

Multistate Tax Commission



Resolution No. 98-6

State-Tribal Tax Issues

WHEREAS, Native American tribal governments under federal law are dependent sovereign nations, and

WHEREAS, tribal enterprises all over the United States have grown significantly over the last twenty years, and

WHEREAS, tribal enterprises serve Native American and non-Native American alike, and

WHEREAS, the growth of tribal economies has sometimes resulted in jurisdictional clashes with respect to the proper taxing authority of States and tribal governments, and

WHEREAS, the courts of the United States have attempted to resolve the jurisdictional friction with mixed results, and

WHEREAS, many States and tribes have successfully resolved tax issues through State-tribal agreements and other arrangements, and

WHEREAS, recent proposed federal legislation that purports to resolve State-tribal tax issues has the potential to disrupt long-standing State-tribal tax agreements, and

WHEREAS, States and tribes have a vital interest in retaining the validity and vitality of the tax agreement negotiation process;

NOW, THEREFORE, BE IT RESOLVED that Congress be encouraged to enact legislation that clarifies State taxing jurisdiction over activities occurring on tribal lands, and be it further

RESOLVED that any federal legislation in this area be supportive of State and tribal efforts to resolve longstanding tax issues, and be it further

RESOLVED that, in the absence of federal legislation resolving State-tribal tax issues, that the Commission encourage States and tribes to resolve State-tribal tax issues through negotiated agreements, and that if requested, the Commission work with State tax officials and tribal leaders to initiate and foster expanded dialogues between States and tribes with the aim of resolving State-tribal tax issues.

This Resolution expires on August 7, 2003.

Adopted this 7th day of August 1998, by the Multistate Tax Commission.

W. Val Oveson
Chair

Dan R. Bucks
Executive Director