# The Study of Gunsmithing



Sonoran Desert Institute

MODULE NUMBER 8

## The Gunsmithing Business




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# MODULE NUMBER 8

## The Gunsmithing Business

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Appendices

(#) Indicates point in your program at which additional lesson materials will be sent as you complete and return the lesson exams for grading.

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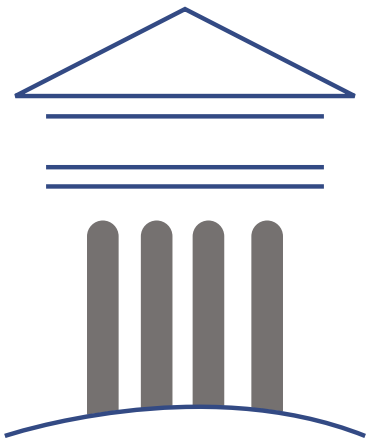

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# Gun Laws and Legislation Lesson: 2203


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# Objectives

In this lesson, you will learn

1. The age requirements for obtaining a Federal Firearms License.
2. What types of firearms are not covered by the Gun Control Act of 1968.
3. The age restriction for the purchase of a handgun.
4. The requirements for transporting firearms.
5. What form of identification to use when verifying your customers' information.

# Introduction

One of the most difficult issues confronting firearms businesses and firearms owners is the need for fully trained, competent gunsmiths. Unfortunately, there are many people out there, some of them ederal licensees, who claim to be gunsmiths but have very little knowledge or skills in that area. Gun owners often complain that these people hold their guns for unreasonable periods of time and, when they finally get them back, the necessary repairs have either been made poorly or not made at all. This is often not discovered until the gun owner has paid for the repairs that have supposedly been made, forcing him into a decision on whether it is worth the expense of taking legal steps to recover his money or just to go to another gunsmith and start the repair process over again.

The poor state of our economy forces many gun owners to delay purchasing new firearms until their finances are in better shape.

In addition, the machine gun ban of 1986 says that private citizens can only own machine guns that were manufactured before May 19, 1986. As these firearms get older, many of them will need to be repaired. They cannot be replaced unless the replacement machine gun was also manufactured before May 19, 1986 [18 USC 922(o)].

These problems, along with the threat of more regulation and additional laws restricting firearms sales that seem to come with the publicity surrounding every mass shooting, may result in the curtailment of new gun sales. Therefore, there may be an even larger demand for the knowledgeable gunsmith in the near future. Existing firearms will have to be maintained, and broken guns will need repairs, often requiring the gunsmith to manufacture new gun parts. Collectors and museums will want their collector pieces restored and preserved. At this moment, most areas in the United States can use more gunsmiths, and this demand will most likely increase in the future. It is estimated there will be a need for many more skilled gunsmiths in the United States during this decade than are currently available. Anyone with the knowledge of firearms (including their repair and restoration) cannot help but fare well.

Besides needing a thorough knowledge of firearms, their operating characteristics, and how to repair them, the modern gunsmith is faced with numerous rules and regulations that he or she must abide by. Learning all of these laws may be difficult at first, but eventually they will become second nature.

This lesson covers the basic laws governing firearms at the present time. However, these laws are modified frequently. When you receive your *Federal Firearms License (FFL)*, You will also receive a booklet titled **Your Guide to Federal Firearms Regulation** (ATF Publication 5300.4), shown in Figure 1, and another book titled **Federal Firearms Licensee Quick Reference and Best Practices Guide** (ATF Publication 5300.15), published by the Bureau of Alcohol, Tobacco, and Firearms (ATF). If for some reason these books do not arrive with your FFL, request copies immediately. Read the first 11 pages of the ATF Publication 5300.15. Look at the sample Acquisition & Disposition Record on pages 13 & 14 and briefly look at the sample forms on page 15. Read the questions and answers in ATF Publication 5300.4, which are written in plain English. Take a look at the regulations referred to in the answers for the sections concerning "Licensing", "Form 4473", "Records Required", "Conduct of Business", "Manufacturers", "Gunsmiths" and "Brady Law". Don't worry about memorizing any of the answers or the regulations cited. Concentrate on understanding the concepts involved and how these requirements tie into the purpose of keeping firearms away from prohibited people. Before you obtain your FFL, an ATF Industry Operations Investigator will review these regulations with you and answer any questions you have. Then, keep both books handy at all times to review in case certain questions arise. If you are in doubt about a rule or regulation and you do not find the answer in one of these books, or aren't sure you understand the answer you found, call your nearest ATF office for assistance. In most cases, they will be able to give you a ruling on the spot.

**Key Principles of Federal Law Applicable to Firearms Transactions**

- A "Prohibited Person" can never legally possess a firearm.
- A person who is buying and selling firearms with the intent of making a profit is "engaging in business" and must obtain a Federal Firearms License.
- In a sale between two licensees, the seller is required to verify the license status of the buyer.
- The "Firearms Transaction Record" and "InstaCheck" (PICS) were designed to prevent prohibited people from acquiring firearms from licensees.
- In any sale from a licensee to a non-licensee, a "Firearms Transaction Record" must be completed and an "InstaCheck" must be conducted.
- Under federal law, a sale between two non-licensees does not have to go through a licensee. However, take note of the following:
    - The buyer and seller must be residents of the same state.
    - The buyer cannot be a prohibited person.
    - A licensee can "acquire" firearms anywhere. He can only "dispose" of firearms at his licensed premises or at a "gun show" in his home state.

**"National Firearms Act" weapons, such as machine guns, are the only firearms that are registered under federal law.**

- All transactions in NFA weapons must be approved by ATF before they can take place.
- A "making tax" and "transfer tax" are imposed on NFA transactions involving non-licensees.
- Licensees who wish to manufacture, import, or deal in NFA weapons must pay an occupational tax to do so, in addition to their license fee.
- Payment of the tax exempts them from the "making tax" if they are manufacturers.
- A sale or "transfer" between two NFA licensees is exempt from the "transfer tax".

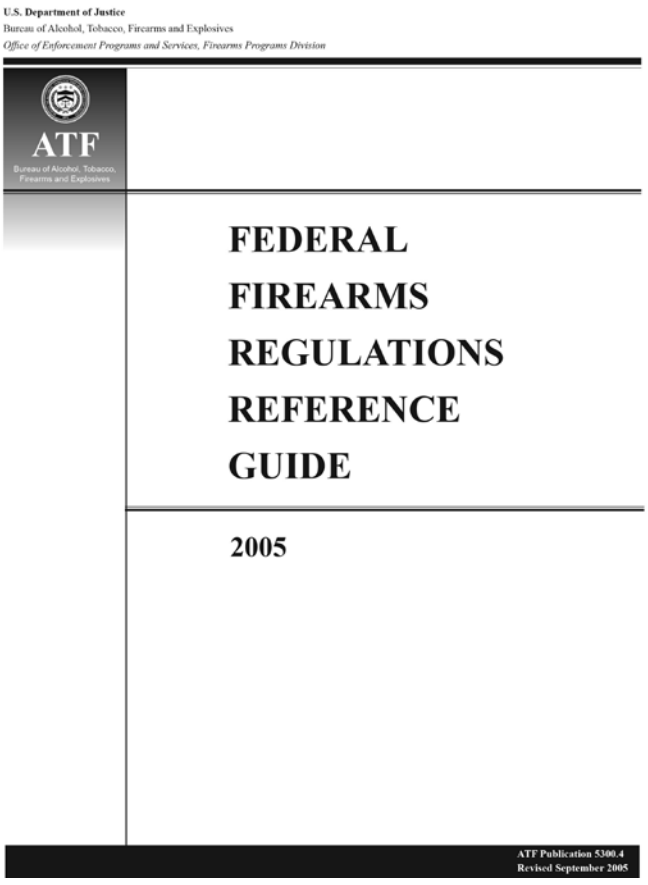



***Figure 1:*** *Obtain, read, study and keep a copy handy of the latest edition* of the Federal Firearms Regulations Reference Guide.*

**The 2005 edition is the current copy available at the time of printing.*

**What is a "Prohibited Person"**

A prohibited person is an individual who may be characterized by any of the following:

- Has been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year
- Is a fugitive from justice
- Is an unlawful user of or addicted to any controlled substance
- Has been adjudicated as a mental defective or has been committed to a mental institution
- Is an alien illegally or unlawfully in the United States or an alien admitted to the United States under a non-immigrant visa
- Has been discharged from the Armed Forces under dishonorable conditions
- Having been a citizen of the United States, has renounced his or her citizenship
- Is subject to a court order that restrains the person from harassing, stalking, or threatening an intimate partner or child of such intimate partner
- Has been convicted of a misdemeanor crime of domestic violence
- Cannot lawfully receive, possess, ship, or transport a firearm
- A person who is under indictment or information for a crime punishable by imprisonment for a term exceeding 1 year; such person may continue to lawfully possess firearms obtained prior to the indictment or information

# Your Federal Firearms License

Anyone who engages in a business engraving, customizing, refinishing or repairing firearms must obtain an FFL. You will also need a license if you personally manufacture firearms, buy guns or ammunition for resale to others at wholesale or retail prices; reload ammunition for others; or take possession of someone else's firearms, for even simple maintenance as part of a business [27 CFR 478.11; 27 CFR 478.41].

To qualify for an FFL, shown in Figure 2, you

- must be 21 years of age or over;
- must not be prohibited from shipping, transporting, receiving or possessing firearms or ammunition;
- must not have willfully failed to disclose any material information, or made any false statement, as to any material fact in connection with an application for an FFL; and
- must have premises from which you conduct your business, or from which you intend to conduct a dealer's business within a reasonable period of time.

You must also certify all of the following:

1. The business to be conducted is not prohibited by State or local law at that location.
2. Within 30 days of the approval of the application, the business will comply with applicable state and local law requirements.
3. The business will not be conducted until the requirements of state and local law have been met.
4. You have sent a copy of the application to the chief law enforcement officer where the premises is located notifying that officer that you have applied for a license.
5. Secure gun storage or safety devices will be available at any place where firearms are sold to non-licensees [27 CFR 478.47(b)].

An FFL entitles you to buy and sell, at wholesale or retail, firearms and ammunition to residents of your state. You may also, depending on state laws, sell to residents of other states [18 USC 933(b)3; 27 CFR 478.41(b); 27 CFR 478.96].

You may operate out of your home, a garage, an outbuilding, or a regular place of business, but you must be open to the public during the hours you specify on your application [27 CFR 478.11].

Some local zoning laws may prohibit you from operating any business out of your home, or may prohibit the manufacture or storage of ammunition. So be sure you look into your local requirements for a business license to operate from your home before applying for an FFL [18 USC 923(d)(1)].

When you specify "open to the public" on your application, you need only open your doors for the time specified. If you are a gunsmith only, you can also open "by appointment only," provided you set core hours when you will usually be available for ATF inspection. Many part-time gunsmiths have a regular




*Figure 2: Sample of FFL you will receive if you qualify.*

job working for another firm. Therefore, they prefer to open their own business a couple hours each day, for example, from 6 p.m. to 8 p.m. weekdays, and from 9 a.m. to noon weekends. This is perfectly legal, as long as those are the hours listed on your application. You only need to be open to the public you intend to serve, presumably gun owners requiring repairs [18 USC 923(d)(1); ATF Ruling 73-13].

If you are a dealer and a gunsmith, an FFL also entitles you to do gun repairs on the same premises, providing this phase of your business is also open to the public during the hours listed for non-repair services. The cost for an FFL entitling you to buy, sell, and repair guns is $90 every three years after the $200 fee for the first three years [18 USC 921(a)(11)(B) 27 CFR 478.42; 27 CFR 478.47(b)].

To apply for your FFL, call (202) 648-6420 to request the application package from the ATF Distribution Center. You may also contact your local ATF Industry Operations Office. To find your local ATF Office, check your local telephone directory or go to the ATF website, www.atf.gov. Click on "Contact ATF" and then on "Contact by State" to find all ATF offices in your state.

Request an Application package to obtain a Federal Firearms License. You will then receive an application and instructions for filling it out.

At this point, you should seriously consider speaking with an attorney, preferably one intimately aware of federal firearms laws, regarding forming some form of corporate entity to protect you in case you are sued. Furthermore, if you elect to form some form of corporate entity, you will apply in the name of the corporate entity, not your own name.

In approximately two months, after attending the Initial Interview with your local Industry Operations Inspector, you will receive your FFL if you qualify. It should be displayed prominently in your place of business. Do not sign your license. Have a few dozen copies made at your local office supply store or library [27 CFR 478.47].

When ordering firearms or ammunition for the first time from a manufacturer or supplier, send a copy of your license with an original signature with your order. When requesting catalogs also send a copy of the license; most suppliers require a copy of an FFL as proof that you are entitled to trade discounts [27 CFR 478.94].

Your license is in effect until the expiration date shown on the license. It covers operations only at the location shown on the license, and under certain restrictions, at gun shows and similar activities. When it is time to renew your FFL, the ATF will send a renewal application to you about 60 days before the

| Description of Firearm | | | | | | Receipt | | Dispostion | |
|---|---|---|---|---|---|---|---|---|---|
| Manufacturer and Importer (if any) | Model | Serial Number | Type | Caliber or Gauge | Date | Name and Address or Name and Licensee No. | Date | Name | Address or Licensee No. if licensee, or Form 4473 Serial Number if Forms 4473 filed numerically |
| 1. Ithaca | 1021004 | 660138 | Shotgun | 20 | 8/2/01 | John's Fine Guns<br>FFL 4-42-98777 | 1/29/02 | James House | Form 4473 #2 |
| 2. Smith & Wesson | 10 | M60512 | Revolver | .38 | 8/4/01 | Sinap Shop<br>FFL 7-86-34989 | | | |
| 3. Western Field | 10504 | G91467 | Shotgun | 20 | 8/4/01 | John's Fine Guns<br>FFL 4-42-98777 | 11/2/02 | Jim Michaels | Form 4473 #68 ***Rod & Gun Show Springfield, IL*** |
| 4. Winchester | 94 | 382906 | Rifle | 30-30 | 11/4/01 | Al Green<br>928 Bob Hill<br>Oak Hill, IL 60651 | 9/1/02 | William Bounce | Form 4473 #50 |
| 5. Remington | 870 | 4932 | Shotgun | 16 | 6/9/02 | Thomas Problem<br>605 E. Colonial<br>Bluff, IL 60651 | 6/20/02 | Fit It or Melt It, Inc. | FFL 5-46-39988 |
| 6. Remington | 540X | 312698V | Revolver | .22 | 7/2/02 | Joan Realtor<br>FFL 2-91-34487 | 7/14/02 | Brian Smith | 605 E. Colonial<br>Blues, IL 60651 ***(Personal Collection)*** |
| 7. Browning | 1200 | 38679 | Pistol | .45 | 8/24/02 | Jon Doe<br>631 Pine Street<br>Elkton, IL 60605 | 7/1/03 | Jon Doe | Form 4473 #56 |
| 8. Western Field | 10504 | G91467 | Shotgun | 20 | 11/24/02 | Jim Michaels<br>829 Columbia<br>Springfield, IL 60685 | 12/2/02 | Stolen Reported | ATF Issued Incident Number<br>F2010-001579 |
| 9. Smith & Wesson | 43-1 | M60562 | Pistol | .22 | 12/1/02 | Brian Smith (owner)<br>84 Winsor<br>Cambridge, IL 60731 | 12/12/02 | Tom Jones-<br>Metro Police | 305 Wilkins Road<br>Atchison, Kansas 70519<br>***Certification Letter on File*** |
| 10. Remington | 870 | 4932 | Shotgun | 16 | 12/12/02 | Fit It or Melt it, Inc.<br>FFL 5-46-39988 | 12/2/02 | Thomas Problem | 605 E. Colonial<br>Bluff, IL 60651 |
| 11. ABC International Arms/<br>West Coast Importers, LLC | WASR-3HI | 7117 | Rifle | .223 | 12/7/02 | West Coast Importers, LLC<br>FFL 3-68-87102 | 12/9/02 | Matthew Johnson | Form 4473 #86 |

***Figure 3:*** *Sample Entries for Acquisition and Disposition Book for Federal Firearms licensee Brian Smith for Brian's Sport Shop. It is important to keep accurate records.*

expiration date shown on your license. If you do not receive your renewal application 45 days before the license expiration date, and you want to stay in business, immediately notify your local ATF office or the Federal Firearms Licensing Center. You can contact the licensing center by phone at (866)662-2750. See the ATF website (www.ATF.gov) for the mailing address [27 CFR 478.49; 27 CFR 478.45].

**To renew your FFL, complete and send the application, with the fee attached, to the Post Office Box listed on the renewal application *before* the license expiration date.** Filing your renewal application on time gives you the right to continue operations until the ATF acts on the application, no matter how long it takes. If necessary, you can obtain a "Letter of Authority," from the ATF, documenting your timely renewal and right to operate for your suppliers. (27 CFR 478.45)

## KEEPING RECORDS

Gunsmiths and dealers must maintain a separate permanent record of all firearms acquired and disposed of. This includes firearms received in pawn, curios and relics, and firearms received for repair [27 CFR 478.125].

Firearms must be logged in when received and logged out as they are disposed of, using a *Firearms Acquisition and Disposition Record* (A & D Record) like the one shown in Figure 3 [27 CFR 478.125(e)].

You will have to prepare Form 4473, the *Firearms Transaction Record*, covering the transfer of each firearm to a non-licensed person. Read this form carefully; it is the most important form or record you will keep. These forms must be kept alphabetically by name of purchaser, chronologically by date of disposition, or numerically by transaction serial number. Form 4473, Part I, shown in Figure 3 is used for over-the-counter sales. Form 4473, Part II, is used for non-over-the-counter sales. Form 4473 Part II can only be used if the transaction is exempt from the requirement for an InstaCheck. **No licensee should use Form 4473 Part II until he completely understands the requirements of 27 CFR 478.124(f) and 27 CFR 478.96(b)** [27 CFR 478.102; 27 CFR 478.124; 27 CFR 478.96(b)].

Form 4473 does not have to be prepared to cover the return of a repaired firearm to the same person who gave it to you for repair. However, to qualify for this exemption, the person you're returning the firearm to must be the exact same person who brought it in, not a friend or relative acting on his or her behalf [27 CFR 478.124(a)].

You must also keep a record of all armor-piercing ammunition received and disposed of (See 27 CFR 478.11 for the definition of Armor-Piercing Ammunition). Records of the sale of armor-piercing ammunition to law enforcement or government agencies must be kept for two years. Other records must be kept for 20 years. The information should be kept in a bound book with the information listed as shown in Figure 4. Be sure that all of the information is filled out on the form. Ammunition and firearms record books are available from a number of sources, including Brownells [27 CFR 478.125]. To keep a computerized record of this type of information, you need to request a variance [27 CFR § 478.125(h) i].

**Importer's Firearms Disposition Records**

| Quantity | Type | Manufacturer | Country of Manufacture | Caliber or Gauge | Model | Serial No. | Name & License No. of Transferee | Date of the Transaction |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | | |

**Importer's Armor Piercing Ammunition Disposition Records**

| Date | Manufacturer | Caliber or Gauge | Quantity of Projectiles | Name & License No. of Purchaser |
|---|---|---|---|---|
| | | | | |

***Figure 4**: Ammunition disposition record should contain the above information.*

## TRANSFER BETWEEN LICENSEES

Licensees may freely buy and sell firearms and ammunition among themselves. They do not have to prepare Form 4473 on transfers to other licensees; however, these transactions must be recorded in a bound record book. The licensee receiving the firearms or ammunition must furnish a signed copy of his or her license to the licensee selling, or otherwise disposing of, any firearm prior to making the transaction. Licensees may also ship interstate to other licensees [27 CFR 478.94].

Dealers may take orders for firearms and ammunition at any location, but the orders must be filled only at your licensed premises or a gun show in the licensee's home state. This includes sales or dispositions to other licensees [27 CFR 478.41; 27 CFR 478.50; 27 CFR 478.100].

## KNOW YOUR CUSTOMER

Before delivering any firearm or armor-piercing ammunition, identify the buyer by name, date of birth, residence address and a photograph. This information must be verified from a Government-issued Identification Document [27 CFR 478.11; 27 CFR 478.124(c); 27 CFR 478.102(a)(3)].

Under federal law, the minimum age for purchasers of firearms and ammunition may be either 18 or 21 years, depending on the item being purchased. You may not sell a handgun or handgun ammunition to persons under 21 years of age. You may not sell shotguns or rifles, or shotgun and rifle ammunition, to persons under 18 years of age. You may sell ammunition that is interchangeable between rifles and handguns to a purchaser who is at least 18 years of age, if you are satisfied that he or she will use the ammunition in a rifle [27 CFR 478.99(b)].

If you sell or deliver a handgun to a non-licensed person, that person must be a resident of the state in which your licensed premises is located. If you sell or deliver a rifle or shotgun to a non-licensed person, that person must be a resident of the state in which your business is located. In some cases, you may sell rifles and shotguns, but not handguns, to a resident of another state. This latter condition is valid only if the buyer's state allows an out-of-state purchase and if the licensee's state allows a sale to an out-of-state resident [27 CFR 478.96(c)].

In addition to these requirements, you may not lawfully sell or dispose of any firearm or ammunition to prohibited people, such as convicted felons. In addition, a licensee may not make a sale or disposition of a firearm to anyone if the sale or disposition would violate any state or local law [27 CFR 478.99(b)].

If firearms are lost or stolen, you should immediately contact your local law enforcement authorities and report the theft or loss to ATF within 48 hours after the theft or loss is discovered. Licensees must report thefts or losses by telephoning 1-888-930-9275 (nationwide toll free number) and by preparing ATF Form 3310.11, Federal Firearms Licensee Theft/Loss Report [27 CFR 478.39a].

**NOTE**: If you deliver more than one handgun to the same individual non-licensee within five consecutive business days, this must be reported to the ATF on Form 3310.4. The original copy of this form must be mailed to the ATF's National Tracing Center (244 Needy Road Martinsburg, West Virginia 25405) at the end of the business day on which the sale occurs. A second copy is sent to the Chief Law Enforcement Officer where the sale took place. A third copy is retained by the licensee [27 CFR 478.126a].

Licensed collectors may buy or acquire firearms classified as curios and relics from any source. If they have firearms in their collection they no longer want, these firearms may be disposed of to another licensee anywhere, or to non-licensed residents in the collector's home state, just as a non-licensee can. A licensed collector maintains a modified version of the A & D record maintained by licensed dealers. A licensed collector does not prepare Forms 4473. A licensed collector is not conducting a business. A person conducting the business of buying and selling curios and relics should be licensed as a dealer [27 CFR 478.11; 27 CFR 478.41(d); 27 CFR 478.93; 27 CFR.125(f).

If a licensee moves his or her business location, the Chief of the Federal Firearms Licensing Center must be notified at least 10 days before moving the firearms and ammunition to a new address [27 CFR 478.52].

If you go out of business, the following rules must be observed:

- Within 30 days after the licensee sells or otherwise discontinues the firearms or ammunition business, written notice must be given of this change in status to the Chief of the Firearms Licensing Center.
- If a licensee goes completely out of business, the records and forms required to be kept by the regulations must be delivered to the ATF Out of Business Records Center within 30 days.
- If the business is sold to a new owner, these records and forms can either be transferred to the new owner, sent to the Out of Business Records Center or to any ATF Office in the Field Division in which the business is located. (Some licensees do not want to assume responsibility for their predecessor's records) [27 CFR 478.57; 27 CFR 478.127].

## SALES TO LAW ENFORCEMENT OFFICERS

Section 925(a)(1) of the *Gun Control Act of 1968* (GCA) exempts law enforcement agencies from the transportation, shipment, receipt, possession or importation controls of the act when firearms are to be used for the official business of the agency.

If a law enforcement officer is issued a certification letter on the agency's letterhead, signed by a person in authority within the agency (other than the officer purchasing the firearm), stating that the officer will use the firearms in performance of official duties, and that a records check reveals that the purchasing officer has no convictions for misdemeanor crimes of domestic violence, then the officer specified in the certification may purchase a firearm from you, regardless of the state in which he or she resides, or in which the agency is located. The seller is not required to prepare a Form 4473 covering such a sale; however, the transaction must be entered in the permanent record. The certification letter from the officer must be kept in your files.




***Figure 5:*** *Be sure to understand the laws regarding selling and working with law enforcement officer's firearms.*

The ATF considers the following as persons having the authority to make certifications that the law enforcement officer purchasing the firearms will use the firearms in the performance of his or her official duties:

- In a city or county police department, the director of public safety or the chief or commissioner of police.
- In a sheriff's office, the sheriff.
- In a state police or highway patrol department, the superintendent of the supervisor in charge of the office.
- In federal law enforcement offices, the supervisor in charge of the office to which the federal officer or employee is assigned.

The ATF also recognizes the validity of someone signing on behalf of a person of authority, provided there is a proper delegation of authority and overall responsibility has not changed in any way.

Before making a sale to a law enforcement officer, check with the appropriate officials in your home state and the purchasing officer's home state to make sure the sale is legal under state law. The most important thing to remember is that this exemption only applies to duty weapons. A law enforcement officer purchasing a firearm for personal use is considered a private citizen [27 CFR 478.134].

This is only a brief overview of the federal laws covered in the ATF publication 5300.4, *Your Guide to Federal Firearms Regulations.* Be sure that you become familiar with this guide. It is sent to all FFL holders. You should read and become familiar with ATF Publication 5300.15, *Federal Firearms Licensee Quick Reference and Best Practices Guide*. You will also get periodic newsletters from ATF, roughly once every six months which are written in plain English. You should read them and, if there's anything you have a problem understanding, you should contact your local ATF office. Updated issues of these publications are sent to all dealers when available.

You must follow all state, city, and local laws as well. Some state and local laws and regulations are covered in ATF publication 5300.5, *State Laws and Published Ordinances*, shown in Figure 8. This publication is also sent to all FFL holders. However, complying with state and local laws goes beyond the state laws listed in ATF Publication 5300.5. The ATF prepared that publication by contacting state authorities and asking them what they wanted to include in the book. What the states provided was not necessarily complete. In addition, major changes to state and local laws sometimes come in between editions of the ATF publication which might not be re-issued for a couple of years. You need to contact state and local authorities and get information concerning their requirements from those authorities, not just from the ATF publication.

In case there is a conflict between the federal and state regulations, federal law does not supersede state law and state law does not supersede federal law. Where they do not agree, you must comply with whichever is stricter. You will then be in compliance with both.

## NFA GUNSMITHING

As mentioned previously, NFA firearms, such as machine guns, short barreled rifles, sawed-off shotguns, destructive devices, and silencers are the only firearms registered under federal law. Normally, any time one of these firearms changes hands, that is considered a transfer and must be approved by ATF before the firearm can change hands.

Manufacturers, importers, and dealers who want to acquire and dispose of NFA weapons must pay a special occupational tax (SOT), in addition to their license fees, to do so. This SOT payment also exempts them from the making tax (Manufacturer) or from the transfer tax (Importers or Dealers) [27 CFR 479.31; 27 CFR 479.68; 27 CFR 479.88)].

Licensed gunsmiths can accept NFA weapons for repair and modification without paying occupational tax or transfer tax. This interpretation is documented in an ATF open letter on "Repair of NFA Firearms," dated February 18, 2000 and available on the ATF website.

However, there are several things you must keep in mind before doing so to avoid committing a serious violation of the law:

- Only a licensed manufacturer, who has paid the NFA Special Occupational Tax as an NFA Manufacturer, can manufacture an NFA weapon without prior approval by ATF and without paying the $200 making tax [27 CFR 479.62].

- Since the machine gun ban of 1986, no machine gun can be manufactured except for sale to a government agency or for export. Only machine guns manufactured before the ban can be owned by a private citizen [18 USC 922(o)].

- There is sometimes a fine line between gunsmithing and manufacturing. Generally speaking, if you are repairing or modifying a customer's gun, for his or her personal use you are gunsmithing (see remarks below on converting a customer's firearm to an NFA Weapon). You can do that with a dealer's license without paying the Special Occupational Tax. If you are modifying a firearm to prepare it for sale, generally speaking, you may be manufacturing and could need a manufacturer's license and to pay the Special Occupational Tax [ATF's NFA Handbook Sections 7.2.2 & 7.2.3].



***Figure 6:*** *There are specific laws that apply to machine guns like the one shown above.*

Fortunately, it is fairly easy to protect yourself from inadvertently incurring SOT liability or breaking the law. If you are working on a customer's NFA firearm which will be used for his personal use, you are gunsmithing. However, see remarks below on converting a customer's firearm to an NFA Weapon [ATF's NFA Handbook Section 7.2.3].

If you are manufacturing an NFA firearm for sale or as part of the manufacturing process for a commercial customer, you are almost certainly manufacturing and need a manufacturer's license and to pay SOT [ATF's NFA Handbook Section 7.2.3].

If you are on or close to the line between manufacturing and gunsmithing, such as modifying an NFA weapon which your customer may want to sell, contact your nearest ATF office, tell them exactly what you are going to do, and ask them if that is gunsmithing or manufacturing. This communication should be in writing so that you can get a written answer, hopefully from the Firearms Technology Branch; you will have the written response in your possession should questions arise in the future.

If you are asked to convert a standard firearm to an NFA weapon (not a machine gun) for a customer who already owns the weapon, this could only be done after a Form 1, prepared by the owner, is approved by ATF and the making tax paid. In order to do this without a manufacturer's license and SOT payment, the firearm must already belong to the customer and be intended only for his or her personal use [ATF's NFA Handbook Sections 7.2.2 & 7.2.3].

NFA weapons are only within the law if they are in the possession of the person they are registered to. The ATF allows a limited exception for a weapon being temporarily transferred to a gunsmith for repair and subsequent return to its owner. However, to avoid possible misunderstandings with the ATF or local law enforcement, it is important that you document your legal right to possess the NFA weapon you are working on [ATF Open Letter 2/18/00 on Repair of NFA Firearms].

This can be done in a couple of different ways. The ATF "suggests" the owner obtain permission from the ATF for the transfer by completing and mailing ATF Form 5 (5320.5) to the NFA branch and receive approval prior to the delivery. The gunsmith should do the same prior to returning the firearm. The ATF "suggests" this because it is not required. The advantage is that this absolutely establishes your right to possess the weapon. The disadvantage is that getting Form 5 approved takes time. It will probably take at least a month to get each Form 5 approved.

Another way is by having the customer send you a letter stating that he is the registered owner of the NFA weapon, giving you the manufacturer model and serial number, enclosing a copy of the ATF Form registering the firearm to him and stating exactly what he wants you to do before returning the firearm to him. When you return the firearm, you would send him a letter, along with the copy of his registration form, telling him exactly what you've done. This way has the advantage of not having to wait for ATF to approve a Form 5. Another advantage is that it reduces the possibility of a misunderstanding between you and your customer by him, or her, stating exactly what he wants done and you stating exactly what was done. If you feel that what he wants would get you into that gray area between manufacturing and gunsmithing, you could use the information from his letter as the basis of your communication with the ATF to make sure you could do that work without a manufacturer's license or SOT payment.

If you are converting an NFA weapon to an unserviceable NFA weapon, it is recommended using the Form 5 method so that the ATF would then have the firearm registered as an unserviceable weapon, a weapon that cannot fire a shot or be readily restored to a firing condition. Unserviceable weapons are still subject to the requirements of the NFA, but can be transferred, as a curio or ornament, without paying the transfer tax by using a Form 5. An acceptable method of rendering most firearms unserviceable is to fusion weld the chamber closed and fusion weld the barrel solidly to the frame. Certain unusual firearms require other methods to render the firearms unserviceable [27 CFR 479.11and 479.91].

## SELF-TEST QUESTIONS

Please check your answers on page 22.

1. ***True or False*. A gunsmith needs a Federal Firearms License only if he or she engages in the sale of firearms; none is required for repair work.**
2. **What is the name of the form that must be filled out by all non-licensed individuals when purchasing a firearm of any type?**
3. **Where may you apply for an application to get your Federal Firearms License?**
4. ***True or False.* Once you have your FFL, you do not have to be concerned with state rules and regulations.**

# Questions and Answers

The following questions and answers are intended to help you better understand federal laws and regulations that pertain to firearms and ammunition. Although this listing is by no means all-inclusive, it contains a selection of those questions that the ATF receives frequently.

These questions and answers relate only to federal laws and regulations. Numerous states, counties, and municipalities have enacted their own requirements concerning firearms and ammunition. State laws and local ordinances that are relevant to the enforcement of the Gun Control Act are contained in ATF Publication 5300.5 or later editions.

## GENERAL QUESTIONS

**Q: Who can get a license?**

- ATF will approve the application if the applicant is 21 years of age or older;
- is not prohibited from shipping, transporting, receiving or possessing firearms or ammunition;
- has not willfully violated the *Gun Control Act* (GCA) or its regulations;
- has not willfully failed to disclose material information or willfully made false statements concerning material facts in connection with his application;
- has premises for conducting business or collecting; and
- the applicant certifies that
  - the business to be conducted under the license is not prohibited by state or local law in the place where the licensed premises is located;
  - within 30 days after the application is approved the business will comply with the requirements of state and local law applicable to the conduct of the business;
  - the business will not be conducted under the license until the requirements of state and local law applicable to the business have been met;
  - the applicant has sent or delivered a form to the chief law enforcement officer where the premises is located notifying the officer that the applicant intends to apply for a license; and
  - secure gun storage or safety devices will be available at any place in which firearms are sold under the license to persons who are not licensees ("secure gun storage or safety device" is defined in 18 U.S.C. 921(a)(34)). [18 U.S.C. 923(d)(1), , 27 CFR 478.47(b)]

**Q: Does the Federal Government issue a license or permit to carry a concealed weapon?**

No. Neither the ATF nor any other federal agency issues such a permit or license. Carrying permits may be issued by a state or local government.

**Q: Do antique firearms fall under the purview of the GCA?**

No. However, state and local laws may include antique firearms. Always check relevant state or local laws along with federal laws.

[18 U.S.C. 921(a)(3) and (16), 27 CFR 478.11 and 478.141(d)]



**Q: What kinds of ammunition are covered by the GCA?**

Ammunition includes cartridge cases, primers, bullets or propellant powder designed for use in any firearm other than an antique firearm.

Items NOT covered include blank ammunition, tear gas ammunition, pellets and nonmetallic shotgun hulls without primers.

Generally, no records are required for ammunition transactions. However, information about the disposition of armor-piercing ammunition is required to be entered into a record by importers, manufacturers, and collectors.

A license is not required for dealers in ammunition only.

[18 U.S.C. 921(a)(17) and 922(b)(5), 27 CFR 478.11 and 478.125]

**Q: Does the GCA control the sale of firearms parts?**

No, except that frames or receivers of firearms are "firearms" as defined in the law and subject to the same controls as complete firearms. Silencer parts are also firearms under the GCA, as well as under the National Firearms Act (NFA). Certain machine gun parts, such as conversion parts or kits, are also subject to the NFA.

[18 U.S.C. 921(a)(3) and (24), 26 U.S.C. 5845, 27 CFR 478.11 and 479.11]

**Q: Are black powder dealers required to be licensed as ammunition dealers under the GCA?**

No. However, black powder dealers are subject to the provisions of 27 CFR Part 555, Commerce in Explosives, which requires that a dealer in any quantity of black powder must have a license as a dealer.

[18 U.S.C. 842]

**Q: Does the GCA prohibit anyone from making a handgun, shotgun or rifle?**

With certain exceptions a firearm may be made by a non-licensee provided it is not for sale and the maker is not prohibited from possessing firearms. However, a person is prohibited from assembling a non-sporting semi-automatic rifle or non-sporting shotgun from imported parts. In addition, the making of an NFA firearm requires a tax payment and approval by the ATF. An application to make a machine gun will not be approved unless documentation is submitted showing that the firearm is being made for a federal or state agency.

[18 U.S.C. 922(o) and (r), 26 U.S.C. 5822, 27 CFR 478.39, 479.62 and 479.105]

## UNLICENSED PERSONS

**Q: To whom may an unlicensed person transfer firearms under the GCA?**

A person may sell a firearm to an unlicensed resident of his state, if he does not know or have reasonable cause to believe the person is prohibited from receiving or possessing firearms under federal law. A person may loan or rent a firearm to a resident of any state for temporary use for lawful sporting purposes, if he does not know or have reasonable cause to believe the person is prohibited from receiving or possessing firearms under federal law. A person may sell or transfer a firearm to a licensee in any state. However, a firearm other than a curio or relic may not be transferred interstate to a licensed collector.

[18 U.S.C. 922(a)(3) and (5), 922(d), 27 CFR 478.29 and 478.30]

**Q: From whom may an unlicensed person acquire a firearm under the GCA?**

A person may only acquire a firearm within the person's own state, except that he or she may purchase or otherwise acquire a rifle or shotgun, in person, at a licensee's premises in any state, provided the sale complies with state laws applicable in the state of sale and the state where the purchaser resides. A person may borrow or rent a firearm in any state for temporary use for lawful sporting purposes.

[18 U.S.C. 922(a)(3) and (5), 922(b)(3), 27 CFR 478.29 and 478.30]

**Q: May an unlicensed person obtain a firearm from an out-of-state source if the person arranges to obtain the firearm through a licensed dealer in the purchaser's own state?**

A person not licensed under the GCA and not prohibited from acquiring firearms may purchase a firearm from an out-of-state source and obtain the firearm if an arrangement is made with a licensed dealer in the purchaser's state of residence for the purchaser to obtain the firearm from the dealer. The out-of-state dealer will ship the firearm to the dealer in the purchaser's home state and the purchaser will pick up the firearm from that dealer.

[18 U.S.C. 922(a)(3) and 922(b)(3)]

**Q: May an unlicensed person obtain ammunition from an out-of-state source?**

Yes, provided he or she is not a person prohibited from possessing or receiving ammunition.

[18 U.S.C. 922(g) and (n)]

**Q: Are there certain persons who cannot legally receive or possess firearms and/or ammunition?**

Yes, a person cannot lawfully receive, possess, ship, or transport a firearm who

- has been convicted in any court of a crime punishable by imprisonment for a term exceeding 1 year;
- is a fugitive from justice;
- is an unlawful user of or addicted to any controlled substance;
- has been adjudicated as a mental defective or has been committed to a mental institution;
- is an alien illegally or unlawfully in the United States or an alien admitted to the United States under a nonimmigrant visa;
- has been discharged from the Armed Forces under dishonorable conditions;
- having been a citizen of the United States, has renounced his or her citizenship;
- is subject to a court order that restrains the person from harassing, stalking, or threatening an intimate partner or child of such intimate partner; or
- has been convicted of a misdemeanor crime of domestic violence.

A person who is under indictment or information for a crime punishable by imprisonment for a term exceeding 1 year cannot lawfully receive a firearm. Such person may continue to lawfully possess firearms obtained prior to the indictment or information.

[18 U.S.C. 922(g) and (n), 27 CFR 478.32]

**Q: Is there anything a person can do who cannot lawfully receive or possess guns?**

The GCA provides the Attorney General with the authority to grant relief from this disability where the Attorney General determines that the person is not likely to act in a manner dangerous to the public safety and granting relief would not be contrary to the public interest. The Attorney General delegated this authority to the ATF.

Since October 1992, however, the ATF's annual appropriation has prohibited the expending of any funds to investigate or act upon applications for relief from federal firearms disabilities submitted by individuals. As long as this provision is included in current ATF appropriations, the Bureau cannot act upon applications for relief from federal firearms disabilities submitted by individuals.

[18 U.S.C. 922(g), 922(n) and 925(c)]

**Q: Are there any alternatives for relief from firearms disabilities?**

A person is not considered convicted for Gun Control Act purposes if he has been pardoned, had his civil rights restored, or the conviction was expunged or set aside, unless the pardon, expungement, or restoration expressly provides the person may not ship, transport, possess, or receive firearms.

Persons convicted of a federal offense may apply for a presidential pardon (28 CFR 1.1-1.10 specify the rules governing petitions for obtaining presidential pardons). You may contact the Pardon Attorney's Office at the U.S. Department of Justice, 500 First Street, N.W., Washington, DC 20530, to inquire about the procedures for obtaining a presidential pardon.

Persons convicted of a state offense may contact the State Attorney General's Office within the state in which they reside and the state of their conviction for information concerning any alternatives that may be available, such as pardons and civil rights restoration.

[18 U.S.C. 921(a)(20) and (a)(33)]

**Q: May a person who is relocating out-of-state move firearms with other household goods?**

Yes. A person who lawfully possesses a firearm may transport or ship the firearm interstate when changing his or her state of residence. The person must notify the mover that firearms are being transported. He or she should also check state and local laws where he or she is relocating to and from to ensure that the movement of firearms does not violate any state or local law.

NFA firearms must have prior approval from the Bureau of Alcohol, Tobacco, and Firearms before they may be moved interstate. The person must notify the mover that firearms are being transported. He or she should also check state and local laws where relocating to in order to ensure that movement of firearms into the new state does not violate any state law or local ordinance.

[18 U.S.C. 922(a)(4) and 922(e), 27 CFR 478.28 and 478.31]

**Q: May a non-licensee transport firearms interstate for sporting purposes?**

Yes, provided the weapon is unloaded and in a locked trunk or, in a vehicle lacking a trunk, in a locked container other than the glove compartment or console. The firearm may be transported for any lawful purpose from any place where the possessor can possess and carry it to any other place where he can possess or carry it.

[18 U.S.C. 926A]

**Q: May a non-licensee ship a firearm through the U.S. Postal Service?**

A non-licensee may not transfer a firearm to a non-licensed resident of another state. A non-licensee may mail a shotgun or rifle to a resident of his or her own state or to a licensee in any state. The Postal Service recommends that long guns be sent by registered mail and that no marking of any kind which would indicate the nature of the contents be placed on the outside of any parcel containing firearms. **Handguns are not mailable.** A common or contract carrier must be used to ship a handgun.

[18 U.S.C. 1715, 922(a)(3), 922(a)(5) and 922 (a)(2)(A)]

**Q: May a non-licensee ship a firearm by common or contract carrier?**

A non-licensee may ship a firearm by a common or contract carrier to a resident of his or her own state or to a licensee in any state. A common or contract carrier must be used to ship a handgun. In addition, federal law requires that the carrier be notified that the shipment contains a firearm and prohibits common or contract carriers from requiring or causing any label to be placed on any package indicating that it contains a firearm.

[18 U.S.C. 922(a)(2)(A), 922(a) (3), 922(a)(5) and 922(e), 27 CFR 478.31 and 478.30]

**Q: May a non-licensee ship firearms interstate for his or her use in hunting or other lawful activity?**

Yes. A person may ship a firearm to himself or herself in care of another person in the state where he or she intends to hunt or engage in any other lawful activity. The package should be addressed to the owner. Persons other than the owner should not open the package and take possession of the firearm.



***Figure 7:*** *It is illegal to ship a handgun through the mail. A contract carrier must be used to ship a handgun.*

**Q: May aliens legally in the United States buy firearms?**

An alien legally in the U.S. may acquire firearms if he has a state of residence. An alien has a state of residence only if he is residing in that state with the intention of making a home in that state. Due to a recent change, the residency requirement for aliens legally in the country is the same as for U.S. citizens. However, someone who has entered the country under a non-immigrant visa cannot purchase or possess a firearm unless he meets one of the following exemptions: (1) is in possession of a hunting license or permit lawfully issued by the federal government, a state or local government, or an Indian tribe federally recognized by the Bureau of Indian Affairs, which is valid and unexpired; (2) was admitted to the United States for lawful hunting or sporting purposes; (3) has received a waiver from the prohibition from the Attorney General of the United States; (4) is an official representative of a foreign government who is accredited to the United States Government or the Government's mission to an international organization having its headquarters in the United States; (5) is en route to or from another country to which that alien is accredited; (6) is an official of a foreign government or a distinguished foreign visitor who has been so designated by the Department of State; or (7) is a foreign law enforcement officer of a friendly foreign government entering the United States on official law enforcement business.

[18 U.S.C. 921, 922(b)(3), (d) and (g), 27 CFR 478.11 and 478.99(a)]

**Q: May a parent or guardian purchase firearms or ammunition as a gift for a juvenile (less than 18 years of age)?**

Yes. However, possession of handguns by juveniles (less than 18 years of age) is generally unlawful. Juveniles generally may only receive and possess handguns with the written permission of a parent or guardian for limited purposes, e.g., employment, ranching, farming, target practice, hunting or a course of instruction in the safe and lawful use of a handgun.

[18 U.S.C. 922(x)]

## FIREARMS TRANSACTION RECORD

**Q: Where can a dealer get ATF Form 4473?**

They are available free of charge from the ATF Distribution Center. Please order a quantity of forms estimated for 6 months use. They can be ordered online or by telephone at 202-648-6420.

**Q: Does an unlicensed person need an ATF Form 4473 to transfer a firearm?**

No. ATF Form 4473 is required only for transfers by a licensee.

[27 CFR 478.124]

**Q: Does a dealer have to execute ATF Form 4473 to take a weapon out of the dealer's inventory for his or her own use?**

No. However, the "bound book" must reflect the disposition of the firearm from business inventory to personal use.

However, if the business is a corporation, and the firearm is being transferred to a corporate officer or director for other than business purposes, then a Form 4473 must be executed.

[27 CFR 478.124 and 478.125a]

**Q: Who signs ATF Form 4473 for the seller?**

ATF Form 4473 must be signed by the person who verified the identity of the buyer.

**Q: Is a Social Security card a proper means of identification for purchasing a firearm from an FFL?**

No. A Social Security card, alien registration card, or military identification alone does not contain sufficient information to identify a firearms purchaser. However, a purchaser may be identified by any combination of government-issued documents which together establish all of the required information: name, residence address, date of birth, and photograph of the holder.

[27 CFR 478.11 and 478.124(c)]

OMB No. 1140-0020

**U.S. Department of Justice**
Bureau of Alcohol, Tobacco, Firearms and Explosives

# Firearms Transaction Record Part I - Over-the-Counter

**WARNING: *You may not receive a firearm if prohibited by Federal or State Law. The information you* provide will be used to determine whether you are prohibited under law from receiving a firearm. Certain violations of the Gun Control Act are punishable by up to 10 years imprisonment and/or up to a $250,000 fine.**

*Prepare in original only. All entries must be in ink. Read the Important Notices, Instructions and Definitions on this form. "Please Print."*

Transferor's Transaction Serial Number

**Section A - Must Be Completed Personally By Transferee (Buyer)**

1. Transferee's Full Name

| Last Name | First Name | Middle Name *(If no middle name state "NMN")* |
|---|---|---|
| | | |

2. Current Residence Address **(Cannot be a post office box.)**

| Number and Street Address | City | County | State | Zip Code |
|---|---|---|---|---|
| | | | | |

| 3. Place of Birth | | 4. Height | 5. Weight | 6. Gender | 7. Birth Date | | |
|---|---|---|---|---|---|---|---|
| U.S. City/State | Foreign Country | Ft. ____ In. ____ | | Male ☐ Female ☐ | Month | Day | Year |
| | | | | | | | |

8. Social Security Number ***(Optional,** but will help prevent misidentification.)*

9. Unique Personal Identification Number *(UPIN)* if applicable *(See Instruction to Transferor 6.)*

10. Race *(Ethnicity) (Check one or more boxes.)*

☐ American Indian or Alaska Native ☐ Black or African American ☐ Native Hawaiian or Other Pacific Islander
☐ Hispanic or Latino ☐ Asian ☐ White

11. Answer questions 11.a. through 12 by writing ***"yes"*** **or** ***"no"*** in the boxes to the right of the questions.

| | |
|---|---|
| a. Are you the actual buyer of the firearm(s) listed on this form? **Warning: You are not the actual buyer if you are acquiring the firearm(s) on behalf of another person. If you are not the actual buyer, the dealer cannot transfer the firearm(s) to you.** *(See Important Notice 1 for actual buyer definition and examples.)* | |
| b. Are you under indictment or information in any court for a **felony**, or any other crime, for which the judge could imprison you for more than one year? *(An information is a formal accusation of a crime by a prosecutor. See Definition 3.)* | |
| c. Have you ever been convicted in any court of a **felony**, or any other crime, for which the judge could have imprisoned you for more than one year, even if you received a shorter sentence including probation? *(See Important Notice 4, Exception 1.)* | |
| d. Are you a fugitive from justice? | |
| e. Are you an unlawful user of, or addicted to, marijuana, or any depressant, stimulant, or narcotic drug, or any other controlled substance? | |
| f. Have you ever been adjudicated mentally defective *(which includes having been adjudicated incompetent to manage your own affairs)* or have you ever been committed to a mental institution? | |
| g. Have you been discharged from the Armed Forces under **dishonorable** conditions? | |
| h. Are you subject to a court order restraining you from harassing, stalking, or threatening your child or an intimate partner or child of such partner? *(See Important Notice 5.)* | |
| i. Have you ever been convicted in any court of a misdemeanor crime of domestic violence? *(See Important Notice 4, Exception 1 and Definition 4.)* | |
| j. Have you ever renounced your United States citizenship? | |
| k. Are you an alien **illegally** in the United States? | |
| l. Are you a nonimmigrant alien? *(See Definition 6.) If you answered "no" to this question, you are not required to respond to question 12.* | |
| 12. If you answered "yes" to question 11.l., do you fall within any of the exceptions set forth in Important Notice 4, Exception 2? (e.g., valid State hunting license.) **(If "yes," the licensee must complete question 20c.)** | |

13. What is your State of residence *(if any)*? _____ *(See Definition 5. If you are not a citizen of the United States, you only have a State of residence if you have resided in a State for at least 90 continuous days immediately prior to the date of this sale.)*

14. What is your country of citizenship? *(List/check more than one, if applicable.)*

☐ United States of America ☐ Other *(Specify)* _____

15. If you are not a citizen of the United States, what is your U.S.-issued alien number or admission number?

Note: Previous Editions Are Obsolete

ATF Form 4473 (5300.9) Part I
Revised July 2005

*Figure 8: ATF Form 4473 is needed for transfer of firearms by a licensee.*

**Q: When must the ATF Form 4473 be signed?**

Part I used for over-the-counter sales must be completed, signed and dated by the buyer prior to delivery of the firearm.

Part II (green form) used for intra-state non-over-the-counter sales must be completed, signed and dated in duplicate by the buyer before it is sent to the purchaser's Chief Law Enforcement Officer.

[27 CFR 478.124(c) and 478.124(f)]

## REQUIRED RECORDS

**Q: What is a "bound book?"**

A "bound book" is a permanently bound book or an orderly arrangement of loose-leaf pages which must be maintained on the business premises. The format must follow that prescribed in the regulations, and the pages must be numbered consecutively.

[27 CFR 478.121 and 478.125]

**Q: May a dealer keep more than one bound book at the same time?**

Yes. A dealer in firearms is not limited to using only one bound book. It may be convenient for a dealer to account for different brands or types of firearms in separate bound books.

**Q: Does the Government sell a record book for licensees to use in recording their receipts and dispositions of firearms?**

No. Certain trade associations have them available at nominal cost. Your supplier should be able to tell you about this. Brownells, Inc. is one supplier who furnishes such recordkeeping books.

**Q: What is the dealer's responsibility where a variance from normal regulatory practice has been authorized?**

The ATF letter authorizing the variance must be kept at the licensed premises and available for inspection. For businesses with more than a single licensed outlet, each outlet covered by the variance must have a copy of the letter authorizing the change.

[27 CFR 478.22 and 478.125(h)]

**Q: H ow much time does a dealer have to record acquisitions and dispositions of firearms in his or her bound book?**

Generally, licensees have to enter the acquisition or purchase of a firearm by the close of the next business day after the acquisition or purchase and shall record sales or other dispositions within 7 days.

However, if commercial records containing the required information are available for inspection and are separate from other commercial documents, dealers have 7 days from the time of receipt to record the receipt in the bound book.

If a disposition is made before the acquisition has been entered in the bound book, the acquisition entry must be made at the same time as the disposition entry.

[27 CFR 478.125]

**Q: Are the ammunition record-keeping requirements the same as for firearms?**

No. No records are required for ammunition other than armor-piercing ammunition. Disposition records must be kept by licensed manufacturers, importers, and collectors for transactions in armor piercing ammunition.

[27 CFR 178.125]

**Q: Are rental firearms subject to recordkeeping control?**

Yes, if the firearms are taken off the premises of the licensee. However, the recordkeeping is not imposed on the loan or rental of firearms for use only on the premises of the licensee.

[27 CFR 478.97]

**Q: May a licensee who has firearms in his or her private collection sell any of these firearms without making firearms record entries?**

A licensee may sell a firearm from his or her personal collection, subject only to the restrictions on firearm sales by unlicensed persons, provided the firearm was entered in the licensee's bound book and then transferred to the licensee's private collection at least 1 year prior to the sale. When the personal firearm is sold, the sale must be recorded in a bound book for dispositions of personal firearms, but no ATF Form 4473 is required. This is another place where a licensee must be very careful that state and federal law agree. Also, a licensee must be able to prove that the firearm was in his personal collection for at least one year before it was sold without a Form 4473.

[27 CFR 478.125a]

## ADDITIONAL QUESTIONS

**Q: If a person timely files an application for renewal of a license and the present license expires prior to receipt of the new license, may the person continue to conduct the business covered by the expired license?**

Yes. A person who timely files an application for renewal of a license may continue operations authorized by the expired license until the application is finally acted upon. An application is timely filed when it is received accurate and complete at the P.O. Box listed on the application form with the appropriate renewal fee.

If a person does not timely file a license renewal application and the license expires, the person must file ATF Form 7 (5310.12), Application for License, or an ATF Form 7CR (5310.16), Application for License (Collector of Curios or Relics), as required by 27 CFR 478.44, submit the application fee applicable to a new business, and obtain the required license before continuing business activity.

[27 CFR 478.45]

**Q: May a licensed gunsmith receive an NFA firearm for purposes of repair?**

Yes, for the sole purpose of repair and subsequent return to its owner. It is suggested that the owner obtain permission from the ATF for the transfer by completing and mailing ATF Form 5 (5320.5) to the NFA branch and receiving approval prior to the delivery. The gunsmith should do the same prior to returning the firearm.

Only the face of the form needs to be completed in each instance. ATF Form 5 may be obtained from the Bureau of Alcohol, Tobacco, and Firearms, NFA Branch. ATF Form 5 is also available on the internet at www.atf.gov

## SELF-TEST QUESTIONS

Please check your answers on page 22.

5. **What is the minimum age of FFL applicants?**
6. ***True or False*. A non-licensee can ship a rifle or shotgun to licensed dealers via the U.S. Mail.**
7. ***True or False*. A non-licensee can ship a handgun to a licensee via parcel post as long as the dealer resides outside the non-licensee's state.**

# Answers to Self-Test Questions

1. False.
2. Form 4473, Part I.
3. Obtain Form 7 from your local ATF office or from the ATF Distribution Center.
4. False.
5. 21 years old.
6. True.
7. False. A common or contact carrier must be used to ship handguns by a non-licensee.

*SDI is grateful to Firearms Industry Consulting Group for editing the gun law information provided in this section.*

*Firearms Industry Consulting Group (FICG), a division of Prince Law Offices, P.C., is a firearms industry specific group of attorneys and consultants dedicated to the protection of the 2nd Amendment of the U.S. Constitution in all aspects of firearms law. Handling issues from incorporation, using in-house generated firearms industry specific documents to ensure the utmost protection of our clients, to warning conferences, revocations and other issues with the Bureau of Alcohol, Tobacco, Firearms and Explosives, FICG is proud to boast a national, and now even international, reputation in the industry. In providing the best protection and advice for its clients, FICG also employs retired ATF firearms and explosives consultants, such as Howard Wolfe, for conducting mock compliance checks and for consultation on other legal issues. The driving force behind FICG is Attorney Joshua Prince, who has garnered a national reputation for protection of the 2nd Amendment and, within Pennsylvania, Article 1, Section 21 of the PA Constitution.*

# Lesson Questions

**THIS IS LESSON NUMBER 2203.**

Make sure you print your name, student number, and lesson number in the space provided on the Lesson Answer Form. Be sure to fill in the circles beneath your student number and lesson number.




**REMINDER**: A properly completed Lesson Answer Form allows us to evaluate your answers and send the results and additional study material to you. Do not hold your Lesson Answer Forms to send several at one time. You may run out of study material if you do not send your answers for evaluation promptly.

You may also complete your exam online at www.sdi.edu, click on the *online exams* tab..

1. **Which of the following statements is not true concerning qualifying for a Federal Firearms License?**
   a. Must be 21 years of age or older.
   b. Must not be prohibited from shipping, transporting, receiving or possessing firearms or ammunition.
   c. Must have a premises from which the business is conducted.
   d. Must not have been convicted of a crime carrying a sentence of more than one year.

2. **What is the current cost of a Dealer's FFL?**
   a. $200 per year.
   b. $200 for two years.
   c. $200 for three years.
   d. $200 for four years.

3. **Which one of the following is correct concerning transfer of firearms and ammunition between licensees?**
   a. They cannot buy or sell firearms to each other.
   b. They may not ship interstate to other licensees.
   c. They must prepare Form 4473 for each transaction among themselves.
   d. Licensees may freely buy and sell firearms and ammunition among themselves.

4. **What is the name of the permanent bound record that must be kept by all dealers and gunsmiths who take guns in for repair and buy and sell guns?**
   a. Double-entry ledger.
   b. Handloading Record Book.
   c. Firearms Acquisition and Disposition Record.
   d. Bound book of exploded views.

5. **What is the minimum age requirement to buy a rifle or shotgun from a firearms dealer?**
   a. 16 years old.
   b. 18 years old.
   c. 21 years old.
   d. 25 years old.

6. **What is the minimum age requirement to buy a handgun from a firearms dealer?**
   a. 16 years old.
   b. 18 years old.
   c. 21 years old.
   d. 25 years old.

7. **What is the minimum age requirement to buy rifle and shotgun ammunition?**
   a. 16 years old.
   b. 18 years old.
   c. 21 years old.
   d. 25 years old.

8. **When a dealer is selling a firearm, what information must be on the Identification Document?**

   a. Race, creed, religion and sex.

   b. Name, date of birth, address and a photograph.

   c. Race, date of birth, address and a photograph.

   d. Name, date of birth, residence address and a photograph, all shown on one, or a combination of government-issued identification documents.

9. **Which of the following types of guns are not covered by the Gun Control Act of 1968?**

   a. Antique guns.

   b. Automatic weapons.

   c. Double-barrel shotguns.

   d. German-made drillings.

10. **When transporting firearms for any lawful purposes, how should a gun be stored during travel when the vehicle has no trunk?**

    a. Locked in the glove compartment.

    b. Loaded and locked in the console.

    c. Loaded, ready for firing.

    d. Unloaded and locked in a container other than the glove compartment or console.