



1101 30th St. NW, Suite 500  
Washington, DC 20007



Policy

## Preparing for Tribal Government Tax Reform



### Where Things Stand

Tax reform remains a high priority for this Administration and Congress. While it is believed that tax reform will not be addressed until the Affordable Care Act is repealed or amended, NAFOA has been active in putting forward proposals in both the House and Senate.

### NAFOA Tax Policy Agenda

NAFOA has organized the tribal government tax reform proposals into three main categories as follows:

- **Parity** with state and local governments means eliminating the essential government function test and ensuring tribes have the same opportunities. Conversely, given the vital role Indian Country plays in both employment and contributing to revenues in state and local economies, all governments have an equally strong stake in ensuring that tribes are included in tax reform.
- **Tax incentives** entice businesses to hire tribal members, contributes to diversifying the workforce, and improving business operations. NAFOA is supporting existing, enhanced, and new tax incentives, such as the New Markets Tax Credits, Indian Employment Tax Credit, and Accelerated Depreciation for Business Property.
- **Technical fixes** are needed in some areas that were overlooked in the Internal Revenue Code. NAFOA supports these corrections as taxation impacts many of the governance and administrative functions at a tribe.

## Take Action on Tribal Tax Reform

Tribal governments and supporters are invited to take action by using NAFOA's one-pagers to support, inform, and expand their own tax policy work.

Category	Issue/One-Pagers	Recommendation
Parity	<a href="#">Adoption Tax Credit</a>	Support <a href="#">H.R. 3138</a>
Parity	<a href="#">Child Support Enforcement Tools</a>	Support <a href="#">H.R. 3138</a>
Parity	<a href="#">Social Security Fairness</a>	Support <a href="#">S.1309</a>
Parity	<a href="#">Tribal Government Charities</a>	Support <a href="#">H.R. 3138</a>
Parity	<a href="#">Tribal Government Tax Exempt Bonds</a>	Support <a href="#">H.R. 3138</a>
Parity	<a href="#">Tribal Government Pensions</a>	Support <a href="#">H.R. 3138</a>
Tax Incentive	<a href="#">Accelerated Depreciation for Business Property on Indian Reservations</a>	Permanently extend this provision.
Tax Incentive	<a href="#">Indian Coal Production Tax Credits</a>	Support <a href="#">S.975</a>
Tax Incentive	<a href="#">Indian Employment Tax Credit</a>	Permanently extend this provision and expand the tax credit formula.
Tax Incentive	<a href="#">Low-Income Housing Tax Credit</a>	Support <a href="#">S.548</a>
Tax Incentive	<a href="#">New Markets Tax Credit</a>	Revise the designation of Indian Country to a disadvantaged state and reserve \$250 million for tribes.
Technical Correction	<a href="#">Kiddie Tax</a>	Amend 26 U.S.C. § 1(g) to exempt tribal government distributions from the kiddie tax.

For questions or comments please contact Dante Desiderio at [Dante@nafoa.org](mailto:Dante@nafoa.org) or (202) 631-2003.

*Growing Tribal Economies. Strengthening Tribal Finance.*