

(E) A precaution stating not to use the device if the user is at risk for material related allergic reactions.

**Grace R. Graham,**

*Deputy Commissioner for Policy, Legislation, and International Affairs.*

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## DEPARTMENT OF JUSTICE

### Bureau of Alcohol, Tobacco, Firearms, and Explosives

#### 27 CFR Part 479

[ATF No. 2025R-45F]

RIN 1140-AA83

#### Changes to National Firearms Act Tax Remittance Provisions

**AGENCY:** Bureau of Alcohol, Tobacco, Firearms, and Explosives, Department of Justice.

**ACTION:** Final rule.

**SUMMARY:** The Bureau of Alcohol, Tobacco, Firearms, and Explosives (“ATF”) is amending Department of Justice (“Department”) regulations on the National Firearms Act (“NFA”) to reflect statutory changes made to the NFA by the One Big Beautiful Bill Act (“OBBBA”). Among other things, the OBBBA reduced the tax remittance rate for certain NFA firearms. This rule is necessary to make conforming changes to ensure that ATF’s regulations are current and consistent with the statute.

**DATES:** This rule is effective on June 10, 2026.

**FOR FURTHER INFORMATION CONTACT:**

Office of Regulatory Affairs, by email at [ora@atf.gov](mailto:ora@atf.gov), by mail at Office of Regulatory Affairs; Enforcement Programs and Services; Bureau of Alcohol, Tobacco, Firearms, and Explosives; 99 New York Ave. NE, Washington, DC 20226, or by telephone at (202) 648-7070 (this is not a toll-free number).

**SUPPLEMENTARY INFORMATION:**

#### I. Background

The Attorney General is responsible for enforcing the National Firearms Act (“NFA”), as amended, 26 U.S.C. chapter 53.<sup>1</sup> Congress and the Attorney General

<sup>1</sup> Some NFA provisions still refer to the “Secretary of the Treasury.” However, the Homeland Security Act of 2002, Public Law 107-296, 116 Stat. 2135, transferred the functions of ATF from the Department of the Treasury to the Department of Justice, under the general authority of the Attorney General. 26 U.S.C. 7801(a)(2); 28 U.S.C. 599A(c)(1). Thus, for ease of reference, this

have delegated the responsibility for administering and enforcing the NFA to the Director of ATF (“Director”), subject to the direction of the Attorney General and the Deputy Attorney General. See 28 U.S.C. 599A(b)(1), (c)(1); 28 CFR 0.130(a)(1)–(2); Treas. Order No. 221(2)(a), (d), 37 FR 11696–97 (June 10, 1972).<sup>2</sup> Accordingly, the Department and ATF have promulgated regulations to implement the NFA in 27 CFR part 479.

Firearms subject to NFA provisions include machine guns; shotguns having a barrel or barrels of less than 18 inches in length; weapons made from a shotgun if such weapon as modified has an overall length of less than 26 inches or a barrel or barrels less than 18 inches in length; rifles having a barrel or barrels of less than 16 inches in length; weapons made from a rifle if such weapon as modified has an overall length of less than 26 inches or a barrel or barrels less than 16 inches in length; silencers; destructive devices; and any other weapons (“AOWs”) as defined by the Act. 26 U.S.C. 5845(e). Section 5841 of the NFA requires the Attorney General to maintain a central registry of NFA firearms in the United States that the United States does not possess or are not under its control. The registry is called the National Firearms Registration and Transfer Record (“NFRTR”). All firearms must be registered by their maker, manufacturer, or importer. Section 5821 sets forth the tax that persons making NFA firearms must pay, and section 5822 provides that makers must submit a request to the Attorney General and receive approval before making an NFA firearm. The term “make” under the NFA includes “manufacturing (other than by one qualified to engage in such business under this chapter), putting together, altering, any combination of these, or otherwise producing a firearm.” 26 U.S.C. 5845(i). Section 5811 sets forth the tax that a person wishing to transfer an NFA firearm must pay, and section 5812 provides that transferors must submit a request to the Attorney General and receive approval before transferring an NFA firearm to a given transferee. The NFA provides that a transfer includes “selling, assigning, pledging,

final rule refers to the Attorney General where relevant.

<sup>2</sup> In Attorney General Order Number 6353–2025, the Attorney General delegated authority to the Director to issue regulations pertaining to matters within ATF’s jurisdiction, including under the NFA, Gun Control Act, and Title XI of the Organized Crime Control Act. ATF’s jurisdiction also includes those portions of sec. 38 of the Arms Export Control Act pertaining to permanently importing defense articles and services and the Contraband Cigarette Trafficking Act.

leasing, loaning, giving away, or otherwise disposing of” a firearm. 26 U.S.C. 5845(j).

Transfer taxes in the amount of \$200 were established in 1934 when the NFA was enacted. Taxes on making NFA firearms in the amount of \$200 were established in 1968 when the NFA was revised. Under the NFA, ATF also collects special (occupational) taxes from federally licensed importers, manufacturers, and dealers in NFA firearms. 26 U.S.C. 5801. While tax revenues from sales of non-NFA firearms and ammunition are generally allocated to the Federal Aid to Wildlife Restoration Fund for wildlife restoration and hunter education and safety, 16 U.S.C. 669b(a)(1), taxes collected from NFA-generated tax receipts are deposited into the General Fund of the Treasury. Congress has previously considered, but has not passed, various proposals pertaining to changing the taxing and registering provisions for NFA firearms.

On July 4, 2025, the OBBBA became law. Public Law 119–21. Section 70436 of the OBBBA amended 26 U.S.C. 5811(a) to require that the transfer tax for all firearms regulated under the NFA, other than machine guns and destructive devices, be reduced to \$0. Similarly, this section amended 26 U.S.C. 5821(a) to require that the making tax for all NFA firearms, except machine guns and destructive devices, also be reduced to \$0. Accordingly, ATF is amending 27 CFR 479.61, 479.62, 479.81, 479.82, and 479.84 to reflect the changes to the statute and to make minor agency procedure and plain writing edits as described below.

#### II. Final Rule

The OBBBA specified that the tax reduction amendments to the NFA would be effective on January 1, 2026, at which point the NFA making and transfer taxes for NFA firearms other than machine guns and destructive devices would be reduced to \$0. As a result, those statutory changes have already occurred. ATF is issuing this final rule to make conforming changes to the tax amounts within ATF’s corresponding regulatory provisions under 27 CFR part 479. Although ATF is revising its rule to reflect that OBBBA reduced the tax amount for these NFA firearms to \$0, all other regulatory provisions of the NFA application and registration process remain in full force and effect. In addition, the rule makes minor administrative edits to allow the ATF approval stamp on making and transfer applications to be electronic and to make the revised provisions easier to read.

### A. Making Tax Amendments (§§ 479.61 and 479.62)

Section 479.61 reiterates the requirement and scope of the making tax on NFA firearms. While the existing section currently mirrors pre-OBBBA statutory language of a \$200 tax on “each firearm made,” this rule aligns the section with the OBBBA by narrowing the scope of the \$200 tax to only machine guns and destructive devices and reducing the tax on silencers, short-barreled rifles, short-barreled shotguns, or AOWs to \$0.

In addition, the rule revises § 479.61 to allow the statutorily required NFA stamp, which shows that the maker paid the tax and that ATF has approved the application, to be in electronic form or other form designated by the Director. ATF is doing this in accordance with technological developments and government-wide initiatives to implement electronic transactions. To make this section easier to read, the rule divides it into two paragraphs, with the stamp requirements moved to a new § 479.61(b).

Section 479.62 governs the process by which an individual may legally make an NFA firearm by submitting ATF Form 5320.1, Application to Make and Register NFA Firearm (“Form 1”). ATF must approve the Form 1 application before the person may make the firearm. This rule revises § 479.62(b)(1) to reflect the reduced tax rate of \$0 for making silencers, short-barreled rifles, short-barreled shotguns, or AOWs. The existing regulation currently requires the pre-OBBBA remittance of \$200 for all firearms made under this provision.

### B. Transferring Tax Amendments (§§ 479.81, 479.82, and 479.84)

Section 479.81 reiterates the requirement and scope of the transfer tax as applicable to all NFA firearms transferred within the United States and requires that the tax-paid status be represented by an “adhesive” stamp affixed to the application form. This rule revises § 479.81 to allow the statutorily required NFA tax-paid stamp, which shows that the transferor paid the tax and that ATF has approved the application, to be in electronic form or other form designated by the Director. ATF is making this change in accordance with technological developments and government-wide initiatives to implement electronic transactions.

Section 479.82 sets forth the required tax rate for transferring an NFA firearm. The existing section currently mirrors the pre-OBBBA statutory language of a

transfer tax “at the rate of \$200 for each firearm transferred, except that the transfer tax on any firearm classified as ‘any other weapon’ shall be at the rate of \$5” and requires that the transferor pay the transfer tax. This rule amends § 479.82 to reflect the new tax rate of \$0 for transferring any NFA firearms except machine guns and destructive devices.

Section 479.84 governs tax-paid transfers of NFA firearms using ATF Form 5320.4, Application to Transfer and Register NFA Firearm (Tax-Paid) (“Form 4”). Similarly to § 479.82, this rule implements conforming changes to § 479.84(b)(1) to reflect the new tax rate of \$0 for transferring any NFA firearms except machine guns and destructive devices, in accordance with the OBBBA. The existing section mirrors the pre-OBBBA statutory language requiring a \$200 tax for transferring silencers, short-barreled rifles, short-barreled shotguns, machine guns, and destructive devices, and a \$5 tax for transferring AOWs. All other requirements for lawfully transferring an NFA firearm remain unchanged.

## III. Statutory and Executive Order Review

### A. Administrative Procedure Act

Under the Administrative Procedure Act (“APA”), 5 U.S.C. 553(b)(A), the usual requirements of prior notice and comment do not apply to “interpretive rules,” meaning those that “remind parties of existing statutory or regulatory duties, or ‘merely track[ ]’ preexisting requirements and explain something the statute or regulation already required.” *POET Biorefining, LLC v. EPA*, 970 F.3d 392, 407 (D.C. Cir. 2020) (citation omitted); *see also United States v. Kriesel*, 508 F.3d 941, 945 (9th Cir. 2007) (a regulation that “mirror[s] the statute” is a “classic interpretive rule”). The usual requirements of prior notice and comment also do not apply to “rules of agency organization, procedure, or practice.” 5 U.S.C. 553(b)(A). As described above, this final rule incorporates statutory changes to the tax amount for NFA firearms into existing regulatory provisions that previously aligned with statutory language. These conforming updates to ATF regulations in 27 CFR part 479 ensure that they are consistent with the statute and can be relied on by the public. This final rule also makes minor agency procedural revisions to allow ATF to use electronic approval stamps on NFA forms and minor technical edits to conform with the Plain Writing Act. Even if these revisions were not mere interpretive rules or rules of agency

organization, procedure, or practice, they would still be exempt from the APA’s notice and comment requirements because they are either technical amendments of little public interest or else conform to statutory requirements so closely that they do not constitute an exercise of agency discretion. Accordingly, ATF has good cause to conclude that notice and comment is unnecessary for this action. 5 U.S.C. 553(b)(B). ATF is issuing this as a final rule, without prior public comment, effective 30 days after the date the **Federal Register** publishes the rule.

### B. Executive Orders 12866 and 13563

Executive Order 12866 (Regulatory Planning and Review) directs agencies to assess the costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits.

Executive Order 13563 (Improving Regulation and Regulatory Review) emphasizes the importance of agencies quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting public flexibility.

The Office of Management and Budget (“OMB”) has determined that this rule is a “significant regulatory action” under section 3(f)(1) of Executive Order 12866 because it has an economic impact of \$100 million or more.

This final rule makes necessary conforming changes to 27 CFR part 479 by reflecting the statutory amendments that reduce the \$200 tax previously imposed for making and transferring all NFA firearms except machine guns and destructive devices to a \$0 tax. It also makes minor agency procedural changes to allow ATF’s tax approval stamp to be in electronic form.

While an Initial Regulatory Impact Analysis may be required for significant rules, ATF does not include such an analysis for this rule because it is not subject to public notice and comment. However, ATF nonetheless evaluated potential impacts on small businesses and determined that the rule will have only a potentially positive indirect impact on small businesses.

In addition, ATF has laid out the impacts from implementing the OBBBA tax remittance change in ATF’s OMB A–4 accounting statement here, in Table 1. Table 1 also illustrates the range of future estimates in a low, primary, and high range as ATF’s Circular A–4 sensitivity analysis. ATF then provides its normal regulatory cost-benefit analysis below Table 1.

TABLE 1—OMB CIRCULAR A-4 ACCOUNTING STATEMENT (\$ MILLIONS) AND SENSITIVITY ANALYSIS

Category	Primary estimate	Minimum estimate	Maximum estimate	Units		
				Dollar year	Percent discount	Period covered (years)
<b>Benefits</b>						
Annualized monetized benefits .....	\$0	\$0	\$0	2025	7	10
	0	0	0	2025	3	10
Annualized quantified benefits .....	n/a	n/a	n/a	2025	7	10
	n/a	n/a	n/a	2025	3	10
Annualized non-monetized benefits .....	n/a.					
<b>Costs</b>						
Annualized monetized costs .....	0	0	0	2025	7	10
	0	0	0	2025	3	10
Annualized quantified costs .....	n/a	n/a	n/a	2025	7	10
	n/a	n/a	n/a	2025	3	10
Annualized non-monetized costs .....	n/a.					
<b>Transfers</b>						
Federal annualized monetized .....	234.22	146.61	1,940.63	2025	7	10
	238.68	148.53	2,410.51	2025	3	10
	From: federal government			To: individuals		
Other annualized monetized transfers .....	n/a	n/a	n/a	2025	7	10
	n/a	n/a	n/a	2025	3	10
<b>Effects</b>						
State, local, and/or tribal governments .....	The rule will not impose an intergovernmental mandate, have significant or unique effects on small governments, or have federalism or tribal implications.					
Small businesses .....	For direct costs, this rule is deregulatory and provides savings to individuals and businesses, including small businesses. However, the rule may indirectly benefit businesses, including small businesses, by increasing sales because the cost of purchasing covered firearms will not include a \$200 per-item tax.					
Wages .....	n/a.					
Growth .....	n/a.					
Distribution effects .....	Transfer payments normally paid from individuals to the federal government would no longer have to be paid.					
Alternatives .....	No-change alternative: \$0 cost and \$0 benefits. This was rejected because it would place the regulation at odds with its generating statute. It is also more stringent without any incremental benefit.					
	Proposed alternative: Transfers \$234.2 million annualized at 7 percent. Cost \$0. This alternative was chosen because it aligns the regulation with its statute. Benefits exceed costs.					
	Less-stringent alternative: Issuing guidance instead of a rule. This alternative was not chosen because it would not change ATF regulations to reflect changes in statute, creating misalignment.					
<b>Net benefits</b>						
Annualized monetized net benefits .....	n/a	n/a	n/a	.....	7	10
	n/a	n/a	n/a	.....	3	10

1. Need Statement

This rule incorporates the statutory change to reduce the \$200 making and transfer taxes on NFA firearms except machine guns and destructive devices to a \$0 tax. The \$200 tax was paid with each application to make (Form 1) or transfer (Form 4) NFA firearms (see Table 2 below for estimated taxes paid to the Treasury). Due to the statutory change, individuals making or

transferring NFA firearms other than machine guns and destructive devices now pay \$0 with each of these applications, so ATF is updating its regulations to conform with this statutory change and prevent confusion.

2. Population, Benefits, and Transfers

ATF maintains a record of NFA applications to make or transfer an NFA firearm. Over the last ten years, the annual number of NFA applications has

increased.<sup>3</sup> Table 2 provides the number of applications received annually during the ten years prior to drafting this rule (2016 to 2025) for silencers, short-barreled rifles, short-barreled shotguns, and AOWs. Because destructive devices and machine guns are not included in the reduced NFA tax, they are not

<sup>3</sup> ATF.gov, National Firearms Act Division, <https://www.atf.gov/firearms/national-firearms-act-division>.

impacted by this rule and are thus not included in this analysis. Table 2

provides the historical number of NFA applications that would have been

affected by the statutory tax reduction from \$200 to \$0.

TABLE 2—HISTORICAL NUMBER OF APPLICABLE FORMS 1 AND 4 APPLICATIONS

Year	Applications	Estimated NFA taxes assessed *
2016	303,859	\$60,508,745
2017	119,850	23,798,985
2018	176,819	35,363,800
2019	199,861	39,837,650
2020	291,512	58,302,400
2021	372,015	74,228,670
2022	481,917	96,383,400
2023	460,022	91,864,585
2024	832,264	166,452,800
2025	810,099	161,667,240

\* Note: NFA taxes are estimated because this total does not account for any refunds or interest that might have occurred in specific cases after the taxes were paid.

Based on this data, ATF forecasts future applications for years 2026 to 2035.

Table 3 provides the anticipated increase in Forms 1 and 4 applications arising from the statutory change

permitting \$0-tax transfers over the next ten years.<sup>4</sup>

TABLE 3—PROJECTED NUMBER OF ZERO-TAX NFA APPLICATIONS, BASELINE SCENARIO \*

Future years	Low estimate	Main estimate	High estimate
1	635,836	887,793	1,139,749
2	644,488	959,585	1,274,682
3	663,702	1,031,377	1,399,053
4	689,430	1,103,170	1,516,909
5	719,692	1,174,962	1,630,232
6	753,340	1,246,754	1,740,168
7	789,642	1,318,546	1,847,450
8	828,095	1,390,338	1,952,582
9	868,336	1,462,131	2,055,925
10	910,093	1,533,923	2,157,752

\* Assuming the annual rate of increase remains constant. It is possible the rate will increase even more once the tax is zero, but ATF has no data from which to predict by how much.

This rule reduces the \$200 taxes on most NFA firearms (except machine guns and destructive devices) to \$0 tax. Changes in tax collection are not

deregulatory savings; instead, they are a transfer from the government to manufacturers and consumers. Table 4 provides the estimated transfers from

the government to consumers and manufacturers.

TABLE 4—PROJECTED GOVERNMENT TRANSFERS

Year	Projected affected NFA applications	Undiscounted \$200 tax savings	3-Percent discount rate	7-Percent discount rate
1	887,793	\$177,558,585	\$172,386,976	\$165,942,603
2	959,585	191,917,026	180,900,204	167,627,763
3	1,031,377	206,275,467	188,771,273	168,382,226
4	1,103,170	220,633,908	196,030,369	168,320,552
5	1,174,962	234,992,349	202,706,464	167,546,297
6	1,246,754	249,350,789	208,827,360	166,152,959
7	1,318,546	263,709,230	214,419,737	164,224,855
8	1,390,338	278,067,671	219,509,187	161,837,916
9	1,462,131	292,426,112	224,120,265	159,060,429
10	1,533,923	306,784,553	228,276,519	155,953,710
Total	12,108,578	2,421,715,690	2,035,948,354	1,645,049,310

<sup>4</sup> ATF notes that because AOWs were assessed a \$5 tax instead of a \$200 tax, the future projected taxation is not a calculation directly derived from

multiplying the number of NFA applications by the \$200 tax. Therefore, estimated projections do not

directly reflect the projected number of NFA applications.

TABLE 4—PROJECTED GOVERNMENT TRANSFERS—Continued

Year	Projected affected NFA applications	Undiscounted \$200 tax savings	3-Percent discount rate	7-Percent discount rate
Annualized .....	.....	.....	238,675,257	234,218,013

\* The “Undiscounted” column represents totals from the underlying costs. Consistent with guidance provided by OMB in Circular A–4, the “3-percent discount rate” and “7-percent discount rate” columns result from applying an economic formula to the number in each row of this “Undiscounted” column to show how these future costs over time would be valued today; they do not contain totals from other tables.

ATF anticipates this rulemaking will have a total, ten-year undiscounted transfer of \$2.4 billion, or annualized transfers of \$238.7 million at a 3 percent discount rate and \$234.2 million at a 7 percent discount rate.

3. Regulatory Alternatives

Alternative 1. Maintaining the Status Quo (No Action Alternative)

ATF considered not updating the regulations to reflect tax changes under the statute. There would be no costs or savings attributed to this alternative as it would not make any changes. However, it would create confusion since the regulatory requirement and the statutory requirement would be inconsistent. There would be a non-monetized benefit to public safety from leaving the regulation as is. However, ATF rejected this alternative because the tax change is statutory and any such increased risks to public safety have therefore already occurred (even if the regulation remains the same).

Alternative 2. Rulemaking

This alternative reduces the existing regulatory requirement to pay \$200 taxes on all NFA firearms except machine guns and destructive devices to match the statutory change to \$0 tax. This conforms ATF regulations to recent statutory changes reducing the tax amount for these firearms and provides deregulatory savings to individuals wishing to purchase NFA weapons, due to the reduced tax rate of \$0 per firearm. ATF accepted this alternative because it brings the regulations into compliance with the statute and provides substantial public benefit without any risk to public safety.

Alternative 3. Issuing Guidance

While this alternative would not impose any additional costs, the current tax rate requirements are in a regulation. This alternative does not have the force and effect of a regulation, and issuing guidance would not align the regulation with the statute. Giving guidance that does not align with the regulation would create more confusion and potential scope issues. Therefore, ATF rejected this alternative.

C. Executive Order 14192

Executive Order 14192 (Unleashing Prosperity through Deregulation) requires an agency, unless prohibited by law, to identify at least ten existing regulations to be repealed or revised when the agency publicly proposes for notice and comment or otherwise promulgates a new regulation that qualifies as an Executive Order 14192 regulatory action (defined in OMB Memorandum M–25–20 as a final significant regulatory action under section 3(f) of Executive Order 12866 that imposes total costs greater than zero). In furtherance of this requirement, section 3(c) of Executive Order 14192 requires that any new incremental costs associated with such new regulations must, to the extent permitted by law, also be offset by eliminating existing costs associated with at least ten prior regulations. However, this rule is not an Executive Order 14192 regulatory action and provides transfers from the government back to the individual or entity.

D. Executive Order 14294

Executive Order 14294 (Fighting Overcriminalization in Federal Regulations) requires agencies promulgating regulations with criminal regulatory offenses potentially subject to criminal enforcement to explicitly describe the conduct subject to criminal enforcement, the authorizing statutes, and the mens rea standard applicable to each element of those offenses. This rule does not create a criminal regulatory offense and is thus exempt from Executive Order 14294 requirements.

E. Executive Order 13132

This final rule does not have substantial direct effects on the states, the relationship between the federal government and the states, or the distribution of power and responsibilities among the various levels of government. Therefore, in accordance with section 6 of Executive Order 13132 (Federalism), the Director has determined that this final rule does not impose substantial direct compliance costs on State and local governments, preempt state law, or

meaningfully implicate federalism. It thus does not warrant preparing a federalism summary impact statement.

F. Executive Order 12988

This final rule meets the applicable standards set forth in sections 3(a) and 3(b)(2) of Executive Order 12988 (Civil Justice Reform).

G. Regulatory Flexibility Act

Under the Regulatory Flexibility Act (“RFA”), 5 U.S.C. 601–612, agencies are required to conduct a regulatory flexibility analysis of any final rule subject to notice-and-comment rulemaking requirements unless the agency head certifies, including a statement of the factual basis, that the final rule will not have a significant economic impact on a substantial number of small entities. Small entities include certain small businesses, small not-for-profit organizations that are independently owned and operated and are not dominant in their fields, and governmental jurisdictions with populations of less than 50,000.

However, in accordance with the RFA, 5 U.S.C. 603, 604, and 605(b), an agency is not required to conduct a regulatory flexibility analysis in a final rule for which it was not required to publish a general notice of proposed rulemaking. This rule will not have a negative impact on small businesses. Reducing the \$200 tax to \$0 may have positive net benefits for small businesses with respect to increased sales and revenue.

H. Unfunded Mandates Reform Act of 1995

This final rule will not result in expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year (as adjusted for inflation), and it will not significantly or uniquely affect small governments. Therefore, ATF has determined that no actions are necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

I. Paperwork Reduction Act of 1995

Under the Paperwork Reduction Act of 1995 (“PRA”), 44 U.S.C. 3501–3521,

agencies are required to submit to OMB, for review and approval, any information collection requirements a rule creates or any impacts it has on existing information collections. An information collection includes any reporting, record-keeping, monitoring, posting, labeling, or other similar actions an agency requires of the public. See 5 CFR 1320.3(c). This final rule does not create any new information collection requirements, but it does impact two existing ones covered by the PRA.

The two impacted information collections are: (1) OMB control number 1140–0011: Application to Make and Register NFA Firearm, which includes ATF Form 5320.1 (“Form 1”); and (2) OMB control number 1140–0014: Application to Transfer and Register NFA Firearm (Tax-Paid), which includes ATF Form 5320.4 (“Form 4”). Both forms contained in these information collections have had a non-substantive change made to the forms to add a \$0 remittance option, in accordance with the statute’s requirements. In addition, because this rule permits persons to buy and make some kinds of NFA firearms without paying the traditional \$200 tax, ATF anticipates that the number of respondents submitting Forms 1 and 4 applications may increase, which would result in a higher total time burden arising from more applications. This would be the only change arising from this rule. Any increase in respondents and resulting increase to the time burden will be reflected in the collections’ next renewals.

#### Impacted ICR 1

*Title:* Application to Make and Register NFA Firearm.

*OMB control number:* 1140–0011.  
*Form number:* ATF Form 5320.1 (“Form 1”).

*Summary of the information collection:* Any person other than a qualified manufacturer who wishes to make and register an NFA firearm must submit a written application to ATF on a form prescribed by ATF. 26 U.S.C. 5822. They must also identify the firearm they are making and themselves as the maker. Finally, individuals must include their fingerprints and a photograph with the application. In § 479.62, ATF prescribed ATF Form 5320.1 (“Form 1”), Application to Make and Register NFA Firearm, for these required purposes.

*Need for information and proposed use:* ATF’s NFA Division uses the information on this form to determine whether the applicant may legally make and register the firearm under federal,

state, tribal, and local law. Section 5822 provides that ATF cannot approve an application if making or possessing the firearm would place the person making the firearm in violation of law. The form asks individual applicants to respond, under penalties of perjury, to questions to determine whether they are prohibited by federal law from possessing firearms. For a trust or legal entity, which cannot answer these questions on Form 1 because it is not an individual, each responsible person for that trust or legal entity instead provides this information when it submits Form 5320.23, NFA Responsible Person Questionnaire (covered by OMB control number 1140–0107).

*Description of the respondents affected by this proposed rule:* Individuals or households.

*Number of respondents:* 148,975 annually.

*Frequency of response:* Once.  
*Response time estimate:* 12 minutes (overall reduction from 30 minutes, due to conversion to eForm and other technological changes).

*Burden of response:* 29,795 hours total for all respondents.

#### Impacted ICR 2

*Title:* Application to Transfer and Register NFA Firearm (Tax-Paid).

*OMB control number:* 1140–0014.  
*Form number:* ATF Form 5320.4 (“Form 4”).

*Summary of the information collection:* Persons with an NFA firearm must apply to ATF for approval to transfer and register the firearm as required by the NFA. 26 U.S.C. 5812. ATF Form 5320.4 (“Form 4”), is the prescribed means for submitting this application, facilitates and records the firearms transfer, and also serves as proof of registration once approved.

*Need for information and proposed use:* ATF’s NFA Division uses the information on this form to determine whether the applicant may legally make and register the firearm under federal, state, tribal, and local law. The form also identifies the transferor, transferee, and firearm(s). 26 U.S.C. 5812 provides that ATF cannot approve an application if receiving or possessing the firearm would place the person receiving the firearm in violation of law. The form asks individual transferees to respond, under penalties of perjury, to questions to determine whether they are prohibited by federal law from possessing firearms. For a trust or legal entity, which cannot answer these questions on Form 4 because it is not an individual, each responsible person for that trust or legal entity instead provides this information when it submits Form

5320.23, NFA Responsible Person Questionnaire (covered by OMB control number 1140–0107).

*Description of the respondents affected by this proposed rule:* Individuals or households.

*Number of respondents:* 546,424 annually.

*Frequency of response:* Once.  
*Response time estimate:* 12 minutes per (overall reduction from 30 minutes, due to conversion to eForm and other technological changes).

*Burden of response:* 109,285 hours total for all respondents.

#### J. Congressional Review Act

Pursuant to the Congressional Review Act, 5 U.S.C. 801 *et seq.*, ATF has determined that this final rule meets the criteria in 5 U.S.C. 804(2) to constitute a major rule. This final rule is a major rule because it will result in an annual effect on the economy of \$100 million or more. However, this rule will not cause an increase in prices, nor will it have an adverse effect on the economy, on competition, employment, investment, productivity, innovation, or US enterprises, because this rule provides transfers from the government back to the individual or entity. Pursuant to 5 U.S.C. 808(2), this rule is not subject to the CRA’s requirement for a 60-day delayed effective date because, as discussed above, ATF has found good cause to conclude that notice and comment are unnecessary for this rule.

#### List of Subjects in 27 CFR Part 479

Administrative practice and procedure, Arms and munitions, Exports, Imports, Military personnel, Penalties, Reporting and recordkeeping requirements, Seizures and forfeitures, Taxes, Transportation.

For the reasons discussed in the preamble, ATF amends 27 CFR part 479 as follows:

#### **PART 479—MACHINE GUNS, DESTRUCTIVE DEVICES, AND CERTAIN OTHER FIREARMS**

- 1. Revise the authority citation for part 479 to read as follows:

**Authority:** 26 U.S.C. 5801–5822; 26 U.S.C. 7801; 26 U.S.C. 7805.

- 2. Revise § 479.61 to read as follows:

#### **§ 479.61 Making tax rate.**

(a) Except as provided in this subpart, the Director must levy and collect, and a person, upon making a firearm, must pay, a tax at the rate of—

- (1) \$200 for each firearm made, in the case of a machine gun or a destructive device; and

(2) \$0 for any firearm made that is not described in paragraph (a)(1) of this section.

(b) The Director must indicate that the maker paid the tax by adding a stamp of the proper denomination, bearing the words “National Firearms Act.” The Director maintains the stamps and must affix or apply one to each approved application form, as provided in this subpart. The stamps may be adhesive, in electronic form, or in another form designated by the Director.

■ 3. Amend § 479.62 by revising the section heading and paragraph (b)(1) to read as follows:

**§ 479.62 Applying to make.**

\* \* \* \* \*

(b) \* \* \*

(1) Type of application, *i.e.*, tax-paid or tax-exempt. If making the firearm is taxable, the applicant must remit \$200 with the application for a machine gun or destructive device, or \$0 for all other firearms, in accordance with the instructions on the form;

\* \* \* \* \*

■ 4. Revise § 479.81 to read as follows:

**§ 479.81 Tax scope.**

Except as otherwise provided in this part, each NFA firearm transfer in the United States is subject to a transfer tax. The Director indicates that the transferor has paid the tax and ATF has approved the application by adding a stamp of the proper denomination, bearing the words “National Firearms Act.” The Director maintains the stamps and must affix or apply one to each approved application form, as provided in this subpart. The stamps may be adhesive, in electronic form, or in another form designated by the Director.

■ 5. Revise § 479.82 to read as follows:

**§ 479.82 Transfer tax rate.**

(a) The transfer tax imposed with respect to NFA firearms transferred within the United States is at the rate of—

(1) \$200 for each firearm transferred, in the case of a machine gun or a destructive device; and

(2) \$0 for any firearm transferred that is not described in paragraph (a)(1) of this section.

(b) The transferor must pay the transfer tax.

■ 6. Amend § 479.84 by revising its heading and paragraph (b)(1) to read as follows:

**§ 479.84 Applying to transfer.**

\* \* \* \* \*

(b) \* \* \*

(1) Type of firearm being transferred. The applicant must remit \$200 with the

application for a machine gun or destructive device, or \$0 for all other firearms, in accordance with the instructions on the form;

\* \* \* \* \*

**Robert Cekada,**

*Director.*

[FR Doc. 2026–09155 Filed 5–7–26; 8:45 am]

BILLING CODE 4410–FY–P

## DEPARTMENT OF JUSTICE

### Bureau of Alcohol, Tobacco, Firearms, and Explosives

#### 27 CFR Part 646

[ATF No. 2006R–1F]

RIN 1140–AA31

#### Implementing PATRIOT Act Improvements: Contraband Cigarettes and Smokeless Tobacco

**AGENCY:** Bureau of Alcohol, Tobacco, Firearms, and Explosives, Department of Justice.

**ACTION:** Final rule.

**SUMMARY:** The Bureau of Alcohol, Tobacco, Firearms, and Explosives (“ATF”) is amending Department of Justice (“Department”) regulations to implement certain provisions of the USA PATRIOT Improvement and Reauthorization Act of 2005 (“PATRIOT Improvement Act”) relating to trafficking in contraband cigarettes or smokeless tobacco. This act amended the Contraband Cigarette Trafficking Act (“CCTA”) by, among other things, reducing the threshold amount of cigarettes necessary to trigger jurisdiction under the CCTA from a quantity in excess of 60,000 to a quantity in excess of 10,000; extending the provisions of the CCTA to cover contraband smokeless tobacco; expanding record-keeping requirements; and imposing reporting requirements.

**DATES:** This final rule is effective June 8, 2026.

**FOR FURTHER INFORMATION CONTACT:** Office of Regulatory Affairs, by email at [ORA@atf.gov](mailto:ORA@atf.gov), by mail at Office of Regulatory Affairs; Enforcement Programs and Services; Bureau of Alcohol, Tobacco, Firearms, and Explosives; 99 New York Avenue NE; Washington, DC 20226, or by telephone at 202–648–7070 (this is not a toll-free number); *ATTN: RIN 1140–AA31*.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

In 1978, the Contraband Cigarette Trafficking Act (“CCTA”), 18 U.S.C.

2341 *et seq.*, was enacted to deter cigarette smuggling between states that had diverse tax rates. The Attorney General has delegated primary responsibility to enforce and administer the CCTA to the Director of ATF (“Director”). See 28 CFR 0.130. Accordingly, the Department and ATF have promulgated regulations<sup>1</sup> that implement provisions of the CCTA in 27 CFR part 646.

Since the CCTA was enacted, cigarette smuggling and trafficking has grown in complexity and become a global problem that costs governments throughout the world billions of dollars in lost tax revenue. Criminals smuggle and traffic cigarettes between low-tax and high-tax states and across international borders. ATF’s investigations, Congress, and other sources have established that organized crime and terrorist groups divert legal tobacco products into illegal markets.<sup>2</sup> Organized crime and terrorist groups use profits derived from cigarette trafficking to finance additional criminal enterprises.

Further, trafficking in contraband tobacco products poses a serious health risk because selling trafficked tobacco products avoids taxes in the jurisdiction in which the tobacco product is resold. This decreases the cost of those tobacco products and promotes distribution of cheap tobacco, which, in turn, increases tobacco use.<sup>3</sup> The impact of this illicit

<sup>1</sup> In Attorney General Order Number 6353–2025, the Attorney General delegated authority to the Director to issue regulations pertaining to matters within ATF’s jurisdiction, including under the National Firearms Act, Gun Control Act, and Title XI of the Organized Crime Control Act. ATF’s jurisdiction also includes the Arms Export Control Act and the CCTA.

<sup>2</sup> The legislative history of the PATRIOT Improvement Act, Public Law 109–177, 120 Stat. 192, 221–24 (2006), indicates that the CCTA was amended, and the threshold was lowered from 60,000 to 10,000 cigarettes, in order to prevent criminal organizations and terrorists from funding their activities by purchasing cigarettes in a low-excise tax state and reselling them in a high-excise tax state. 151 Cong. Rec. H6284 (July 21, 2005) (statement of Rep. Coble); see also *United States v. Hammoud*, No. 300–CR–00147–GCM–DSC, 2022 WL 17326071, at \*1 (W.D.N.C. Nov. 29, 2022) (explaining how a Hezbollah cell orchestrated a cigarette-trafficking scheme from North Carolina, a low-tax state, to Michigan, a high-tax state, to finance Hezbollah activities); *United States v. Hammoud*, 381 F.3d 316, 325–26 (4th Cir. 2004) (same); Kate Willson, Alain Lallemand & Aamir Latif, *Terrorism and tobacco: Extremists and insurgents turn to tobacco smuggling*, Int’l Consortium of Investigative Journalists (June 29, 2009), <https://www.icij.org/investigations/tobacco-underground/terrorism-and-tobacco/> [<https://perma.cc/LU79-JSGU>].

<sup>3</sup> The Centers for Disease Control and Prevention (“CDC”) has stated that increasing the price of tobacco products is an effective way to reduce demand and that cigarette smoking in 2018 cost the United States more than \$600 billion, including more than \$240 billion in health care spending. See