



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

December 28, 2023

Senator Kay Kirkpatrick
Chair, Senate Children and Families
18 State Capitol, Suite 324-A
Atlanta, GA 30334

SUBJECT: Fiscal Note
Senate Bill (LC 43 2922)

Dear Chairman Kirkpatrick:

The bill would create a sales tax exemption for purchases of qualified firearm safes and firearm safety devices. A firearm safe is defined as a locking container or other enclosure—excluding glass-faced containers—equipped with a locking device designed for the secure storage of one or more firearms. A firearm safety device is one that, when attached to or installed on a firearm, is designed to prevent the firearm from being operated or prevent operation of the firearm by anyone who does not have authorized access. The legislation is assumed to become effective July 1, 2025.

Impact on State Revenue

Georgia State University’s Fiscal Research Center (FRC) estimated that the bill would reduce revenue by the amounts show in **Table 1**. Details of the analysis are provided in the attached appendix.

Table 1. Estimated State and Local Revenue Effects

(\$ millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
State	(\$1.6)	(\$1.7)	(\$1.7)	(\$1.7)	(\$1.7)
Local	(\$1.4)	(\$1.4)	(\$1.4)	(\$1.4)	(\$1.4)

Impact on State Expenditures

The Department of Revenue would be able to institute the provisions of the bill with existing resources.

Respectfully,

Greg S. Griffin
State Auditor

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

Based on data from business research firm IBISWorld, we estimate that the U.S. market for safes and vaults, collectively, amounts to approximately \$2.18 billion in 2023. 45 percent of that consists of home and gun safes. The industry is projected to grow on average by 1.92 percent annually through 2028. National sales estimates are shared down to Georgia using the state’s share of federally registered firearms, as reported by the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF)—approximately 4.1 percent as of 2021, resulting in estimated annual sales in Georgia of approximately \$40.2 million for 2023.

Beginning with the estimated annual sales in Georgia for 2023, we grow this amount by 1.92 percent annually through FY 2029 based on the IBISWorld industry revenue projections. Calendar years were converted to fiscal years using averaging. For the local impact, the average local sales tax rate is assumed to be 3.35 percent, based on the Tax Foundation’s current average local effective tax rate for Georgia.

Table 2. Estimated Exempted Sales of Home and Gun Safes

(\$ millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Georgia	\$40.7	\$41.4	\$42.0	\$42.7	\$43.0

Specific state-level data on purchases of eligible devices were not found. However, these estimates are consistent with analyses conducted by North Carolina and Michigan, both having considered or passed similar legislation.