



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

February 6, 2026

Honorable Chuck Hufstetler
Chairman, Senate Finance
121-C State Capitol
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill 79 (LC 59 0293S)

Dear Chairman Hufstetler:

Part I of the bill would create an income tax credit for costs associated with firearm safe handling instructional courses. The credit amount would be the lesser of the amount spent on the eligible firearm safe handling instructional courses or \$300, subject to preapproval by the Department of Revenue (DOR). The aggregate amount of credits cannot exceed \$10 million per year, and credits are nonrefundable and may not be carried forward or backward. The provision would be applicable to tax years beginning on or after January 1, 2027, and the credit would be repealed December 31, 2031.

Part II of the bill would create an annual four-day sales tax exemption for the purchase of firearms, ammunition, gun safes, and related accessories. The exemption period begins on the second Friday of October each year and is intended to cover all firearm-related items. This provision would become effective July 1, 2026, and be repealed on July 1, 2030.

Impact on Revenue

Georgia State University's Fiscal Research Center (FRC) estimated that the bill would decrease revenue as shown in Table 1. The appendix provides details of the analysis.

Table 1. Estimated State Revenue Effects of LC 59 0293S

(\$ millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Tax Credit for Firearm Safe Handling Instructional Course					
State Revenue Effect	\$0.0	(\$10.0)	(\$10.0)	(\$10.0)	(\$10.0)
Sales Tax Holiday for Purchases of Firearms and Related Accessories					
State Revenue Effect					
High	(\$1.4)	(\$1.4)	(\$1.5)	(\$1.5)	\$0.0
Low	(\$0.6)	(\$0.6)	(\$0.6)	(\$0.6)	\$0.0
Local Revenue Effect					
High	(\$1.3)	(\$1.3)	(\$1.3)	(\$1.3)	\$0.0
Low	(\$0.5)	(\$0.5)	(\$0.5)	(\$0.5)	\$0.0
Total State Revenue Effect					
High	(\$1.4)	(\$11.4)	(\$11.5)	(\$11.5)	(\$10.0)
Low	(\$0.6)	(\$10.6)	(\$10.6)	(\$10.6)	(\$10.0)

Impact on Expenditures

The Department of Revenue (DOR) would incur one-time and annual costs associated with the bill. DOR would need an additional financial examiner to process preapprovals for the tax credit at an annual cost of \$88,305 (salary and benefits). One-time costs of approximately \$1,800 would be incurred for equipment. Changes to information systems would not require additional funding but would take approximately 14 weeks of existing staff time, equating to approximately \$141,000.

Respectfully,



Greg S. Griffin
State Auditor



Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

Part I – Income Tax Credit for Firearm Safe Handling Instructional Courses

Part I of the subject bill proposes to create an income tax credit for costs associated with a firearm safe handling instructional course (FSHIC). FSHIC is defined as an in-person training of at least two hours that includes, but is not limited to, instruction on safe handling, use, and storage of firearms. The credit would be for the amount spent on an eligible FSHIC or \$300, whichever is less. The aggregate amount of credits allowed for any year is capped at \$10 million. To receive the credit, the taxpayer must apply for preapproval, and applications are to be approved on a first-come, first-served basis. Individual taxpayers receiving the credit must maintain receipts of eligible purchases for three years, and such receipts must be made available upon request. Credits allowed may not exceed the taxpayer's tax liability for the year, and any unutilized credits may not be carried forward to succeeding years. The credit would be automatically repealed on December 31, 2031.

Eligible FSHICs offered by the National Rifle Association in Georgia range in cost from \$75-\$300. Based on data from business research firm IBISWorld, we estimate the US market for firearm training amounted to approximately \$401.3 million in 2025. The industry is expected to grow on average by 1.1 percent through 2031. The US market is shared down to Georgia using the state's share of federally registered firearms, approximately 4.4 percent according to the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF). This results in an estimated annual revenue of \$17.5 million for the firearm training market in Georgia for 2025. The \$10 million annual cap is equivalent to 57 percent of the estimated annual revenue.

According to the US Census Bureau, there were approximately 4.1 million households in Georgia as of 2024. Studies from the Rand Corporation estimate the gun-owning share of Georgia households to be between 38 and 49 percent, or 1.5 to 2.0 million households. Assuming an average credit of \$150, approximately 3.3 to 4.3 percent of gun-owning households making eligible purchases would be required to reach the \$10 million cap.

Given the market size in terms of the number of gun-owning households and estimated annual sales of eligible FSHICs in the state, it is expected that preapproval applications for the proposed credit will exceed the \$10 million cap from the first year the credit is available. Assuming credits allowed will impact tax collections only at the time of filing returns, state revenues are projected to be reduced by \$10 million per year beginning with the filing of tax year (TY) 2027 returns in FY 2028. These estimates represent an upper bound, as it is likely that a small percentage of preapproved taxpayers will not follow through or fully utilize the credit.

Part II – Annual Sales Tax Holiday for Firearms and Related Items

Part II proposes to create an annual four-day sales tax exemption for purchases of firearms, ammunition, gun safes, and related accessories. The exemption period begins on the second Friday of October each year and is intended to cover all firearm-related items. Part II would become effective July 1, 2026, and be automatically repealed on July 1, 2030. Thus, the first sales tax holiday would occur in October 2026, impacting FY 2027 revenues and the last would occur in October 2029, impacting FY 2030.

Based on data from the business research firm IBISWorld, we estimate that retail sales of firearms, ammunition, and related items at gun and ammunition stores or sporting goods stores totaled \$30.9 billion nationally in 2025. Gun and ammunition stores sell handguns, rifles, shotguns, other firearms, and ammunition as well as other equipment, apparel, and supplies. Sales of firearms and hunting equipment represent 13.5 percent of sales at sporting goods stores. Half of these purchases are assumed to be firearms, ammunition, gun safes, or other firearm-related items that are eligible for the holiday exemption.

These sales are projected to grow on average by 0.5 percent annually through 2030. Georgia's sales are estimated by sharing down national sales using the proportion of federally registered firearms in the state, approximately 4.4 percent according to ATF. This results in estimated sales in Georgia of approximately \$1.4 billion for 2025.

Beginning with the estimated 2025 sales in Georgia, we grow this amount by 0.5 percent on average through 2030, based on the IBISWorld industry revenue projections.

Four days represent 1.1 percent of a calendar year. The low estimates assume consumers do not respond to the existence of the sales tax holiday by shifting purchases from outside the holiday period, thus the low estimates assume 1.1 percent of annual sales are exempted under the proposed bill.

Alternatively, consumers may shift consumption to take advantage of the exemption. They may also increase their amount of spending because the end-price of these items is lower when exempted from the tax. Based on FBI national monthly firearm background check data, November and December have larger shares of annual activity than October, indicating holiday spending could increase sales. Based on these data, the portion of annual activity that would occur during the 4-day exemption period could increase to 2.63 percent if half of the expected holiday activity shifted to these days in October. Thus, the high estimates assume 2.63 percent of annual sales are exempted under the proposed bill.

For the local impact, the local average sales tax rate is assumed to be 3.49 percent, based on the Tax Foundation's most recent average local effective rate for Georgia.

Table 2. Estimated Sales of Firearms, Ammunition, Gun Safes, and Related Items

(\$ millions)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Georgia Total Sales	\$1,372.6	\$1,376.3	\$1,383.9	\$1,392.0	\$1,396.5
Sales Tax Holiday Purchases					
High Estimate	\$36.1	\$36.2	\$36.4	\$36.6	\$0.0
Low Estimate	\$15.0	\$15.1	\$15.2	\$15.3	\$0.0