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## Section 4161.—Imposition of Tax

26 CFR 48.4161(b)-1: Imposition and rates of tax; bows and arrows.

**Bows and arrows; taxable and nontaxable articles.** An illustrative list of taxable and nontaxable articles is provided for use by manufacturers, producers, and importers in determining their liability for the manufacturers tax on archery equipment imposed by section 4161 of the Code. The list reflects changes to the tax on archery equipment made by the Taxpayer Relief Act of 1997. Rev. Rul 75-17 supplemented and superseded.

### Rev. Rul. 98-5

This revenue ruling updates Rev. Rul. 75-17, 1975-1 C.B. 344, by revising the illustrative list of taxable and nontaxable archery articles in that ruling. This revenue ruling provides guidance to manufacturers, producers, and importers in determining their liability for the manufacturers excise tax on bows and arrows imposed by § 4161(b) of the Internal Revenue Code.

### BACKGROUND

For sales prior to October 1, 1997, § 4161(b) imposed an 11 percent tax on the sale by the manufacturer, producer, or importer of any bow that had a draw weight of 10 pounds or more, any arrow that measured 18 inches or more in overall length, or any arrow sold after September 30, 1984, that measured less than 18 inches in overall length but was suitable for use with a taxable bow, any part or accessory suitable for inclusion in or attachment to a taxable bow or arrow, and any quiver suitable for use with taxable arrows.

For sales after September 30, 1997, § 4161(b), as amended by § 1433(a) of the Taxpayer Relief Act of 1997 (TRA-97), provides for the continued taxation of bows, bow parts and accessories, and quivers in the same manner and at the same rate as before amendment. However, § 4161(b), as amended, replaces the prior tax on arrows

and arrow parts and accessories with an excise tax on arrow components. The new tax is imposed at the rate of 12.4 percent on the sale by the manufacturer, producer, or importer of arrow components. For this purpose, an arrow component is any shaft, point, nock, or vane of the type used in the manufacture of any arrow which after its assembly (A) measures 18 inches or more in overall length, or (B) measures less than 18 inches in overall length, but is suitable for use with a taxable bow.

No tax is imposed under the former or amended § 4161(b) with respect to any article taxable under § 4161(a) as sport fishing equipment, for example, bow fishing rods and reels.

Section 48.4161(b)-2(a)(1) of the Manufacturers and Retailers Excise Tax Regulations defines the term “bows” as including all articles made of flexible materials that are designed to be equipped with a string and used for the propelling of arrows in the sport of archery (target shooting), or in hunting or fishing.

Section 48.4161(b)-2(a)(2) defines the term “arrows” as including all articles designed or constructed to be propelled by a bow in the sport of archery (target shooting), or in hunting or fishing. The overall length of the arrow is to be measured from the point of the tip or arrowhead to the end of the arrow nock. In the case of arrows sold by the manufacturer without heads, tips, or nocks, the overall length is to include the length of the shaft plus the length of the nock and head or tip that is normally used with the particular type of arrow shaft.

(The following provisions of the regulations do not reflect the amendments made to § 4161(b) by the TRA-97.)

Section 48.4161(b)-2(b)(1) defines the term “parts and accessories” for bows and arrows as including all articles (other than fishing reels) suitable for inclusion in or attachment to a taxable bow or arrow. Examples of parts and accessories for bows are bow handles, bow limbs, bowstrings, bowstring silencers, bow stabilizers, arrow rests, bow slings, bow sights, bow levels, bow tip protectors, brush buttons, camouflaged bow covers, and all other articles designed to be attached to or included in a bow to assist in aiming or propelling an arrow, or to protect the bow while in use. Examples of parts and accessories for arrows are arrow shafts, nocks, tips, heads, head adapters, and feathers.

Under the provisions of § 48.4161(b)-2(b)(2), general purpose materials and arti-

cles that are not specifically designed to directly improve the performance or appearance of bows or arrows, or to protect them while in use, are not considered to be parts and accessories for bows or arrows, even though such materials may be intended, after further processing, to be included in or attached to bows or arrows. An example of a nontaxable article that is designed for use with a bow, but is neither attached to a bow, nor serves a purpose directly related to the efficient use of a bow, is a carrying case for a bow. Examples of nontaxable general purpose materials or articles are glues and cements, feathers before they are prepared for use with arrows, and bowstring thread before it is processed into bowstrings. Arrow shaft material is considered to be a taxable part for an arrow unless the manufacturer, producer, or importer can establish that the particular material is unsuitable for use in the manufacture of taxable arrows. In addition, the term parts and accessories does not include articles in the nature of expendable supplies, even though such articles are designed to be applied to, or used with, bows or arrows. Examples of such supply materials are bowstring wax and archery powder.

Section 48.4161(b)-2(c) defines the term “quivers” as including all articles, of whatever material made, that are designed to contain, and to provide ready access to, taxable arrows during the time an archer is engaged in target shooting, hunting, or fishing. The term does not include any article designed solely for storing or transporting arrows during times when the arrows are not in use.

### ILLUSTRATIVE LISTS

The Internal Revenue Service has determined that the articles listed below are bows, arrows, arrow components, or parts or accessories subject to the tax imposed by § 4161(b). The parts or accessories subject to the tax include replacement parts or accessories. A separate list of the articles that the Service has determined not to be subject to the tax imposed by that section is also provided. The lists are illustrative and not all-inclusive.

#### ARTICLES SUBJECT TO TAX

##### Bows

All bows that have a draw weight of 10 pounds or more, including laminated composite bows; solid glass, wood, steel, etc., bows; and crossbows.

## Arrows

(Prior to October 1, 1997)

All arrows (including bow fishing arrows), regardless of shaft material or the type of head, that measure 18 inches or more in overall length (including the tip or head, and nock), and all arrows sold after September 30, 1984, that measure less than 18 inches in overall length but are suitable for use with a taxable bow.

## Arrow Components

(After September 30, 1997)

All shafts, points, nocks, or vanes of the type used in the manufacture of any arrow which after its assembly (A) measures 18 inches or more overall in length, or (B) measures less than 18 inches overall in length, but is suitable for use with a taxable bow.

## Bow and Arrow Sets

Bow and arrow sets that contain any taxable article. When a set also contains nontaxable articles, the tax applies only to that portion of the combination sale price properly attributable to the taxable articles. See Rev. Rul. 75-18, 1975-1 C.B. 345, which provides a method of determining the manufacturer's tax base and computing the tax where taxable and nontaxable articles are sold as a unit at a single price.

Bow Parts and Accessories and Quivers  
Arrow holders (all items to be affixed to a bow to hold an arrow in ready position)  
Arrow plates (whether fixed, adjustable, spring loaded, etc.)  
Arrow rests (whether bow shelf or auxiliary type)  
Bow handles  
Bow handle sections  
Bow levels  
Bow limbs  
Bow saddles (including interchangeable or replaceable bow grips)  
Bow sights and bow sight extensions (including parts and attachments therefor)  
Bow silencing pads  
Bow slings  
Bow stabilizers (all attachments and weights for use on bows to affect stabilization, counterbalancing, or modification of weight distribution)  
Bowstrings  
Bowstring silencers  
Bow tip protectors  
Brush buttons  
Cable guards  
Cable guard slides

Camouflaged bow covers (slip-over cloth, self-adhesive tape type, etc.)

Cushion nocks

Draw checks (spring loaded clickers, mirrors, or any other device attached to a bow or string to insure consistent draw length)

Draw stops

Finger protectors attached to a bowstring

Grip formers

Kisser buttons (all items attached to a bowstring to establish a consistent anchor point)

Nocking points (all items attached to a bowstring to establish arrow positioning)

Quivers designed to provide ready access to taxable arrows while an archer is engaged in target shooting, hunting, or fishing, regardless of material from which constructed (including bow quivers designed to be attached to a bow and ground quivers)

Release draw bars

String peeps (all items attached to a bowstring for use in sighting)

## Arrow Parts and Accessories

(Prior to October 1, 1997)

Arrow fletching (natural feathers processed for application to arrows or synthetic feather substitutes)

Arrow nocks and inserts

Arrow points, tips, heads, adapters, and inserts

Arrow shafts

Arrow shaft material

Broadhead guide rings

Broadhead rings

Feather tracers

## ARTICLES NOT SUBJECT TO TAX

Accessory belts

Archery armguards

Archery powder

Archery shooting finger tabs

Archery shooting gloves

Arrow clips for tackle boxes and display racks

Arrow cresting machines and replacement parts therefor

Arrow cut-off and fabricating tools (and replacement parts therefor)

Arrow fletching jigs and tools

Arrow lubes

Arrow pullers

Arrow shaft dip tanks

Arrow spine meters (and replacement parts therefor)

Arrow straighteners

Arrow tapering tools

Bow and arrow racks designed solely for the storage of bows and/or arrows

Bow and arrow cases designed for the transportation or storage of bows, arrows, and related equipment

Bowfishing line

Bow squares

Bow stringers

Bowstring jigs

Bowstring thread

Bowstring wax

Bow supports including ground bow holders and stands

Broadhead wrenches

Electronic trackers

Feather burners and feather burner kits (and replacement parts therefor)

Feathers not prepared for use with arrows

Feather waterproofing

Finger slings

Glues and cements

Nocking point tools

Powder pouches

Score card holder

Shirt and blouse protectors

String holders and keepers

String releases

String servers

Targets and target accessories

## EFFECT ON OTHER REVENUE RULINGS

Rev. Rul. 75-17 is supplemented and superseded.

## DRAFTING INFORMATION

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