

ATF Ruling 95-1

The Bureau of Alcohol, Tobacco and Firearms (ATF) has been asked whether a certain type of barrel is a nontaxable part or accessory or is includible in the price for purposes of calculating Federal excise tax liability pursuant to 26 U.S.C. 4181.

An importer of firearms imports an over and under trap shotgun and also imports a single barrel which is interchangeable with the double barrels of the over and under trap shotgun. Customers may purchase the over and under trap shotgun as a complete firearm or may purchase the over and under trap shotgun along with the single barrel. The single barrel may also be purchased by itself.

Title 27, Code of Federal Regulations, Section 53.61 (b) provides that no tax is imposed by section 4181 of the Internal Revenue Code of 1986 on the sale of parts or accessories of firearms, pistols, revolvers, shells, and cartridges when sold separately or when sold with a complete firearm. Thus, no tax attaches to the sale of telescopic mounts, rubber recoil pads, rifle sights, and similar parts for firearms when sold separately, or when sold with complete firearms for use as spare parts or accessories.

When a firearm is sold with an extra part, such as a barrel, ATF must determine which part is a taxable component part of the firearm and which part is a nontaxable spare part. The most important factor in making such determinations is whether the part under consideration was originally designed and intended to be used with the firearm.

In the present case the over and under trap shotgun was originally designed and intended to be used with the over and under barrels. The single barrel is available to customers as an option, so that they may use the shotgun as a single barrel or double barrel shotgun for trap shooting. Since the shotgun was not originally designed and intended as a single barrel shotgun, the single barrel is a nontaxable spare part.

Held: The single barrel when sold in combination with the over and under trap shotgun is a spare part which may be excluded from the sale price when calculating the Federal excise tax on the firearm pursuant to section 4181.

26 U.S.C. Section
4181 and 27 CFR 53.61(b): Parts and Accessories