



UNITED SOUTH AND EASTERN TRIBES, INC.

---

---

---

Resolution No. USET 2001: 038

**FEDERAL TAX LAW AND MINORS TRUSTS**

- WHEREAS,** United South and Eastern Tribes Incorporated (USET) is an intertribal organization comprising twenty-four (24) federally recognized tribes; and
- WHEREAS,** the actions taken by the USET Board of Directors officially represent the intentions of each member tribe, as the Board of Directors comprises delegates from the member tribes' leadership; and
- WHEREAS,** several USET tribes have established trusts for the benefit of minor children who are members of their tribes; and
- WHEREAS,** certain representatives of the Internal Revenue Service (IRS) have attempted to impose income taxes on the assets contributed by USET tribes to trusts for minors and on the income generated by those trust assets; and
- WHEREAS,** the efforts of the IRS to tax trusts established for the benefit of minors threaten the sovereignty of Indian nations and their ability to provide for their children and for future generations; therefore, be it
- RESOLVED** the Board of Directors hereby requests that the IRS cease its efforts to subject tribally-sponsored trusts for the benefit of minors to income taxation; and, be it further
- RESOLVED** the USET Board of Directors hereby directs the USET Commercial Law, Legislation and Economic Development Committee to work with the IRS in order to preserve the integrity, and freedom from taxation, of all minors trusts sponsored by Indian nations.

**CERTIFICATION**

This resolution was duly passed during Impact Week, at which a quorum was present in Arlington, Virginia on Thursday, February 1, 2001.

Keller George, President  
United South and Eastern Tribes, Inc.

Beverly Wright, Secretary  
United South and Eastern Tribes, Inc.

**POSITION PAPER OF THE  
UNITED SOUTH AND EASTERN TRIBE  
ON THE SUBJECT OF TAXATION**

Whereas, Indian nations are sovereign nations whose existence predates the formation of the United States;

Whereas, Indian nations: (a) possess the inherent right to sovereign immunity; (b) exercise governmental powers over persons and lands within their jurisdiction; and (c) enact laws and ordinances to govern such persons and lands;

Whereas, the United States Constitution, by using the phrase "Indians not taxed" in Article I, Section 2 and in Section 2 of the Fourteenth Amendment, recognizes the nontaxable status of Indian nations;

Whereas, the United States has entered into numerous treaties with Indian Nations that reaffirm their sovereign status, and such treaties, according to the Supremacy Clause of the U.S. Constitution, are the supreme law of the land; and many such treaties continue in full force and effect to this day; and

Whereas, by executive order, the President of the United States has directed the Federal Government, its various departments and agencies to respect the sovereignty of Indian nations, consistent with the historic nation-to-nation relationship between Indian nations and the United States.

Now therefore, the members of USET hereby subscribe to the following principles and adopt such principles as their united position on the subject of taxation:

1. Indian nations are not subject to taxation by other governments.
2. Indian Nations have the power to impose their own taxes on persons and transactions within their jurisdiction.
3. The sovereignty and independence of Indian nations precludes external governments from forcing Indian nations and their members to act as tax collectors for the States otherwise submit to their jurisdiction.
4. From time to time, an Indian nation and another government may disagree regarding the scope and jurisdiction of their respective tax statutes. Individual Indian nations, consistent with their status as sovereign and independent governments, are at liberty to resolve such disagreements through: (a) litigation, in either tribal courts or such other forums that are deemed appropriate; (b) the negotiation and execution of agreements; or (c) such other means as may be appropriate and/or necessary.