

Revenue Information Bulletin No. 24-009
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Individual Income

Firearm Safety Device Credit

Act 403 of the 2023 Regular Session of the Louisiana Legislature (“Act 403”) enacted La. R.S. 47:297.24, which authorizes a firearm safety device credit. The firearm safety device credit is a nonrefundable individual income tax credit that may be claimed for the purchase of one or more firearm safety devices in a single transaction. The firearm safety device must be listed in La R.S. 47:927.24(A)(3) and purchased from a dealer that is federally licensed to sell firearms, i.e. the dealer must possess a federal firearms license (“FFL”)¹.

The amount of the credit is equal to the amount of the purchase price including local and state sales and use taxes, limited to \$500. Because the credit is limited to a single transaction, the purchase price of firearm safety devices bought in separate transactions cannot be combined to calculate the amount of the credit. For purposes of the firearm safety device credit, the purchase price shall not include shipping and handling fees, delivery fees, installation fees, and interest.

For taxable years beginning on or after January 1, 2023, individuals who have a Louisiana income tax liability may claim the credit on either Form IT-540, *Resident Individual Income Tax Return*, with completed Schedule J-Nonrefundable Priority 3 Credits, or, Form IT-540B, *Nonresident Individual Income Tax Return*, with completed Schedule J-NR-Nonrefundable Priority 3 Credits. A copy of the receipt listing the firearm safety device(s) and its purchase price must be attached to the return as documentation of the credit.

The firearm safety device credit may be allowed against the income tax liability for the year in which the purchase was made and paid. However, the credit may not be claimed for more than one transaction in the same year. If the amount of the credit claimed exceeds the amount of an individual’s taxes due, any unused credit may be carried forward as a credit against subsequent liabilities for five years. The Department of Revenue can only issue \$500,000 in total firearm safety device credits per year and credits will be allocated on a first come, first served basis.

Questions concerning this publication may be submitted by email to Policy.Publications@LA.gov.

Richard Nelson
Secretary

¹ 18 U.S.C. 923

Firearm Safety Device Credit **Frequently Asked Questions**

1. Can I claim more than \$500 in credits if I have unused credits from a previous tax year?

Yes, unused credits carried forward from previous tax year can be claimed in addition to the maximum allowable credit for the current tax year. For example, a taxpayer claims a firearm safety device credit equal to \$500 for tax year 2023, but his income tax liability is only \$300. The taxpayer may apply the \$300 to their 2023 tax liability and carry the remaining \$200 to the next taxable year. The same taxpayer purchases another \$500 firearm safety device in 2024 and has an income tax liability of \$700. The taxpayer can claim the \$200 credit carried forward from 2023, plus the additional \$500 credit earned in 2024 on their 2024 income tax liability.

2. What type of firearm safety devices qualify for the credit?

A safe, gun safe, gun case, lock box, or other device that is designed to be or can be used to store a firearm and that is designed to be unlocked only by means of a key, a combination or other similar means.

3. Are devices that are designed to prevent the firearm from being operated without first deactivating the device when installed on a firearm, such as a trigger lock, eligible?

No, only firearm safety devices listed in La R.S. 47:927.24(A)(3) are eligible. See FAQ #2 for information on devices that qualify.

4. Are devices that are incorporated into the design of the firearm and designed to prevent the operation of the firearm by anyone not having access to the device eligible?

No, only firearm safety devices listed in La R.S. 47:927.24(A)(3) are eligible. See FAQ #2 for information on devices that qualify.

5. Who qualifies as a federally license dealer pursuant to 18 U.S.C. 923?

A federally licensed dealer is any person engaged in the business of selling firearms at retail or wholesale, including pawnbrokers, who holds a Federal Firearms License ("FFL") type 1, 2 or 9.

6. How can I find out whether the dealer I purchased my firearm safety device from carries a qualifying FFL?

You can visit the Bureau of Alcohol, Tobacco, Firearms and Explosives (“ATF”) website at <https://www.atf.gov/firearms/listing-federal-firearms-licensees> and select the year, month and state in which you purchased the firearm safety device. Search the generated spreadsheet for the dealer from whom you purchased your firearm safety device. On the list, the dealer must have a 1, 2, or 9 in the column labeled “LIC_TYPE”.

7. I purchased my firearm safety device from a dealer that did not have an FFL at the time but has an FFL now, is my transaction eligible?

No, the individual or business must have been federally licensed at the time the firearm safety device was purchased.

8. Are out-of-state transactions eligible?

Yes, if a taxpayer purchased their firearm safety device from an individual or business in another state carrying an FFL, the transaction is still eligible for the credit.

9. I purchased my firearm safety device from a big box store that sells firearm safety devices among other goods, the store is an FFL dealer, is my transaction eligible?

Yes, firearm safety devices purchased from an FFL dealer are eligible.

10. I purchased my firearm safety device from a big box store that sells a variety of goods including safes, but the store is not an FFL dealer, is my transaction eligible?

No, the transaction must be from an FFL dealer.

11. I purchased my firearm safety device from a local business that only sells safes, they do not carry an FFL, is my transaction eligible?

No, the transaction must be from a business with an FFL.

12. I purchased my firearm safety device from an FFL dealer’s website, is my transaction eligible?

Yes, the transaction is eligible.

13. I purchased my firearm safety device from a pawnbroker, is my transaction eligible?

Maybe. If the pawnbroker is an FFL dealer then the transaction is eligible. However, if the pawnbroker is not an FFL dealer, then the transaction is not eligible.

14. I purchased my firearm safety device at a gun show where other retailers were FFL dealer, but the business I purchased from did not, is my transaction eligible?

No, the transaction must be from a FFL dealer.