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Sent: Thursday, April 16, 2015 8:00 PM

To: TRIBAL.CONSULT@treasury.gov

Subject: General Welfare Exclusion from Taxable Personal Income of Indian Tribal Government Program Benefits

Dear Tribal Leader:

As you may know, the Tribal General Welfare Exclusion Act of 2014 (TGWEA) added section 139E to the Internal Revenue Code, providing that gross income does not include the value of any “Indian general welfare benefit” as defined in section 139E(b).

In June 2014, following extensive consultation with tribal leaders and their representatives, Treasury and the Internal Revenue Service (IRS) issued [Rev. Proc. 2014-35](#). Rev. Proc. 2014-35 provides safe harbors under which certain benefits provided through Indian tribal government programs may be excluded from taxable income under the general welfare exclusion. Treasury and the IRS are now issuing [IRS Notice 2015-34](#), which confirms that taxpayers may continue to rely on Rev. Proc. 2014-35 and its safe harbors. Please review the attached notice for further details.

Notice 2015-34 continues Treasury’s ongoing implementation of the TGWEA:

- The TWGEA requires that Treasury establish a Tribal Advisory Committee (TTAC) to consult with the Treasury Secretary on the training and education of IRS field agents, the provision of training and technical assistance to tribal financial officers, and the definition of lavish or extravagant benefits with respect to Indian tribal government programs.
- The Treasury Department has filed a [Committee charter](#), and requested nominations and applications for the three appointments to this Committee that will be made by the Treasury Secretary. For additional information, please see Treasury’s February 25, 2015 [Call for Nominations for Treasury Secretary Appointments to Tribal Advisory Committee](#), and especially [Section II under Supplementary Information](#), where the application process is discussed. Please note that nominations are due by April 28, 2015.
- The attached Notice requests comments on several technical matters that may need to be clarified for the purposes of implementing the TGWEA, which requires the Treasury Secretary to, in consultation with the TTAC, “establish guidelines for what constitutes lavish or extravagant benefits with respect to Indian tribal governments.”
- Audits or examinations of tribal governments, members of Indian tribes, and the spouses and dependents of tribal members have been suspended, per TWGEA, to the extent that they relate to the exclusion of tribal government payments or benefits that are excludable under the general welfare doctrine.

Thank you for your kind attention.

Yours truly,

Elaine Buckberg

Deputy Assistant Secretary for Policy Coordination, Treasury Office for Economic Policy, and Treasury Point of Contact for Tribal Consultation