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GENERAL MEMORANDUM 24-004

The Department of the Treasury and Internal Revenue Service Release Proposed Regulations to Implement the General Welfare Exclusion Act

On September 17, 2024, the Internal Revenue Service (IRS) and Department of the Treasury (Treasury) published proposed regulations ("Proposed Regulations") implementing the Tribal General Welfare Exclusion Act. The Tribal General Welfare Exclusion Act amended Section 139E of the Internal Revenue Code to exclude the value of any "Indian general welfare benefit" from gross income. The Proposed Regulations provide the requirements that must be satisfied for a Tribal general welfare benefit to be excluded from federal income taxation. In addition to the Proposed Regulations, Treasury released several resources, including a [Dear Tribal Leader Letter](#), [Tribal Consultation and Federal Feedback Summary](#), and [Tribal Fact Sheet](#).

Treasury and the IRS are providing multiple opportunities to provide comments on the Proposed Regulations. Treasury will hold three virtual Tribal consultations on **November 18, 19, and 20, 2024**, at 1:00 pm ET each day (Register [here](#)). Additionally, Treasury will hold a public hearing on the Proposed Regulations on **January 13, 2025** at 10:00 am. Further, written comments may be submitted to the following email address: tribal.consult@treasury.gov. The comment deadline is **Monday, December 16, 2024**, at 11:59 Alaska Time.

We view the publication of these long-awaited Proposed Regulations as a momentous step forward for Indian country. The Proposed Regulations offer the first written guidance implementing Section 139E (which was adopted more than ten years ago), and fully affirm that Tribes retain a significant degree of deference and flexibility in designing and implementing general welfare programs. By confirming that Tribal governments have substantial latitude to tailor general welfare programs to meet their communities' specific needs, the Proposed Regulations promote Tribal sovereignty and self-determination in the administration of programs for the well-being of Tribal communities.

Please let us know if we may provide additional information or assistance regarding the Proposed Regulations. We are available to assist in preparing talking points or written comments on the Proposed Regulations.

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