
A BILL FOR AN ACT

RELATING TO AMMUNITION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that more than thirty per
2 cent of all homicides committed in the United States that
3 involve a gun go unsolved each year. Handgun ammunition
4 accounts for eighty per cent of all ammunition sold in the
5 United States. Current technology for matching a bullet used in
6 a crime to the gun that fired it has worked moderately well for
7 years, but presupposes that the weapon was recovered by law
8 enforcement. Bullet coding is a new and effective way for law
9 enforcement to quickly identify persons of interest in gun crime
10 investigations.

11 The purpose of this Act is to require that ammunition
12 manufactured or sold in Hawaii and capable of use in handguns,
13 including assault pistols, be coded to assist law enforcement in
14 identifying and prosecuting offenders who use handguns,
15 including assault pistols, to commit violent crimes.

16 SECTION 2. Chapter 134, Hawaii Revised Statutes, is
17 amended by adding a new part to be appropriately designated and
18 to read as follows:



1 "PART . CODED AMMUNITION

2 §134-A **Possession or sale of non-coded ammunition**

3 **prohibited.** (a) All ammunition capable of use in a handgun,
4 including an assault pistol, that is manufactured or sold in the
5 State after January 1, 2009, shall be coded by the manufacturer;
6 provided that the coding requirement shall apply only to the
7 following calibers of ammunition: .

8 (b) No later than January 1, 2010, all non-coded
9 ammunition capable of use in a handgun, including an assault
10 pistol, whether owned by private citizens or retail outlets,
11 shall be disposed of in a manner prescribed by the attorney
12 general through rules adopted pursuant to chapter 91.

13 (c) For purposes of this part, "coded ammunition" means a
14 bullet carrying a unique identifier that has been applied by
15 etching onto the base of the bullet projectile.

16 §134-B **Possession or sale of non-coded ammunition**

17 **prohibited.** (a) All ammunition capable of use in a handgun,
18 including an assault pistol, manufactured or sold in the State
19 after January 1, 2009, shall be coded by the manufacturer;
20 provided that this requirement shall apply only to the calibers
21 of ammunition specified in section 134-A.



1 (b) No later than January 1, 2010, all non-coded
2 ammunition for the calibers listed in section 134-A, whether
3 owned by private citizens or retail outlets, shall be disposed
4 of in a manner prescribed by the attorney general through rules
5 adopted pursuant to chapter 91.

6 **§134-C Ammunition coding system database.** (a) The
7 attorney general shall establish and maintain an ammunition
8 coding system database containing the information specified in
9 this section.

10 (b) Manufacturers shall:

11 (1) Register with the attorney general in a manner
12 prescribed by the attorney general through rules
13 adopted pursuant to chapter 91; and

14 (2) Maintain records on the business premises for a period
15 of seven years concerning all sales, loans, and
16 transfers of ammunition, to, from, or within the
17 State.

18 (c) Vendors shall:

19 (1) Register with the attorney general in a manner
20 prescribed by the attorney general through rules
21 adopted pursuant to chapter 91; and



- 1 (2) Record the following information in a format
2 prescribed by the attorney general:
- 3 (A) The date of the transaction;
 - 4 (B) The name of the purchaser;
 - 5 (C) The purchaser's driver's license number or other
6 government issued identification card number;
 - 7 (D) The date of birth of the purchaser;
 - 8 (E) The unique identifier of all ammunition or
9 bullets sold; and
 - 10 (F) All other information prescribed by the attorney
11 general through rules adopted pursuant to chapter
12 91.
- 13 (3) Maintain records on the business premises for a period
14 of three years from the date of the recorded purchase.
- 15 (c) To the greatest extent possible or practical, the
16 ammunition coding system database shall be built within the
17 framework of existing firearms databases. The ammunition coding
18 system database shall be operational no later than January 1,
19 2009.
- 20 (d) Because privacy of individuals is of the utmost
21 importance, access to information in the ammunition coding
22 system database shall be stored in a manner consistent with the



1 provisions of section 846-7 through rules adopted pursuant to
2 chapter 91, limited to law enforcement personnel, and released
3 only in connection with a criminal investigation.

4 **§134-D Penalties.** (a) Any vendor who intentionally or
5 knowingly fails to comply with, or falsifies the records
6 required to be kept by, this part shall be guilty of a
7 misdemeanor.

8 (b) Any manufacturer who fails to comply with the
9 provisions of this section shall be liable for a civil fine of
10 not more than one \$1,000 for a first violation, not more than
11 five \$5,000 for a second violation, and not more \$10,000 for a
12 third or subsequent violation.

13 (c) Any person who intentionally or knowingly destroys,
14 obliterates, or otherwise renders unreadable the ammunition
15 coding required pursuant by this part to be placed on any bullet
16 or assembled ammunition shall be guilty of a misdemeanor.

17 **§134-E Coded ammunition special fund; fee.** (a) There is
18 established outside the state treasury a special fund, to be
19 known as the coded ammunition special fund, to be administered
20 by the attorney general. The fund shall consist of amounts
21 collected under this section. Moneys paid into the fund are not
22 general fund revenues of the State. The attorney general shall



1 place the funds in an interest-bearing account at any federally
2 insured financial institution, separate and apart from the
3 general fund of the State. Moneys in the fund shall be expended
4 by the attorney general for infrastructure, implementation,
5 operational, enforcement, and future development costs of this
6 part.

7 (b) Effective January 1, 2009, a coded ammunition fee in
8 the amount of .005 cent per bullet or round of ammunition,
9 subject to this part, shall be imposed upon the sale of each
10 bullet or round of ammunition that is capable of use in a
11 handgun, including an assault pistol. The surcharge shall have
12 uniform application and shall be imposed on the sale of each
13 bullet or round of ammunition that is capable of use in a
14 handgun, including an assault pistol, except those sold to
15 federal, state, and county government entities.

16 (c) Each vendor may retain two per cent of the amount of
17 fees collected pursuant to this section to offset administrative
18 expenses associated with billing and collecting the surcharge.

19 (d) A vendor shall remit to the attorney general for
20 deposit into the coded ammunition special fund, within sixty
21 days after the end of the calendar month in which the fee is
22 collected, an amount that represents the fees collected, less

1 amounts retained for administrative expenses incurred by the
2 vendor, as provided in subsection (c).

3 (e) The fees collected by the vendor pursuant to this
4 section shall not be subject to any tax, fee, or other
5 assessment, nor are they considered revenue of the vendor.

6 (f) At any time the attorney general deems it necessary
7 and appropriate, the attorney general may make recommendations
8 to the legislature as to whether the fee and fund should be
9 discontinued, continued as is, or amended."

10 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 "§235- Ammunition coding equipment income tax credit.

14 (a) Any law to the contrary notwithstanding, there shall be
15 allowed to each taxpayer subject to the taxes imposed by this
16 chapter an income tax credit that shall be deductible from the
17 taxpayer's net income tax liability, if any, imposed by this
18 chapter for the taxable year in which the credit is properly
19 claimed. The amount of the credit shall be equal to the total
20 qualified costs that the taxpayer incurred for the acquisition
21 of ammunition coding equipment required by part , chapter 134.



1 In the case of a partnership, S corporation, estate, or
2 trust, the tax credit allowable is for qualified acquisition
3 costs incurred by the entity for the taxable year. The cost
4 upon which the tax credit is computed shall be determined at the
5 entity level. Distribution and share of credit shall be
6 determined by rule.

7 If a deduction is taken under section 179 (with respect to
8 election to expense depreciable business assets) of the Internal
9 Revenue Code of 1986, as amended, no tax credit shall be allowed
10 for those costs for which the deduction is taken.

11 The basis for eligible property for depreciation of
12 accelerated cost recovery system purposes for state income taxes
13 shall be reduced by the amount of credit allowable and claimed.

14 (b) The credit allowed under this section shall be claimed
15 against the net income tax liability for the taxable year. For
16 the purposes of this section, "net income tax liability" means
17 net income tax liability reduced by all other credits allowed
18 under this chapter.

19 (c) If the tax credit under this section exceeds the
20 taxpayer's income tax liability, the excess of credits over
21 liability shall be refunded to the taxpayer; provided that no
22 refunds or payment on account of the tax credits allowed by this



1 section shall be made for amounts less than \$1. All claims,
2 including any amended claims, for tax credits under this section
3 shall be filed on or before the end of the twelfth month
4 following the close of the taxable year for which the credit may
5 be claimed. Failure to comply with the foregoing provision
6 shall constitute a waiver of the right to claim the credit.

7 (d) To qualify for this tax credit, a taxpayer shall:

8 (1) Enter into a contract for the acquisition of
9 ammunition coding equipment required by part ,
10 chapter 134;

11 (2) Install the ammunition coding equipment required by
12 part , chapter 134; and

13 (3) No later than thirty days following the end of each
14 taxable year in which qualified costs were expended,
15 submit a written, sworn statement to the attorney
16 general identifying:

17 (A) All qualified costs incurred pursuant to
18 subsection (a), if any, incurred in the previous
19 taxable year; and

20 (B) The amount of tax credits claimed pursuant to
21 this section, if any, in the previous taxable
22 year.



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1 The attorney general shall certify to the department of
 2 taxation on forms prescribed by the director of taxation the
 3 correct qualified costs that were incurred pursuant to
 4 subsection (a).

5 Notwithstanding the authority of the attorney general under
 6 this section, the director of taxation may audit and adjust the
 7 tax credit amount to conform to the information filed by the
 8 taxpayer.

9 (e) The director of taxation shall prepare forms as may be
 10 necessary to claim a credit under this section. The director
 11 may also require the taxpayer to furnish information to
 12 ascertain the validity of the claim for credit made under this
 13 section and may adopt rules necessary to effectuate the purposes
 14 of this section pursuant to chapter 91.

15 (f) Total tax credits claimed by a taxpayer pursuant to
 16 this section shall not exceed \$ _____ in any tax year."

17 SECTION 4. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2008.

19

INTRODUCED BY: 

JAN 16 2008



Report Title:

Ammunition; Identification

Description:

Requires all ammunition of a specified caliber manufactured or sold in Hawaii that is capable of use in handguns, including assault pistols, to be coded to assist law enforcement in identifying and prosecuting gun crime offenders. Requires attorney general to establish a statewide database to track coded ammunition. Effective 7/1/2008.

