST BE FILED.**

(c) **MANUFACTURERS HAVE UNTIL APRIL 1ST** to submit an annual report covering the preceding year's business activity. Prepare the report in duplicate, and **retain a copy for your file.**

(d) **A FINAL REPORT MUST BE FILED** if the manufacturing license is discontinued during the year. Please submit a report no later than 30 days following the end of your business activity. Include the date in Item 7B of the form.

(e) **MAIL THE ORIGINAL COPY TO**

**Bureau of Alcohol, Tobacco and Firearms
6150 Massachusetts Ave., N.W., Room 5100
Washington, DC 20226**

**OR THIS REPORT MAY BE FAXED TO ATF AT:
(202) 927-8601.**

2. TERMS USED IN THIS REPORT HAVE THE FOLLOWING MEANINGS:

(a) **PRODUCTION** - Firearms manufactured during the Calendar Year, to include separate frames or receivers, actions or barreled actions, disposed of in commerce. A manufacturer who uses these items, produced by another licensed manufacturer, in the assembly and production of complete firearms, will include the manufacture of these firearms in this report. Separate frames or receivers, actions or barreled actions, are to be included in this report when they are exported or disposed of in commerce to a person other than a licensed manufacturer. **PLEASE SEE EXCEPTIONS NOTED IN INSTRUCTION NUMBER 3.**

(b) **PISTOL** - A firearm designed and intended to be fired by one hand, the cartridges for which must be inserted directly into the chamber which must be inserted directly into the chamber which is an integral part of the barrel.

(c) **REVOLVER** - A firearm designed and intended to be fired by one hand, the cartridges for which must be inserted in individual chambers successively in alignment with the barrel and firing pin.

(d) **RIFLE** - A firearm designed and intended to be fired from the shoulder and using a fixed metallic cartridge to fire a single projectile through a rifled bore.

(e) **SHOTGUN** - A firearm designed and intended to be fired from the shoulder and using a fixed shotgun shell to fire through a smooth bore.

(f) **COMBINATION GUN** - A firearm designed and intended to be fired from the should, having two dissimilar barrels, or more than two barrels which are rifled, smooth bore, or a combination thereof.

(g) **MACHINEGUN** - Any weapon which shoots, is designed to shoot, or can be readily restored to shoot, automatically more than one shot without manual reloading by a single function of the trigger, the frame or receiver of any such weapon, any combination of parts designed and intended for use in converting a weapon into a machinegun, and any combination of parts from which a machinegun can be assembled if such parts are in the possession or under the control of a person.

(h) **ANY OTHER WEAPON** - Any weapon or device capable of being concealed on the person from which a shot can be discharged through the energy of an explosive, a pistol or revolver having a barrel with a smooth bore designed or redesigned to fire a fixed shotgun shell, weapons with combination shotgun and rifle barrels 12 inches or more, less than 18 inches in length, from which only a single discharge can be made from either barrel without manual reloading, and shall include any such weapon which may be readily restored to fire. Such term shall not include a pistol or a revolver having a rifled bore, or rifled bores, or weapons designed, made, or intended to be fired from the shoulder and not capable of firing fixed ammunition.

(i) **MISCELLANEOUS FIREARMS** - Any firearms not defined above such as pen guns, starter guns, silencers, etc. You must identify or briefly describe the firearm. Attach a separate sheet if necessary.

3. **SHOULD ALL OF YOUR PRODUCTION FALL WITHIN THE FOLLOWING CATEGORIES, YOUR REPORT WOULD REFLECT 100 (ZERO):**

(a) Firearms produced solely for the official use of the Armed Forces of the United States;

(b) Firearms disposed of to another licensed firearms manufacturer for the purposes of final finishing and assembly;

(c) Destructive devices as defined under 18 U.S.C. § 921(a)(4) and 26 U.S.C. § 5845(f);

(d) Antique firearms as defined under 18 U.S.C. § 921(a)(16);

(e) Firearms incorporating frames or receivers of foreign manufacture; or

(f) Firearms remanufactured or customized and previously in the possession of nonlicensees.

4. **EXECUTION.** Every report must be executed (signed) by a person authorized to sign and be responsible for the completeness and accuracy of the information furnished.

PAPERWORK REDUCTION ACT NOTICE

This form is in accordance with the Paperwork Reduction Act of 1995. The information you provide is used to compile statistics on the manufacture and exportation of firearms. The furnishing of this information is mandatory (18 U.S.C. § 921(g)).

The estimated average burden associated with this collection of information is 45 minutes per respondent or recordkeeper, depending on individual circumstances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Document Services Branch, Bureau of Alcohol, Tobacco and Firearms, Washington, DC 20226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

OMB NO. 1512-0129

DEPARTMENT OF THE TREASURY BUREAU OF ALCOHOL, TOBACCO AND FIREARMS FIREARMS TRANSACTION RECORD PART I - OVER-THE-COUNTER	TRANSFEROR'S TRANSACTION SERIAL NUMBER
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NOTE: Prepare in original only. All entries on this form must be in ink. See Important Notices, Definitions and Instructions

SECTION A - MUST BE COMPLETED PERSONALLY BY TRANSFEREE (BUYER)

1. TRANSFEREE'S (Buyer's) NAME (Last, First, Middle)	<input type="checkbox"/> MALE	2. HEIGHT	3. WEIGHT	4. RACE
	<input type="checkbox"/> FEMALE			

5. RESIDENCE ADDRESS (No., Street, City, County, State, ZIP Code)	6. BIRTH DATE	7. PLACE OF BIRTH (City)
	MONTH DAY YEAR	STATE OR FOREIGN COUNTRY

8. **OPTIONAL INFORMATION** - The information requested in this item (8) is strictly optional but will help to ensure the lawfulness of the sale and avoid the possibility of being misidentified as a felon or other prohibited person.

SOCIAL SECURITY NUMBER	ALIEN REGISTRATION NUMBER	MISCELLANEOUS NUMBER (Military ID, etc.)
	A _____	

9. **CERTIFICATION OF TRANSFEREE (Buyer)** - Questions a. through l. must be answered with a "yes" or a "no" in the box at the right of the question.

a. Are you the actual buyer of the firearm indicated on this form? If you answer "no" to this question the dealer cannot transfer the firearm to you. (See Important Notice 1.)	g. Have you been discharged from the Armed Forces under dishonorable conditions?
b. Are you under indictment or information in any court for a crime for which the judge could imprison you for more than one year? An information is a formal accusation of a crime made by a prosecuting attorney.	h. Are you an alien illegally in the United States?
c. Have you been convicted in any court of a crime for which the judge could have imprisoned you for more than one year, even if the judge actually gave you a shorter sentence? (See Important Notice 5 and EXCEPTION.)	i. Have you ever renounced your United States citizenship?
d. Are you a fugitive from justice?	j. Are you subject to a court order restraining you from harassing, stalking, or threatening an intimate partner or child of such partner? (See Important Notice 6 and Definition 4.)
e. Are you an unlawful user of, or addicted to, marijuana, or any depressant, stimulant, or narcotic drug, or any other controlled substance?	k. Have you been convicted in any court of a misdemeanor crime of domestic violence? This includes any misdemeanor conviction involving the use or attempted use of physical force committed by a current or former spouse, parent, or guardian of the victim or by a person with a similar relationship with the victim. (See Definition 5.)
f. Have you ever been adjudicated mentally defective or have you been committed to a mental institution?	l. Are you a citizen of the United States?

m. What is your State of residence? _____ (State) If you are not a citizen of the United States, you have a State of residence only if you have resided in the State for at least 90 days prior to the date of this sale. (See Definition 6.)

I CERTIFY THAT THE ABOVE ANSWERS ARE TRUE AND CORRECT. I UNDERSTAND THAT A PERSON WHO ANSWERS "YES" TO QUESTION 9b IS PROHIBITED FROM PURCHASING A FIREARM. I UNDERSTAND THAT A PERSON WHO ANSWERS "YES" TO ANY OF THE QUESTIONS 9c THROUGH 9k IS PROHIBITED FROM PURCHASING OR POSSESSING A FIREARM. I ALSO UNDERSTAND THAT THE MAKING OF A FALSE ORAL OR WRITTEN STATEMENT OR THE EXHIBITING OF ANY FALSE OR MISREPRESENTED IDENTIFICATION WITH RESPECT TO THIS TRANSACTION IS A CRIME PUNISHABLE AS A FELONY. I FURTHER UNDERSTAND THAT MY REPETITIVE PURCHASE OF FIREARMS FOR THE PURPOSE OF RESALE FOR LIVELIHOOD AND PROFIT WITHOUT A FEDERAL FIREARMS LICENSE IS A VIOLATION OF LAW. (SEE IMPORTANT NOTICE 7.)

TRANSFEREE'S (Buyer's) SIGNATURE	DATE

ATF F 4473 (6300.9) PART I (10-99) PREVIOUS EDITIONS ARE OBSOLETE

OMB NO. 1512-0129

DEPARTMENT OF THE TREASURY BUREAU OF ALCOHOL, TOBACCO AND FIREARMS FIREARMS TRANSACTION RECORD PART I - OVER-THE-COUNTER	TRANSFEROR'S TRANSACTION SERIAL NUMBER
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NOTE: Prepare in original only. All entries on this form must be in ink. See Important Notices, Definitions and Instructions

SECTION A - MUST BE COMPLETED PERSONALLY BY TRANSFEREE (BUYER)

1. TRANSFEREE'S (Buyer's) NAME (Last, First, Middle)	<input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	2. HEIGHT	3. WEIGHT	4. RACE
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5. RESIDENCE ADDRESS (No., Street, City, County, State, ZIP Code)	6. BIRTH DATE	7. PLACE OF BIRTH (City)
	MONTH DAY YEAR	STATE OR FOREIGN COUNTRY

8. OPTIONAL INFORMATION - The information requested in this item (8) is strictly optional but will help to ensure the lawfulness of the sale and avoid the possibility of being misidentified as a felon or other prohibited person.

SOCIAL SECURITY NUMBER	ALIEN REGISTRATION NUMBER	MISCELLANEOUS NUMBER (Military ID, etc.)
	A _____	

9. CERTIFICATION OF TRANSFEREE (Buyer) - Questions a. through l. must be answered with a "yes" or a "no" in the box at the right of the question.

a. Are you the actual buyer of the firearm indicated on this form? If you answer "no" to this question the dealer cannot transfer the firearm to you. (See Important Notice 1.)	g. Have you been discharged from the Armed Forces under dishonorable conditions?
b. Are you under indictment or information in any court for a crime for which the judge could imprison you for more than one year? An information is a formal accusation of a crime made by a prosecuting attorney.	h. Are you an alien illegally in the United States?
c. Have you been convicted in any court of a crime for which the judge could have imprisoned you for more than one year, even if the judge actually gave you a shorter sentence? (See Important Notice 5 and EXCEPTION.)	i. Have you ever renounced your United States citizenship?
d. Are you a fugitive from justice?	j. Are you subject to a court order restraining you from harassing, stalking, or threatening an intimate partner or child of such partner? (See Important Notice 6 and Definition 4.)
e. Are you an unlawful user of, or addicted to, marijuana, or any depressant, stimulant, or narcotic drug, or any other controlled substance?	k. Have you been convicted in any court of a misdemeanor crime of domestic violence? This includes any misdemeanor conviction involving the use or attempted use of physical force committed by a current or former spouse, parent, or guardian of the victim or by a person with a similar relationship with the victim. (See Definition 5.)
f. Have you ever been adjudicated mentally defective or have you been committed to a mental institution?	l. Are you a citizen of the United States?

m. What is your State of residence? _____ (State) If you are not a citizen of the United States, you have a State of residence only if you have resided in the State for at least 90 days prior to the date of this sale. (See Definition 6.)

I CERTIFY THAT THE ABOVE ANSWERS ARE TRUE AND CORRECT. I UNDERSTAND THAT A PERSON WHO ANSWERS "YES" TO QUESTION 9b IS PROHIBITED FROM PURCHASING A FIREARM. I UNDERSTAND THAT A PERSON WHO ANSWERS "YES" TO ANY OF THE QUESTIONS 9c THROUGH 9k IS PROHIBITED FROM PURCHASING OR POSSESSING A FIREARM. I ALSO UNDERSTAND THAT THE MAKING OF A FALSE ORAL OR WRITTEN STATEMENT OR THE EXHIBITING OF ANY FALSE OR MISREPRESENTED IDENTIFICATION WITH RESPECT TO THIS TRANSACTION IS A CRIME PUNISHABLE AS A FELONY. I FURTHER UNDERSTAND THAT MY REPETITIVE PURCHASE OF FIREARMS FOR THE PURPOSE OF RESALE FOR LIVELIHOOD AND PROFIT WITHOUT A FEDERAL FIREARMS LICENSE IS A VIOLATION OF LAW. (SEE IMPORTANT NOTICE 7.)

TRANSFEREE'S (Buyer's) SIGNATURE	DATE

ATF F 4473 (5300.9) PART I (10-98) PREVIOUS EDITIONS ARE OBSOLETE

SECTION B - TO BE COMPLETED BY TRANSFEROR (SELLER)

10. TYPE OF FIREARM(S) TO BE TRANSFERRED:

HANDGUN LONG GUN BOTH

11a. TYPE OF AND NUMBER ON IDENTIFICATION (Driver's license or other valid government-issued photo identification. See Instruction to Transferor 1.)

11b. TYPES AND DATES OF ADDITIONAL IDENTIFICATION REQUIRED FOR ALIENS (e.g., utility bills or lease agreements. See Instruction to Transferor 2.)

ITEM 12, 13, OR 14 MUST BE COMPLETED PRIOR TO TRANSFER OF FIREARM(S) (See Instructions to Transferor 4-7.)

12a. THE TRANSFEREE'S IDENTIFYING INFORMATION IN SECTION A OF THIS FORM WAS TRANSMITTED TO NICS OR THE APPROPRIATE STATE AGENCY ON _____ (Date)

12b. THE NICS OR STATE TRANSACTION NUMBER (if provided) WAS: _____

12c. THE RESPONSE INITIALLY PROVIDED BY NICS OR THE APPROPRIATE STATE AGENCY WAS AS FOLLOWS:

PROCEED DENIED DELAYED

12d. IF INITIAL NICS OR STATE RESPONSE WAS "DELAYED," THE FOLLOWING RESPONSE WAS RECEIVED FROM NICS OR THE APPROPRIATE STATE AGENCY ON _____ (Date)

PROCEED DENIED NO RESPONSE PROVIDED WITHIN 3 BUSINESS DAYS

13. STATE PERMIT TYPE (no NICS check required because transferee has a valid permit which qualifies as an exemption to NICS)

DATE OF ISSUANCE

EXPIRATION DATE (if any)

PERMIT NUMBER

14. NO NICS CHECK WAS REQUIRED BECAUSE THE TRANSFER INVOLVED ONLY NFA FIREARM(S)

SECTION C - IF THE TRANSFER OF THE FIREARM(S) TAKES PLACE ON A DIFFERENT DAY FROM THE DATE THAT THE TRANSFEREE SIGNED SECTION A, THEN THE TRANSFEREE MUST COMPLETE SECTION C IMMEDIATELY PRIOR TO THE TRANSFER OF THE FIREARM(S) (SEE INSTRUCTION TO TRANSFEREE 3 AND INSTRUCTION TO TRANSFEROR 9)

I CERTIFY THAT THE ANSWERS I PROVIDED TO THE QUESTIONS IN ITEM 9 OF SECTION A OF THIS FORM ARE STILL TRUE AND CORRECT.

TRANSFEREE'S (BUYER'S) SIGNATURE

DATE

SECTION D

On the basis of (1) the statements in Section A; (2) the verification of identity noted in item 11 and my verification again at the time of transfer (if the transfer does not occur on the same day as the verification noted in item 11); and (3) the information in the current list of Published Ordinances, it is my belief that it is not unlawful for me to sell, deliver, transport, or otherwise dispose of the firearm(s) described below to the person identified in Section A.

15. MANUFACTURER AND/OR IMPORTER	16. MODEL	17. SERIAL NO.	18. TYPE (Pistol, Revolver, Rifle, Shotgun, etc.)	19. CALIBER OR GAUGE

COMPLETE ATF F 3310.4 FOR MULTIPLE PURCHASES OF HANDGUNS (See Instruction to Transferor 11.)

20. TRADE/CORPORATE NAME AND ADDRESS OF TRANSFEROR (Seller) (Hand stamp may be used.)

21. FEDERAL FIREARMS LICENSE NO. (Hand stamp may be used.)

THE PERSON ACTUALLY TRANSFERRING THE FIREARM(S) MUST COMPLETE ITEMS 22 THROUGH 24.

22. TRANSFEROR'S (Seller's) SIGNATURE

23. TRANSFEROR'S TITLE

24. TRANSACTION DATE

SECTION B - TO BE COMPLETED BY TRANSFEROR (SELLER)

10. TYPE OF FIREARM(S) TO BE TRANSFERRED:

HANDGUN LONG GUN BOTH

11a. TYPE OF AND NUMBER ON IDENTIFICATION (Driver's license or other valid government-issued photo identification. See Instruction to Transferor 1.)

11b. TYPES AND DATES OF ADDITIONAL IDENTIFICATION REQUIRED FOR ALIENS (e.g., utility bills or lease agreements. See Instruction to Transferor 2.)

ITEM 12, 13, OR 14 MUST BE COMPLETED PRIOR TO TRANSFER OF FIREARM(S) (See Instructions to Transferor 4-7.)

12a. THE TRANSFEREE'S IDENTIFYING INFORMATION IN SECTION A OF THIS FORM WAS TRANSMITTED TO NICS OR THE APPROPRIATE STATE AGENCY ON _____ (Date)

12b. THE NICS OR STATE TRANSACTION NUMBER (if provided) WAS: _____

12c. THE RESPONSE INITIALLY PROVIDED BY NICS OR THE APPROPRIATE STATE AGENCY WAS AS FOLLOWS:

PROCEED DENIED DELAYED

12d. IF INITIAL NICS OR STATE RESPONSE WAS "DELAYED," THE FOLLOWING RESPONSE WAS RECEIVED FROM NICS OR THE APPROPRIATE STATE AGENCY ON _____ (Date)

PROCEED DENIED NO RESPONSE PROVIDED WITHIN 3 BUSINESS DAYS

13. STATE PERMIT TYPE (no NICS check required because transferee has a valid permit which qualifies as an exemption to NICS)

DATE OF ISSUANCE

EXPIRATION DATE (if any)

PERMIT NUMBER

14. NO NICS CHECK WAS REQUIRED BECAUSE THE TRANSFER INVOLVED ONLY NFA FIREARM(S)

SECTION C - IF THE TRANSFER OF THE FIREARM(S) TAKES PLACE ON A DIFFERENT DAY FROM THE DATE THAT THE TRANSFEREE SIGNED SECTION A, THEN THE TRANSFEREE MUST COMPLETE SECTION C IMMEDIATELY PRIOR TO THE TRANSFER OF THE FIREARM(S) (SEE INSTRUCTION TO TRANSFEREE 3 AND INSTRUCTION TO TRANSFEROR 9)

I CERTIFY THAT THE ANSWERS I PROVIDED TO THE QUESTIONS IN ITEM 9 OF SECTION A OF THIS FORM ARE STILL TRUE AND CORRECT.

TRANSFEREE'S (BUYER'S) SIGNATURE

DATE

SECTION D

On the basis of (1) the statements in Section A; (2) the verification of identity noted in item 11 and my verification again at the time of transfer (if the transfer does not occur on the same day as the verification noted in item 11); and (3) the information in the current list of Published Ordinances, it is my belief that it is not unlawful for me to sell, deliver, transport, or otherwise dispose of the firearm(s) described below to the person identified in Section A.

15. MANUFACTURER AND/OR IMPORTER	16. MODEL	17. SERIAL NO.	18. TYPE (Pistol, Revolver, Rifle, Shotgun, etc.)	19. CALIBER OR GAUGE

COMPLETE ATF F 3310.4 FOR MULTIPLE PURCHASES OF HANDGUNS (See Instruction to Transferor 11.)

20. TRADE/CORPORATE NAME AND ADDRESS OF TRANSFEROR (Seller) (Hand stamp may be used.)

21. FEDERAL FIREARMS LICENSE NO. (Hand stamp may be used.)

THE PERSON ACTUALLY TRANSFERRING THE FIREARM(S) MUST COMPLETE ITEMS 22 THROUGH 24.

22. TRANSFEROR'S (Seller's) SIGNATURE

23. TRANSFEROR'S TITLE

24. TRANSACTION DATE

Form Approved: OMB No. 1512-0130 (12/31/2000)

**DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS
FIREARMS TRANSACTION RECORD
PART II—NON-OVER-THE-COUNTER**

TRANSFEROR'S TRANSACTION
SERIAL NUMBER

NOTE: Prepare in duplicate. All entries on this form must be in ink. See Notices and Instructions on back.

SECTION A—MUST BE COMPLETED PERSONALLY BY TRANSFEREE(BUYER) (See Notices and Instructions on reverse)

1. TRANSFEREE'S (Buyer's) NAME (Last, First, Middle) <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE		2. HEIGHT	3. WEIGHT	4. RACE
1A. SOCIAL SECURITY NUMBER		6. DATE OF BIRTH		7. PLACE OF BIRTH
5. RESIDENCE ADDRESS (No., Street, City, County State, ZIP Code)		MONTH	DAY	YEAR
				CITY, STATE OR FOREIGN COUNTRY

8. CERTIFICATION OF TRANSFEREE (Buyer)—An untruthful answer may subject you to criminal prosecution. Each question must be answered with a 'yes' or a 'no' inserted in the box at the right of question:

a. Are you under indictment or information* in any court for a crime punishable by imprisonment for a term exceeding one year? *A formal accusation of a crime made by a prosecuting attorney, as distinguished from an indictment presented by a grand jury.	c. Are you a fugitive from justice?
b. Have you been convicted in any court of a crime punishable by imprisonment for a term exceeding one year? (NOTE: A "yes" answer is necessary if the judge could have given a sentence of more than one year. A "yes" answer is not required if you have been pardoned for the crime or the conviction has been expunged or set aside, or you have had your civil rights restored and, under the law where the conviction occurred, you are not prohibited from receiving or possessing any firearm).	d. Are you an unlawful user of, or addicted to marijuana or any depressant, stimulant, or narcotic drug, or any other controlled substance?
	e. Have you ever been adjudicated mentally defective or have you ever been committed to a mental institution?
	f. Have you ever been discharged from the Armed Forces under dishonorable conditions?
	g. Are you an alien illegally in the United States?
	h. Are you a person who, having been a citizen of the United States, has renounced his/her citizenship?
	i. Are you subject to a court order restraining you from harassing, stalking or threatening an intimate partner or child of such partner? (See Definition #4 on reverse.)

Subject to penalties provided by law, I swear that, in the case of any firearm other than a shotgun or a rifle, I am 21 years or more of age, or that, in the case of a shotgun or rifle, I am 18 years or more of age; that I am not prohibited by the provisions of Chapter 44 of Title 18, United States Code, from receiving a firearm in interstate or foreign commerce, and that my receipt of this firearm will not be in violation of any statute of the State or published ordinance applicable to the locality in which I reside. Further, the true title, name, and address of the principle law enforcement officer of the locality to which the firearm will be delivered are:

TITLE	NAME
ADDRESS	

I also hereby certify that the answers to the above are true and correct. I understand a person who answers "Yes" to any of the above questions is prohibited from purchasing and/or possessing a firearm, except as otherwise provided by Federal law. I also understand that the making of any false oral or written statement or the exhibiting of any false or misrepresented identification with respect to this transaction is a crime punishable as a felony.

TRANSFEREE'S (Buyer) SIGNATURE	DATE
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SECTION B—MUST BE COMPLETED BY TRANSFEROR (SELLER) (See Notices and Instructions on reverse)

On the basis of (1) the statements in Section A; (2) my notification of the chief law enforcement officer designated above; and (3) the information in the current Firearms State Laws and Published Ordinances (ATF P 5300.6), it is my belief that it is not unlawful for me to sell, deliver, transport, or otherwise dispose of the firearm described below to the person identified in Section A.

9. TYPE (Pistol, Revolver, Rifle, Shotgun, etc.)	10. MODEL	11. CALIBER OR GAUGE	12. SERIAL NO.
13. MANUFACTURER (and importer, if any)			
14. TRADE/CORPORATE NAME AND ADDRESS OF TRANSFEROR (Seller) (Hand stamp may be used)			15. FEDERAL FIREARMS LICENSE NO. (Hand stamp may be used)
18. TRANSFEROR'S (Seller's) SIGNATURE		19. TRANSFEROR'S TITLE	20. TRANSACTION DATE

ATF F 4473 (5300.6) PART II (3-95) PREVIOUS EDITIONS ARE OBSOLETE

Form Approved: OMB No. 1512-0130 (12/31/2000)

**DEPARTMENT OF THE TREASURY
BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS
FIREARMS TRANSACTION RECORD
PART II—NON-OVER-THE-COUNTER**

TRANSFEROR'S TRANSACTION SERIAL NUMBER

NOTE: Prepare in duplicate. All entries on this form must be in ink. See Notices and Instructions on back.

SECTION A—MUST BE COMPLETED PERSONALLY BY TRANSFEREE (BUYER) (See Notices and Instructions on reverse)

1. TRANSFEREE'S (Buyer's) NAME (Last, First, Middle)	<input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	2. HEIGHT	3. WEIGHT	4. RACE
	1A. SOCIAL SECURITY NUMBER			
5. RESIDENCE ADDRESS (No., Street, City, County State, ZIP Code)	6. DATE OF BIRTH			7. PLACE OF BIRTH CITY, STATE OR
	MONTH	DAY	YEAR	
				FOREIGN COUNTRY

8. CERTIFICATION OF TRANSFEREE (Buyer)—An untruthful answer may subject you to criminal prosecution. Each question must be answered with a "yes" or a "no" inserted in the box at the right of question:

a. Are you under indictment or information* in any court for a crime punishable by imprisonment for a term exceeding one year? *A formal accusation of a crime made by a prosecuting attorney, as distinguished from an indictment presented by a grand jury.		c. Are you a fugitive from justice?	
		d. Are you an unlawful user of, or addicted to marijuana or any depressant, stimulant, or narcotic drug, or any other controlled substance?	
b. Have you been convicted in any court of a crime punishable by imprisonment for a term exceeding one year? (NOTE: A "yes" answer is necessary if the judge could have given a sentence of more than one year. A "yes" answer is not required if you have been pardoned for the crime or the conviction has been expunged or set aside, or you have had your civil rights restored and, under the law where the conviction occurred, you are not prohibited from receiving or possessing any firearm).		e. Have you ever been adjudicated mentally defective or have you ever been committed to a mental institution?	
		f. Have you ever been discharged from the Armed Forces under dishonorable conditions?	
		g. Are you an alien illegally in the United States?	
		h. Are you a person who, having been a citizen of the United States, has renounced his/her citizenship?	
		i. Are you subject to a court order restraining you from harassing, stalking or threatening an intimate partner or child of such partner? (See Definition #4 on reverse.)	

Subject to penalties provided by law, I swear that, in the case of any firearm other than a shotgun or a rifle, I am 21 years or more of age, or that, in the case of a shotgun or rifle, I am 18 years or more of age; that I am not prohibited by the provisions of Chapter 44 of Title 18, United States Code, from receiving a firearm in interstate or foreign commerce, and that my receipt of this firearm will not be in violation of any statute of the State or published ordinance applicable to the locality in which I reside. Further, the true title, name, and address of the principle law enforcement officer of the locality to which the firearm will be delivered are:

TITLE	NAME
ADDRESS	

I also hereby certify that the answers to the above are true and correct. I understand a person who answers "Yes" to any of the above questions is prohibited from purchasing and/or possessing a firearm, except as otherwise provided by Federal law. I also understand that the making of any false oral or written statement or the exhibiting of any false or misrepresented identification with respect to this transaction is a crime punishable as a felony.

TRANSFEREE'S (Buyer) SIGNATURE	DATE
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SECTION B—MUST BE COMPLETED BY TRANSFEROR (SELLER) (See Notices and Instructions on reverse)

On the basis of (1) the statements in Section A; (2) my notification of the chief law enforcement officer designated above; and (3) the information in the current Firearms State Laws and Published Ordinances (ATF P 5300.5), it is my belief that it is not unlawful for me to sell, deliver, transport, or otherwise dispose of the firearm described below to the person identified in Section A.

9. TYPE (Pistol, Revolver, Rifle, Shotgun, etc.)	10. MODEL	11. CALIBER OR GAUGE	12. SERIAL NO.
13. MANUFACTURER (and importer, if any)			
14. TRADE/CORPORATE NAME AND ADDRESS OF TRANSFEROR (Seller) (Hand stamp may be used)			15. FEDERAL FIREARMS LICENSE NO. (Hand stamp may be used)
16. TRANSFEROR'S (Seller's) SIGNATURE		19. TRANSFEROR'S TITLE	20. TRANSACTION DATE

ATF F 4473 (5300.9) PART II (3-95) PREVIOUS EDITIONS ARE OBSOLETE

Brady Act States

The following states serve as a point of contact for all firearms transfers. The FFL contacts the designated state agency, which performs the National Instant Criminal Background Check System (NICS) check:

Arizona	Florida*	New Jersey	Vermont
California	Georgia	Pennsylvania	Virginia
Colorado	Illinois	Tennessee	
Connecticut	Nevada	Utah	

*NICS performs pre-pawn checks for all firearms.

The following states and territories conduct checks for all firearms transactions as part of its permit requirements:

Hawaii	US Virgin I.
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The following states serve as a point of contact for handgun permits, which are required for all handgun purchases, while the dealer contacts NICS directly for a check on long gun purchasers:

Iowa	Nebraska	North Carolina
Michigan	New York	

The following states serve as a point of contact for handgun purchases. The dealer contacts the state for a NICS check on handgun purchasers and contacts NICS directly for a check on long gun purchasers:

Indiana	New Hampshire	Washington
Maryland	Oregon	Wisconsin

The following states and territories do not serve as a POC for any firearms transactions. The dealer contacts the FBI NICS system directly for handgun and long gun transactions:

Alabama	Kansas	Montana	South Dakota
Alaska	Kentucky	New Mexico	Texas
American Samoa	Louisiana	North Dakota	West Virginia
Arkansas	Maine	Ohio	Wyoming
Cmmw. N. Mariana I.	Massachusetts	Oklahoma	Washington, DC
Delaware	Minnesota	Puerto Rico	
Guam	Mississippi	Rhode Island	
Idaho	Missouri	South Carolina	

According to the FBI, approximately 75% of all NICS background checks are completed instantly (allowed within thirty seconds of the information entering the system). The law provides, however, that NICS may take up to three business days to notify the dealer whether receipt of a firearm by the prospective purchaser would be in violation of law. If the dealer does not get a "denied" response from NICS within this period, the firearm may be transferred after the end of the three business days.

Department of Justice figures indicate that more than 160,000 prohibited persons were denied firearms by the FBI and Point of Contact State checks during the first year of NICS, while millions more have received their firearms in a timely fashion after undergoing a background check.

Brady Act States

The following states serve as a point of contact for all firearms transfers. The FFL contacts the designated state agency, which performs the National Instant Criminal Background Check System (NICS) check:

Arizona	Florida*	New Jersey	Vermont
California	Georgia	Pennsylvania	Virginia
Colorado	Illinois	Tennessee	
Connecticut	Nevada	Utah	

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Arkansas	Maine	Ohio	Wyoming
Cmmw. N. Mariana I.	Massachusetts	Oklahoma	Washington, DC
Delaware	Minnesota	Puerto Rico	
Guam	Mississippi	Rhode Island	
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BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

Salaries & Expenses (S&E) Appropriation - Historical Profile

Fiscal Year	Direct Budget Authority (in \$000) ^a	Total	Full-Time Equivalents (FTE) By Employee Category		
			Agent	Inspector ^b	Other
1973	73,727	3,829	1,622	826	1,381
1974	79,948	3,684	1,576	732	1,376
1975	94,400	3,729	1,504	688	1,537
1976	109,697	3,872	1,513	718	1,641
1977	118,664	4,131	1,596	753	1,782
1978	128,632	4,035	1,548	724	1,763
1979	136,622	3,928	1,533	688	1,707
1980	142,892	3,809	1,502	655	1,652
1981	149,850	3,637	1,418	580	1,639
1982	142,164	2,942	1,373	650	919
1983	147,492	2,780	1,187	595	998
1984	159,553	2,929	1,224	590	1,115
1985	172,113	2,968	1,247	591	1,130
1986	166,721	2,876	1,198	631	1,047
1987	198,463	2,925	1,180	626	1,119
1988	217,531	3,287	1,418	652	1,217
1989	234,000	3,606	1,559	690	1,357
1990	257,565	3,731	1,650	731	1,350
1991	301,854	4,000	1,831	742	1,427
1992	336,040	4,111	1,876	792	1,443
1993	366,372	4,230	1,939	809	1,482
1994	366,446	4,128	1,884	800	1,444
1995	385,315	3,959	1,816	770	1,373
1996	377,971	3,784	1,664	740	1,380
1997	393,971	3,790	1,705	713	1,372
1998	478,934	3,741	1,631	702	1,408
1999	537,074	3,969	1,700	762	1,509
2000 ^c	564,773	4,032	1,817	742	1,473

^a Spending authority initially provided via enactment of the Bureau's annual S&E appropriation. Excludes effect of amendments, rescissions, or transfers of resources from other federal agencies.

^b This is a broad category defined by position series 1854 and includes both field inspectors and a variety of specialists. Field inspectors are responsible for licensing and compliance activities for alcohol, tobacco, firearms and explosives. There are 443 1854s currently involved in the field inspection work.

^c FY 2000 Enacted Level.

BUREAU OF ALCOHOL, TOBACCO AND FIREARMS

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