

Third, the U.S. Treasury released information on Firearms and Ammunition Excise Tax (FAET) returns reporting on the “total calculated tax on the sale or use of listed taxable articles”. The tax is imposed at the point of release of firearms and ammunition into commerce, that is, essentially from manufacturers and importers into the wholesale, retail, and end-user chain. Since the FAET tax rate is known (10% on handguns and 11% on long-guns and shells (ammunition), implied industry revenue at the point of manufacture (or import) can be calculated as shown in the table. Note that some firearms-related transactions are tax-exempt or tax-free so that the implied industry revenue understates the industry’s size.

Calendar year	In nominal dollars		In inflation-adjusted dollars (base year = 2012)		
	FAET (mn \$)	Implied industry revenue (bn \$)	FAET (mn \$)	Implied industry revenue (bn \$)	Inflation-adjusted year-over-year industry growth
2019	630.3	5.9	561.3	5.3	-4.5%
2020	921.5	8.7	810.4	7.6	+44.3%
2021	1,211.5	11.4	1,024.6	9.6	+26.4%

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