My name is Benjamin - I own Smith Tactical LLC in Oxford/Southbury CT, we are a FFL07 Firearms/Ammunition Manufacturer with an SOT.

I currently manufacture custom ammunition for many LEO and Military entities in and around Connecticut. We also manufacture ammunition for local stores and several ranges. Everything from frangible ammunition for Law Enforcement, to MK262 Mod1 for several military contractors.

This bill, HB 5040, would have many unintended consequences, among them, restricting the amount of ammunition that both Law Enforcement Agencies and Officers, could purchase. Agencies are met with strict budget requirements that often dictate the quantity and quality of ammunition, that they can supply to their Officers. Cheaper ammunition comes with accuracy problems and this tax would also severely reduce the amount of training a law enforcement officer could accomplish. Most training is done off-duty and on the officer's dime - This would severely limit the readiness of many active Officers.

Further, we, as manufacturers already pay excise taxes.

As a manufacturer, I pay 11% excise taxes to the ATF/TTB on every single product I manufacture that is firearms related. Gunsmithing is taxed, as is manufacturing firearms and manufacturing ammunition.

As a small store as well, if this bill were to pass, we'd be paying in excess of 50% in taxes per round sold.

If this bill passes, we might as well close the store and start advertising out of state.

For example:

We manufacture a round similar to the Mk262 Mod1. - Ours is a 5.56 round, 2850FPS, with a 75gr HPBT.

Cost of components is roughly $0.40c/rd.
Cost of running equipment and my contractors is $0.10/rd.
Insurance is give or take 3c/round - Depending on caliber - Full liability covering the customer.
So, now we're at 53c/rd cost of manufacturing.
I sell to my dealers at $0.65c.
NOW we get hit with manufacturing excise. Excise is charged when a manufacturer sells to anyone. It's based on my actual total sale.
The amount we pay is 11% to the TTB/ATF.
11% of 0.65 is $0.07.
It cost me 53/rd to manufacture. 58c/rd I keep after taxes. I'm making 5c/rd profit.

Now my dealer or, myself, has to add this State Excise Tax - 35% PER round on to the final sale. On something I've already paid the ATF/TTB taxes on.

My minimum advertised pricing is 75c/rd - He or I charge 85c/rd.

The 35% is tacked onto that 85c/rd.

We sell in 25rd packs.
So WITH the proposed tax it's now, 85¢ + 35% or 30¢ = $1.15/rd PLUS TOTAL SALES TAX.

WITH THE NEW TAX - So, 25x$1.15 = $28.75 + 6.35% = $30.58

Opposed to

WITHOUT THE TAX 25rds x $0.85 = $21.25 + 6.35% = $22.60

That's putting us out of business. That's putting all of the local firearms shop, out of business. Nobody is going to pay 35% more for ammunition. Everyone that can, is going to find a way around it and there are many.

This bill is designed to put shops out of business and that's all it's doing. Putting us out of business and punishing those that have an actual need for the ammunition. It's not just ordinary citizens being penalized, it's Law Enforcement as well.

My right to own a firearm, manufacture firearms, own ammunition and manufacture ammunition; is protected by the 2nd Amendment. Penalizing me for exercising my right to that freedom, is simply un-American.

All this state does is tax us out of our constitutional rights when all we had to do in the first place, was actually punish the offenders that break the law. Fine those that commit crimes and send a message that gun violence will not be allowed.

Instead, it's always the first grievance nollied and we wonder why habitual offenders, are habitual. They're habitual because there are no consequences to their actions - It doesn't take an expert to see that.

Benjamin Smith

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