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GENERAL MEMORANDUM 20-005

House Ways and Means Committee to Hold Hearing on Tribal Tax Matters; Joint Committee on Taxation Issues Analysis on Tax Issues Affecting Indian Country

On March 4, 2020, the House Ways and Means Committee will hold a hearing entitled “Examining the Impact of the Tax Code on Native American Tribes.” In anticipation of the coming hearing, the Joint Committee on Taxation has released a new overview of federal tax provisions and analysis regarding taxation issues affecting Indian tribal governments and their members. That report is available [here](#).

Part I of the 65-page report provides an overview of the legal framework governing federal and state taxation of Indian tribes and their members. That part of the report also discusses the taxing powers of Indian tribes, including a summary of the problem of conflicting state and tribal tax authority (dual taxation).

Part II of the report discusses the federal tax code provision, 26 U.S.C. § 7871, which affords Indian tribes comparable treatment to that of U.S. States for certain purposes. A number of those purposes, however, impose additional limitations and conditions on tribes. Tribes and tribal advocates have sought legislative amendments to eliminate these limitations, which often operate to impede economic development in Indian Country.

The upcoming March 4 hearing will be an opportunity for tribes and their representatives to engage directly with the House Committee on changes necessary to ensure that the tax code treats tribal governments consistently with other sovereigns in the federal system and to promote tax code changes that can stimulate investment and create jobs in Indian Country. Please let us know if we can provide you with more information on the March 4 hearing, taxation issues in Indian Country, or assistance preparing a written statement for the hearing record, which we understand will be open through March 17, 2020.

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