



# Tax Matters and Strategies for Tribes

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# Agenda

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Best practices for Tribes to maximize tax revenues while also minimizing income taxes for Tribal members, such as:

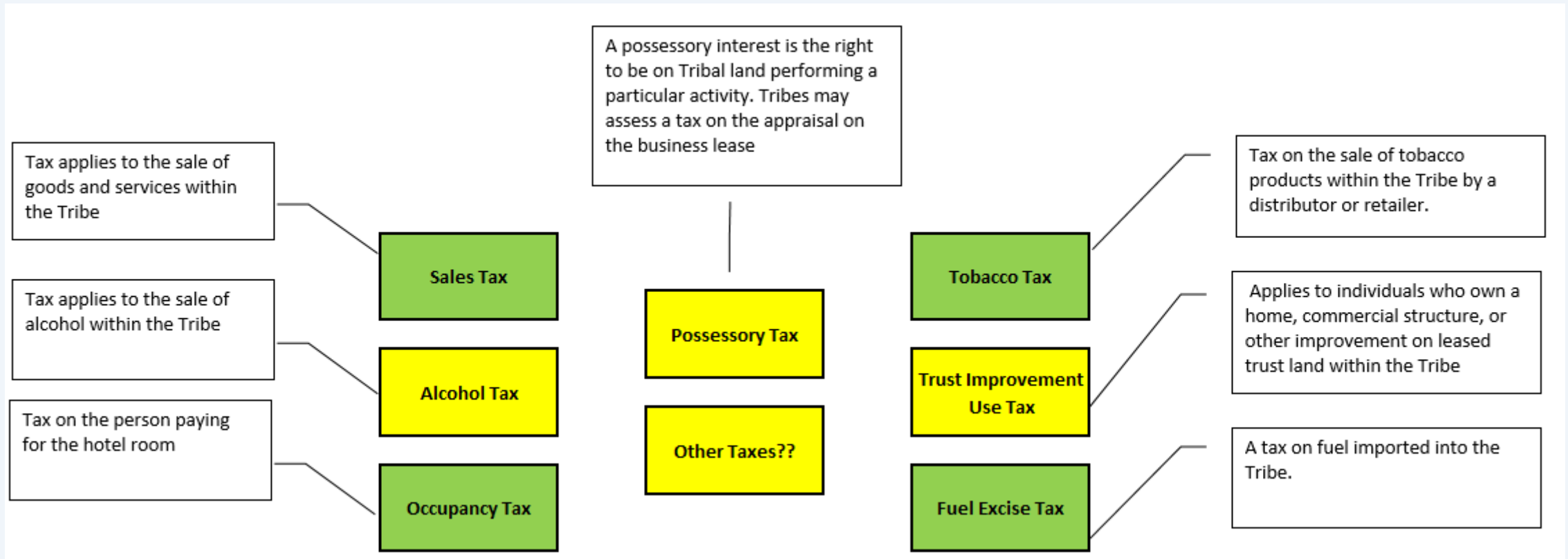
- Innovative strategies to implement a Tribal tax ordinance
- Have you maximized tax credits available to Tribal governments since 2020?
- Implementing a successful General Welfare Program
- Recent IRS Tribal Taxation Updates for Emergency Member Benefit Payments

# Implementing a Tribal Tax Ordinance

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Q1: Not all Tribes have, or fully utilize, a Tribal Tax Ordinance to maximize tax revenues. Can you provide some innovative strategies your Tribe has adopted to effectively implement and manage a Tribal Tax Ordinance?

# Implementing a Tribal Tax Ordinance (cont.)



# Maximizing Tax Credits Available in 2020

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Q2: Has your Tribe applied for the payroll tax credits available under the Families First Coronavirus Response Act (FFCRA) and the Coronavirus Aid, Relief, and Economic Security Act (CARES)?

# Maximizing Tax Credits Available in 2020 (cont.)

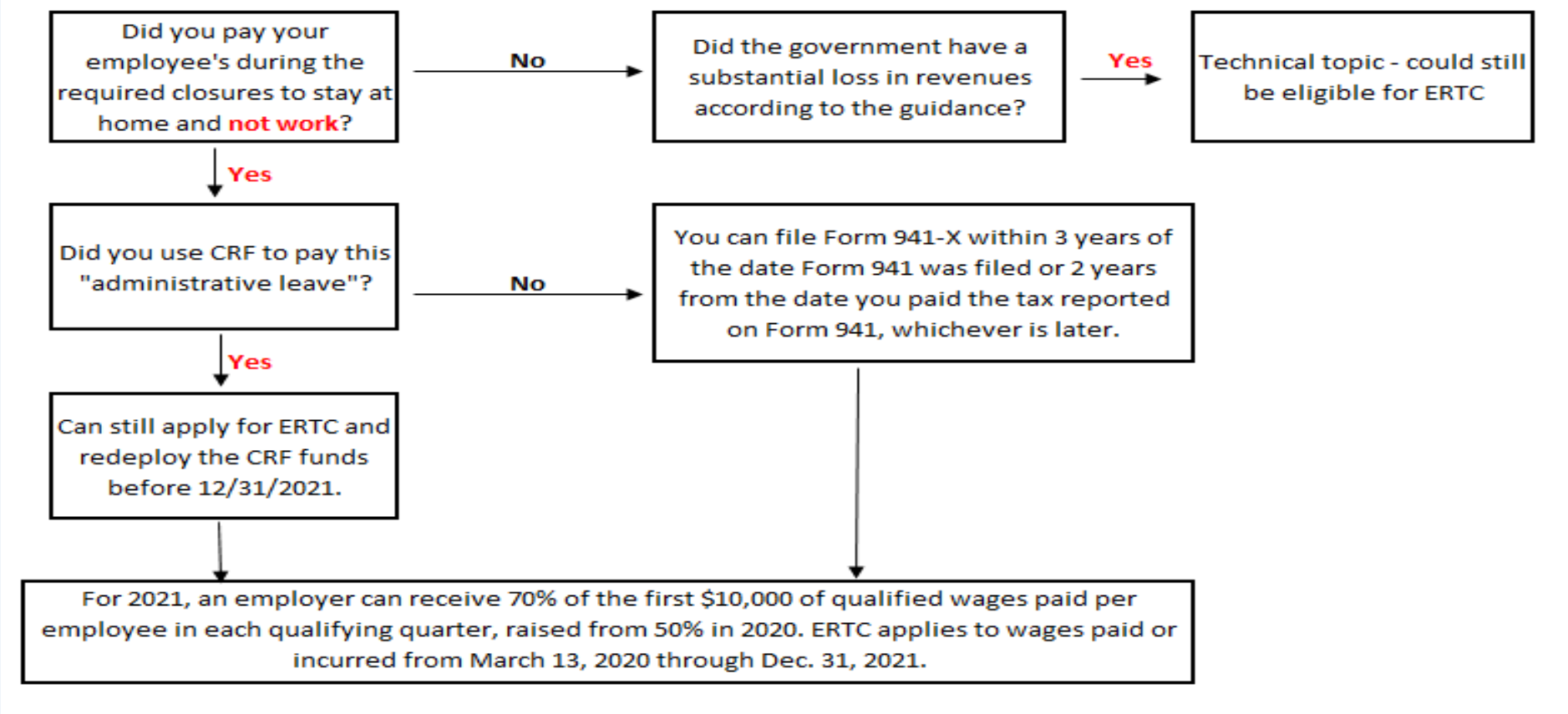
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**Employee Retention Tax Credit (ERTC)** – a tax credit used to offset employment and withholding taxes paid on Form 941. Employers may qualify if one of the following events occurred:

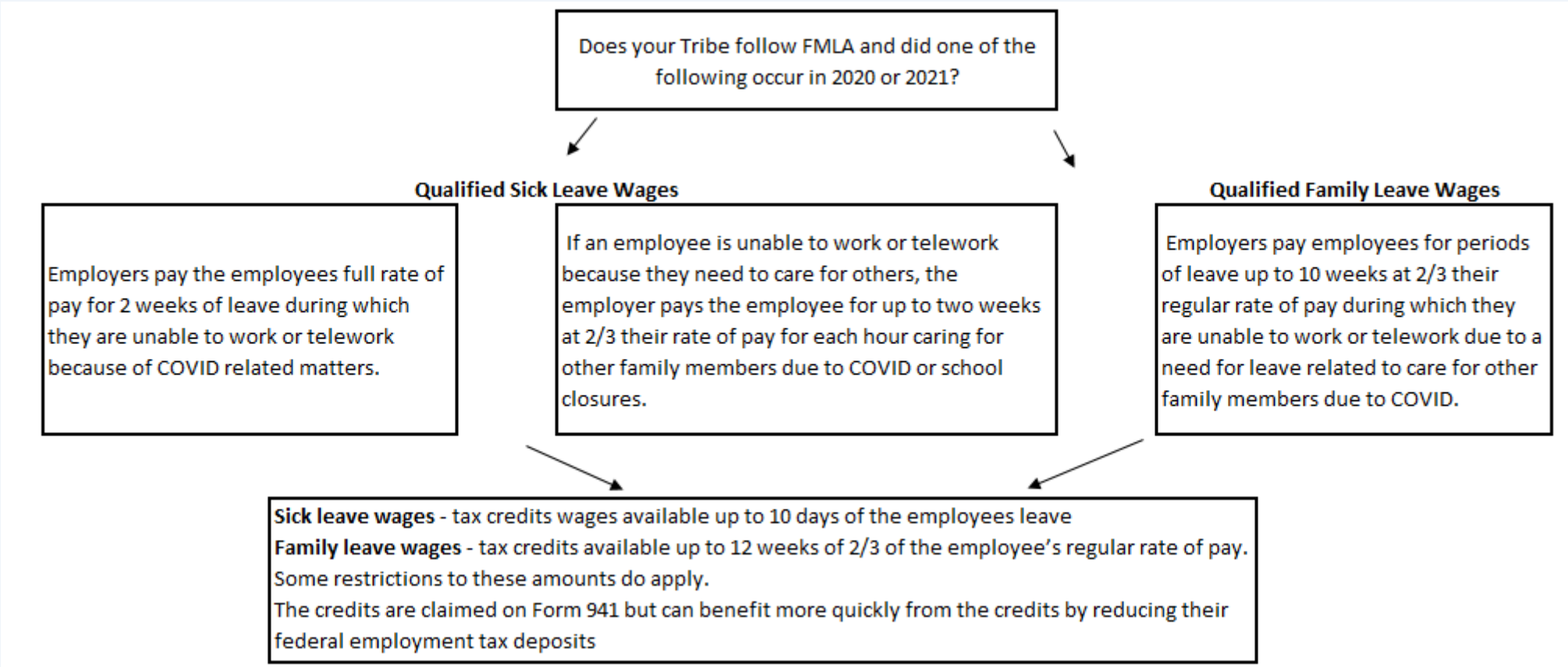
- The government or business was or is suspended due to emergency orders from a government authority.
- It experienced a reduction in gross receipts during a quarter after the pandemic started.

**Employer Credit for Paid Family and Medical Leave (introduced in FFCRA)** – Tribal governments and businesses may claim the refundable tax credits for qualified leave wages paid to employees for reasons related to COVID-19.

# Employee Retention Tax Credit



# FFCRA Tax Credits





# Implementing a General Welfare Program

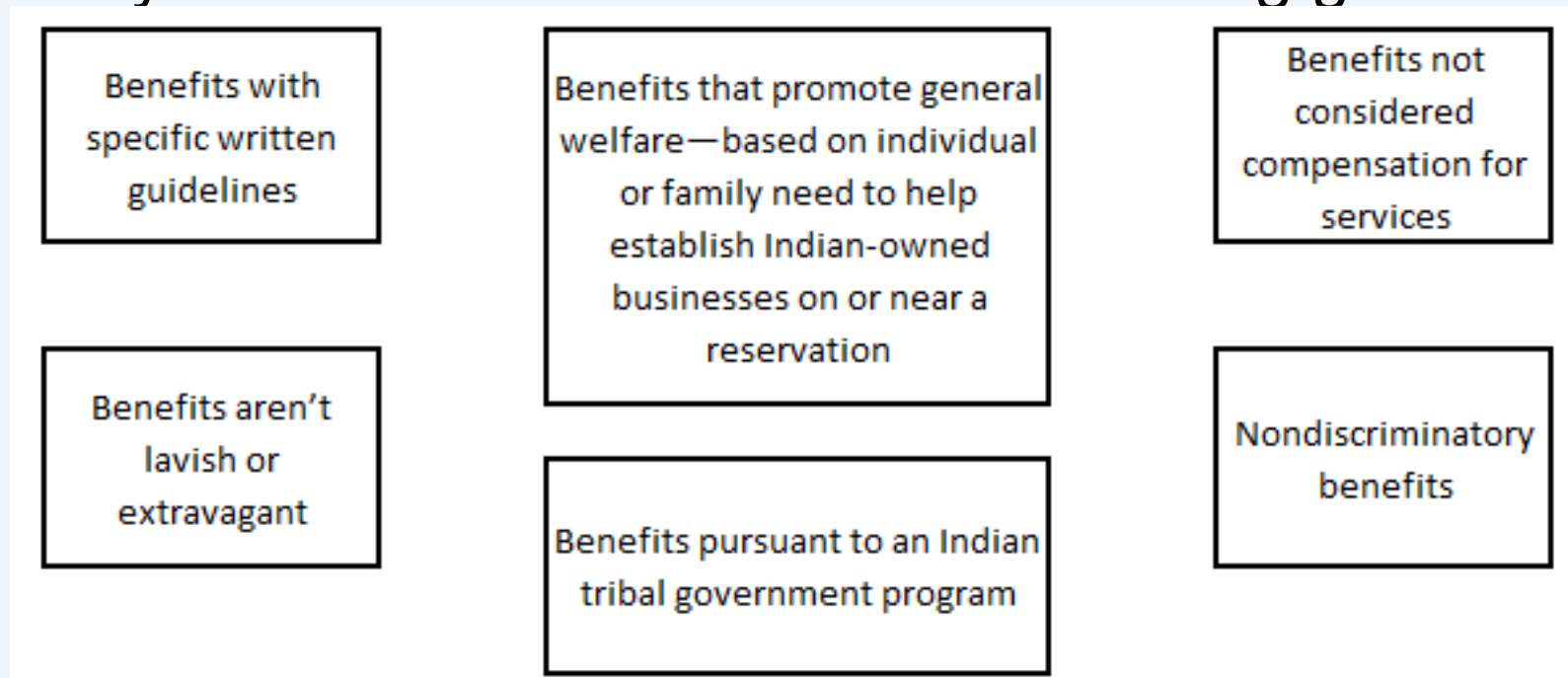
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Q3: Can you talk about the benefits and challenges your Tribe encountered by implementing a General Welfare Program?

# Implementing a General Welfare Program (cont.)

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The GW Act provides that taxable gross income doesn't include the value of any Indian GWB that meets the following guidelines:



# Taxation Updates for Emergency Member Benefit Payments

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Q4: The CARES Act and ARPA provided programs that allowed Tribes to provide emergency relief payments to tribal members. Can you discuss some of the challenges regarding the tax treatment and required reporting for these payments?

# Taxation Updates for Emergency Member Benefit Payments (cont.)

Tribal Member Transaction	Taxable	Not Taxable
1.) COVID relief payments distributed by their Tribe for necessary expenditures related to the pandemic		X
2.) Payments received from the Homeowner Assistance Fund		X
3.) Payments received from the Emergency Rental Assistance program		X
4.) Payments received for water and wastewater expenses or potable drinking water in response to the COVID-19		X
5.) Payments from their Tribe received in response to the COVID-19 pandemic to purchase IT equipment and internet access services for their children to attend classes remotely		X
6.) A tribal member has a child currently enrolled in secondary school that received meals and supplies, such as laptops and paper, from their Tribe to assist the child with online learning during the COVID-19 pandemic		X
7.) A tribal member incurred childcare expenses as a result of an increased work schedule due to the COVID-19 pandemic. They received payments from their Tribe for 50% of the childcare expenses		X



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