

Out-of-Business Records: Required by Congress, Limited by Congress

NOVEMBER 2026

When a federal firearms licensee closes, federal law requires the licensee to transfer its records to ATF's Out-of-Business Records Center. Congress established this requirement and also imposed strict limits on how ATF may store, search and use those records.

WHAT THE LAW REQUIRES

- **18 U.S.C. § 923(g)(1)(A):**
  Dealers must keep records of every firearm they receive and sell.
- **18 U.S.C. § 923(g)(4):**
  When a dealer closes with no successor, its records "shall be delivered within thirty days" to the Attorney General.
- **27 CFR § 478.129 / 27 CFR § 478.127:**
  Active dealers must maintain their required firearms records at their licensed premises. When a dealer discontinues business, its records are sent to ATF's Out-of-Business Records Center in Martinsburg, W.Va.

WHAT THE LAW PROHIBITS

- **18 U.S.C. § 926(a):**
  No ATF rule may establish "any system of registration of firearms, firearms owners, or firearms transactions or dispositions."
- **Pub. L. 112-55 (FY2012, permanent):**
  No funds may be used to electronically retrieve these records "by name or any personal identification code."
- **Annual appropriations since FY79:**
  No funds may be used to consolidate or centralize active dealers' records within DOJ.

GAO AUDITS HAVE CONSISTENTLY FOUND THAT ATF's OUT-OF-BUSINESS RECORDS SYSTEM COMPLIES WITH STATUTORY RESTRICTIONS
(GAO-16-552 AND GAO/GGD-96-174)

WHY OUT-OF-BUSINESS RECORDS ARE NOT A REGISTRY:	
A REGISTRY WOULD...	OUT-OF-BUSINESS RECORDS...
✗ List every gun owner	✓ Cover sales by dealers that closed
✗ Be searchable by name	✓ Can't be searched by name
✗ Be updated if guns change hands	✓ Original record content is never modified after delivery
✗ Show what a person owns today	✓ Show historical firearm acquisition and disposition

HOW A CRIME GUN TRACE USES THESE RECORDS

RECOVER.
Police recover a gun in a crime and send ATF its weapon information.
1

CONTACT.
ATF contacts the manufacturer or importer as well as subsequent dealers in the firearm's chain of distribution.
2

QUERY.
If a dealer is out of business, ATF queries preserved business records to continue the trace.
3

SEND.
The first-purchaser lead is sent to the investigating agency.
4