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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 186  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 186's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsors:** Reps. Brewer and Brennan

**Local Impact Statement Procedure Required:** Yes

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### Highlights

- The bill authorizes a sales and use tax exemption on firearm safety devices, which would reduce revenue from the state sales and use tax (SUT) by roughly up to \$2.7 million per year. However, the actual revenue loss would depend on the bill's effective date and taxpayers' spending behavior, which could be lower or higher than the estimated amount.
- The GRF would bear 96.6% of any revenue loss, or up to \$2.6 million per year. Under codified law, the Local Government Fund (LGF) and Public Library Fund (PLF) each receive 1.7% of state GRF tax revenue in FY 2024-FY 2025. Therefore, distributions to each local fund would decrease by up to \$45,000 per year.
- Permissive county and transit authorities' sales taxes share the same tax base as the state SUT. Sales tax revenue for these local governments is about 25% of state sales tax revenue. Thus, revenue to county governments and transit authorities is expected to decrease by up to \$0.7 million per year.

### Detailed Analysis

The bill would exempt sales of firearm safety devices from the state sales and use tax (SUT) and local sales and use taxes. The bill defines a firearm safety device as equipment that is designed to prevent unauthorized access to, or the operation or discharge of, a firearm and that is either: (1) a device that, when installed on a firearm, is designed to prevent the firearm from being operated without first deactivating the device, or (2) a gun safe, gun case, lockbox, or other device that is designed to prevent access to a firearm. The exemption applies to the sales of firearm safety devices occurring on or after the first day of the first month beginning after the bill's 90-day effective date. The bill also imposes certain notice requirements on vendors that sell firearms in Ohio.

## Fiscal effect

Data limitations and the dependence of revenue effects on consumer behavior do not allow for a precise estimate of the number of taxpayers likely to take advantage of the exemption or the amount that may be spent on firearm safety devices in each year.

According to information on the [Safe Storage Options Infographic \(PDF\)](#), published by Project ChildSafe, the prices of cable locks, gun cases, and lock boxes range between \$10 and \$350, while the prices of full size and biometric gun safes range between \$200 and \$2,500. According to the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), there were 656,926 background checks performed in Ohio in CY 2022.<sup>1</sup> By assuming this statistic is a proxy for gun sales, and that one-fifth of gun owners would also purchase a firearm safety device such as a cable lock, gun case, or lock box for each weapon, the estimated SUT revenue losses associated with the exemption on sales of firearm safety devices would be roughly up to \$2.7 million per year. The initial revenue loss may begin in FY 2024 and could be significantly less than the full year revenue loss that would occur in FY 2025. The estimate assumes that taxpayers who purchased a firearm prior to the SUT exemption and who wanted to purchase a safety device, did so already, prior to the effective date of the exemption. Actual SUT revenue loss would depend on taxpayers' spending behavior and could be lower or higher than the estimated amount if taxpayers purchased a smaller or larger number of devices, or cheaper or pricier devices (such as full size and biometric gun safes) in each year.

The GRF would bear 96.6% of any revenue loss, or roughly up to \$1.3 million in FY 2024 and \$2.6 million in FY 2025; under codified law, the Local Government Fund (LGF) and the Public Library Fund (PLF) each receive 1.7% of state GRF tax revenue. Distributions to each local fund would decrease by up to about \$23,000 in FY 2024 and \$45,000 in FY 2025. In addition, permissive county and transit authorities' sales taxes share the same tax base as the state SUT. Sales tax revenue for these local governments is about 25% of state sales tax revenue. Thus, revenue to county governments and transit authorities is expected to decrease by up to \$0.3 million in FY 2024 and \$0.7 million in FY 2025.

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<sup>1</sup> More information on the [number of background checks](#) can be found on the Federal Bureau of Investigation website, [fbi.gov](https://www.fbi.gov).