

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. 4242**  
**OFFERED BY MR. SMITH OF MISSOURI**

Strike all after the enacting clause and insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Innovate Less Lethal  
3 to De-Escalate Tax Modernization Act”.

**4 SEC. 2. EXEMPTION OF CERTAIN LESS-THAN-LETHAL PRO-**  
**5 JECTILE DEVICES FROM FIREARMS AND AM-**  
**6 MUNITION TAX.**

7       (a) IN GENERAL.—Section 4182 of the Internal Rev-  
8 enue Code of 1986 is amended—

9           (1) by redesignating subsection (d) as sub-  
10 section (e), and

11          (2) by inserting after subsection (c) the fol-  
12 lowing new subsection:

13       “(d) LESS-THAN-LETHAL PROJECTILE DEVICES.—

14           “(1) IN GENERAL.—The tax imposed by section  
15 4181 shall not apply to—

16           “(A) any less-than-lethal projectile device,

1           “(B) any device contained on the most re-  
2           cent list made available by the Secretary under  
3           paragraph (4)(B), and

4           “(C) any shell or cartridge that meets the  
5           requirement of paragraph (2)(B) and is de-  
6           signed for use in a device referred to in sub-  
7           paragraph (A) or (B).

8           “(2) LESS-THAN-LETHAL PROJECTILE DE-  
9           VICE.—The term ‘less-than-lethal projectile device’  
10          means a device that—

11           “(A) is not designed or intended to expel,  
12           and may not be readily converted to accept and  
13           discharge—

14           “(i) ammunition commonly used in  
15           handguns, rifles, or shotguns, or

16           “(ii) any other projectile at a velocity  
17           exceeding 500 feet per second,

18           “(B) is designed and intended to be used  
19           in a manner that is not likely to cause death or  
20           serious bodily injury, and

21           “(C) does not accept, and is not able to be  
22           readily modified to accept, ammunition feeding  
23           devices—

24           “(i) loaded through the inside of a  
25           pistol grip, or

1 “(ii) commonly used in semiautomatic  
2 firearms.

3 “(3) REQUEST FOR CLASSIFICATION.—Pursu-  
4 ant to a request made by the manufacturer, pro-  
5 ducer, or importer of a device for a determination as  
6 to whether such device satisfies the requirements  
7 under paragraph (2), the Secretary shall make such  
8 determination not later than 90 days after the date  
9 of receipt of such request.

10 “(4) ANNUAL REVIEW OF NEW AND EMERGING  
11 TECHNOLOGIES.—

12 “(A) LIST OF LESS-THAN-LETHAL PROJEC-  
13 TILE DEVICES.—The Secretary shall make pub-  
14 licly available a list of devices that the Sec-  
15 retary has determined are described in para-  
16 graph (2) and shall update such list annually to  
17 take into account new devices.

18 “(B) LIST OF NON-LETHAL DEVICES THE  
19 PROJECTILES OF WHICH EXCEED 500 FEET PER  
20 SECOND.—

21 “(i) IN GENERAL.—The Secretary  
22 shall—

23 “(I) make publicly available a list  
24 of devices that the Secretary has de-  
25 termined are not described in para-

1 graph (2) but would be so described if  
2 such paragraph were applied without  
3 regard to subparagraph (A)(ii) there-  
4 of, and

5 “(II) update such list annually to  
6 take into account new devices.

7 “(ii) REPORT TO CONGRESS.—The  
8 Secretary shall annually submit a written  
9 report to the Committee on Ways and  
10 Means of the House of Representatives  
11 and the Committee on Finance of the Sen-  
12 ate regarding the annual list of devices de-  
13 scribed in clause (i), including a copy of  
14 such list, a description of the devices that  
15 were considered for inclusion on such list,  
16 and the reasons for including or excluding  
17 such devices from such list.”.

18 (b) EFFECTIVE DATE.—

19 (1) IN GENERAL.—Except as otherwise pro-  
20 vided in this subsection, the amendments made by  
21 this section shall apply to articles sold by the manu-  
22 facturer, producer, or importer after the date of the  
23 enactment of this Act.

24 (2) REQUESTS FOR DETERMINATIONS.—Section  
25 4182(d)(3) of the Internal Revenue Code of 1986

1 (as added by this section) shall apply to requests re-  
2 ceived after the date of the enactment of this Act,  
3 except that any request under such section which is  
4 received during the 180-day period beginning on the  
5 date of the enactment of this Act shall be treated for  
6 purposes of such section as received as of the close  
7 of such period.

8 **SEC. 3. EXEMPTION OF CERTAIN LESS-THAN-LETHAL PRO-**  
9 **JECTILE DEVICES FROM NATIONAL FIRE-**  
10 **ARMS ACT.**

11 Section 5845(a) of the Internal Revenue Code of  
12 1986 is amended by striking “an antique firearm or” and  
13 inserting “any antique firearm, any less-than-lethal pro-  
14 jectile device (as defined in section 4182(d)(2)), any device  
15 referred to in section 4182(d)(1)(B), or”.

