# Strengthening the Backbone of Conservation: Industry Partnerships and the Power of the Excise Tax

## By Dr. Jon Gassett | Wildlife Management Institute

In the vast, interconnected world of fish and wildlife conservation in the U.S., few forces are as vital—or as underappreciated—as the excise tax-paying companies that help fund it all. These manufacturers, through taxes on hunting, shooting, angling, and boating products, currently provide approximately 1 billion dollars in conservation funding to agencies. This financial lifeblood supports our fish and wildlife resources and has been in place for almost a century. And yet, sustaining this model requires more than dollars—it requires relationships, understanding, and a shared purpose.

Since its inception, the American System of Conservation Funding (ASCF), as it is commonly known, has supported everything from habitat restoration and wildlife research to boat ramp construction and shooting range development. But back in 2006, a pivotal meeting among industry leaders and state agency directors revealed troubling cracks in the system. Many businesses felt alienated, questioning how their tax dollars were being used. Meanwhile, state agencies struggled to connect with the very industries they relied on. This first meeting among industry and agency leaders lead to another and another. For the next 14 years, the annual Fish and Wildlife Business Summit brought together the key players involved in the ASCF to build relationships, solve problems, and improve the understanding of all sides of this important equation.

The Wildlife Management Institute (WMI) has tackled this disconnect head-on. The first Industry Multi-State Conservation Grant was secured by WMI in 2012 and focused on the relationship and communications aspects of the conservation funding model by providing sustained engagement, technical guidance, and targeted outreach to federal and state leaders as well as those from industry and conservation non-profits. Over the course of a decade and a half, WMI has used a series of MSCGs to help to bridge the gap between manufacturers and fish and wildlife agencies. It's a strategy grounded in collaboration, transparency, and respect.

#### The Birth of Ideas

One of the strengths of the work performed under the Industry MSCGs has been the Fish and Wildlife Business Summits. Not only did these events establish a network of new relationships and partnerships, they also served as a holding environment for ideas that, while far-fetched at the time, have become integral to conservation in this country. For example, the concept of developing a support organization that would focus entirely on the recruitment, retention, and reactivation of hunters and recreational shooters was first developed at an early business Summit. With several years of thought and discussion, the Council to Advance Hunting and the Shooting Sports (CAHSS) was formed. Similarly, at a Business Summit in Kennesaw, GA, the idea of hosting events where manufacturers gained exposure the conservation side of the equation first hand (by visiting projects or programs funded by their tax dollars) while agency staff gained exposure to the manufacturing side of the equation grew into what is now called "Partner with a Payer," an initiative now led by the USFWS Office of Conservation Investment. At a Business Summit in Newtown CT, the problem of securing dedicated funding for R3 efforts arose, and an idea was quickly proposed

to amend the Pittman-Robertson Act to allocate funds. This effort resulted in the PR Modernization Act that dedicated \$5M pool of funding for the Modern (R3) MSCG program.

### Excise Tax Slippage: A Real Threat

Despite all the successes that we have enjoyed with our industry partners over the last decade, challenges still remain. One current major issue is "excise tax slippage"—the failure to properly collect or remit taxes on taxable products that are being manufactured abroad and sold direct to consumers in the U.S., thus bypassing the tax collection process. Whether due to confusion, misclassification, or intentional avoidance, slippage undermines the effectiveness of the entire conservation funding model. That's why a growing portion of WMI's work is focused on education, compliance, and modernization, ensuring that foreign manufacturers do not continue to have an unfair competitive advantage over American companies. As a part of the Industry MSCGs in 2022, 2023, and 2024, WMI coordinated a study to determine the extent of the impacts of slippage. Not surprisingly, it totaled to many millions of dollars—resulting in a GAO review and report. There is currently language in Congress to close the tax loophole on imported taxable products to solve this problem.



## Taking the Message to the Masses

In a further effort to explain the business of conservation funding to a wider audience, in their 2024 Industry MSCG, WMI developed and launched **"Connecting with Conservation,"** a weekly video podcast focused on the business of conservation. Featuring interviews, technical content, and deep dives into topics like PR modernization and taxable product identification, the podcast has already made a major impact. The show is distributed on Youtube, Podbean, Apple Podcasts, Spotify, and others. It is also hosted on the WMI website (<u>www.wildlifemanagement.institute</u>). With more than 800,000 impressions, 34,904 views, and over 1,100 subscribers. It has now become a cornerstone of WMI's outreach strategy.



## What We're Talking About

For each of the past 14 years, WM has presented dozens of sessions across various platforms:

- Fish & Wildlife Business Summit
- SHOT, ATA, and ICAST Shows
- Excise Tax Training for new Manufacturers
- Excise Tax Training for IRS Agents
- AFWA Trust Funds and Grants Committees
- Outdoor News Bulletin
- Trust Funds Collection Working Group
- Connecting with Conservation podcast
- The Wildlife Society and more

Topics range from the fundamentals—like understanding excise tax receipts—to emerging concerns like lead ammunition, shooting range development, and the evolving landscape of recruitment and retention.

#### A Call to Partnership

Ultimately, the future of conservation in America rests on a fragile but powerful idea: that those who use natural resources should help pay to conserve them. This **user-pay, public-benefit** model has succeeded because industry has embraced its role—not just as a taxpayer, but as a partner.

But partnerships don't happen by accident. They must be nurtured, respected, and continually renewed. As we look to the challenges and opportunities ahead, WMI is committed to ensuring the ASCF remains not just viable, but visionary.

#### About the Author

Dr. Jon Gassett is a senior staff member of the Wildlife Management Institute and a nationally recognized leader in fish and wildlife conservation policy. He has played a key role in advancing state-industry partnerships and strengthening excise tax compliance to support the American System of Conservation Funding.