

# TRANSCRIPT:

## Navigating the "One Big Beautiful Bill": What It Means for Indian Country

NAFOA Policy Webinar  
Monday, July 21st  
2:00 p.m. - 3:00 p.m. Eastern Time

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### Housekeeping

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**NAFOA:** Hi, everyone welcome in. We're just waiting a few for everyone to join us.

We'll be starting in just a few minutes. We're gonna start in just about a minute. Hi! Everyone to everyone who's joined so far we're just waiting for quite a few more folks to come in here.

We'll be starting right at 2PM. Great. We still have quite a lot of people trickling in. I'm just gonna slowly get started and welcome everyone to the webinar.

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I'm going to start with our housekeeping and then pass it over to Chairman Butler. So, without further ado, let's get started

Alright. Welcome everyone. Before we begin here are a few housekeeping announcements. This webinar is being recorded after the session, you'll receive a survey to share your feedback.

Attendees who complete the survey will receive the recording and additional materials via email within a few days. All participants are muted. If you have questions during this webinar, please use the Q&A box at any time. Panelists will respond either as they're available to or during the dedicated Q&A portion at the end of this presentation today. If you're experiencing any technical issues or have general comments, please use that chat feature, and a member of our team will assist you. Both the Q&A and the chat tools are at the bottom of your screen.

## Welome from NAFOA's President & Chairman

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**NAFOA:** So now I would like to invite you to this webinar and invite NAFOA's President and Chairman, Rodney Butler, of the Mashantucket Pequot Tribal Nation, to provide opening remarks.

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**Mashantucket Pequot Tribal Nation Chairman and President of NAFOA, Rodney Butler:** Great. Thank you, and good day, and welcome to everyone, and thank you all for joining us on this very important webinar.

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**Rodney Butler:** So we saw the one big, beautiful bill advance rapidly towards a self-imposed July 4th deadline. While the bill has been hailed as landmark legislation, questions remain about potential impact on everything, from healthcare to the economy to energy. And that's especially true for the potential impact on Tribal Nations.

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**Rodney Butler:** We are very glad you can join us as our policy team and other policy experts from Spirit Rock, Holland and Night National Indian Health Board and Alliance for travel, clean energy, explore key provisions of the bill. We'd also like to hear from you about the potential impact the bill could have on your travel communities.

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**Rodney Butler:** It's important that we talk more about what the bill does and does not do for Indian Country. As we've had conversations with tribal leaders and finance practitioners, there's a fair amount of confusion about the White House budget proposal, the FY26 budget appropriations, and the one big beautiful bill.

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**Rodney Butler:** For starters. While there are many opinions on how beautiful the bill may or may not be. Yes, the one big, beautiful bill act is the actual title of the bill. To start the conversation I'll turn it over to Aurene Martin from Spirit Rock, Consulting LLC, and partner of NAFOA who will provide an overview of the bill, and welcome Aurene, and thank you for being with us here today.

## Overview of the BBB

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**Aurene Martin, President and Managing Partner at Spirit Rock Consulting LLC:** Thank you, President Butler, and good afternoon, everybody out there. I see all of the hellos coming in, and it looks like we have people from as far away as Alaska. So thanks for joining us.

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**Aurene Martin:** As President Butler said. I'm Aurene Martin. I'm a citizen of Bad River Band of Ojibwe in Wisconsin and I'm going to give you a brief overview of what is in what we're calling the OB3 in Washington. I'm trying to coin that because it's the easiest to say so far, and what it is not.

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**Aurene Martin:** One of the things that has been apparent to us in trying to put together this webinar is that there is a good amount of confusion as to what the OB3 is versus appropriations as President Butler referred to and rescissions, and the problem is that what's happening in Washington, what has been happening over the last 2 months is that...

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**Aurene Martin:** There are 3 sets of legislative vehicles moving through the process. One is the big, beautiful Bill OB3, and then also, appropriations are underway, which happens every year and associated with that is the President's budget request.

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**Aurene Martin:** Then there has been a rescissions package moving through the process as well, and they all affect the Federal budget in different ways, and because of the reporting, I think, and just so many things going on, and people people's bandwidth, they get conflated. And

so we thought we would at least talk about what those things are a little bit. First, I'll talk about the the bill itself OB3 though.

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**Aurene Martin:** OB3 is a reconciliation bill. It's different from appropriations, and that appropriations is it funds the Federal Government moving forward, different from rescission, which is taking away funding that has already been authorized by Congress.

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**Aurene Martin:** It is a very specific procedural vehicle for affecting taxes, major impacts on Federal spending for the debt, and one of the key features of a reconciliation is that it must have a significant budgetary impact.

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**Aurene Martin:** So that's that's one of the features of this bill as well. Congress is limited to one reconciliation per year. And one of the reasons it's so attractive to the Republicans now, but also has been attractive to Democrats in previous administrations, where they have control of the House and the Senate is that it only requires a simple majority vote to pass.

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**Aurene Martin:** So that was true here the one big beautiful bill OB3 was signed into law on July 4th and it is public law 119-21. To me as a government affairs advocate, that's telling, because that just tells us how little legislation is happening in Congress right now, but I can get that into that later.

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**Aurene Martin:** So there are a few provisions I'll just mention before I turn it over. But the overall scope of OB3 is vast because it does have the centerpiece of the bill is tax cuts. It extends the Tax Cuts and Jobs Act of 2017, many of those tax provisions.

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**Aurene Martin:** It also has some new tax provisions that affect individuals, but will also affect businesses. On the back end of that I'm thinking of Tribes in particular, things like the tax on tips, the overtime, and then it has the pay for Medicaid, SNAP, energy to some extent, environmental rescissions. And then there are other energy policies that are included in there that affect spending.

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**Aurene Martin:** So in terms of the specific Tribal provisions. There are specific references to Tribes, and again, we have experts who will talk about these in more detail, but specific tribal

provisions for the Indian adoption, tax credit, Medicaid work requirements and SNAP work requirements. It's been very thin on overall through the body of the bill, mentions of Tribes, and how they are affected. But there are some nonspecific provisions...

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**Aurene Martin:** that will also have a great effect, and this is an exhaustive. We have the rest of the panels to talk about other areas in more detail. But some areas include RICA amendments which, if you are a Tribe that's located in one of the States. This is expanded to like portions of Arizona, Utah, and New Mexico. This is a huge win for you, because you have...

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**Aurene Martin:** folks who had worked in the uranium mines, or live by uranium mines, and will have been affected by radiation, will be able to take advantage of this. These amendments, which extend claims until 1990.

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**Aurene Martin:** There is the no tax on tips provision, and the overtime tax credit which will probably affect tribal governments or businesses on the record, keeping side of things not so much on the actual credit itself, and then one that will probably affect a lot of tribal businesses is the change in the income threshold for reporting on W2 forms which is raised to \$2,000.

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**Aurene Martin:** This is more than double what it is now. And so that is actually helpful to businesses.

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**Aurene Martin:** Next slide, please.

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**Aurene Martin:** So we do have experts talking about those and those other provisions in detail. One thing we wanted to also just talk to you a little bit about are some of the other two types of bills that I talked about earlier. And what's happening with those, so that you have a good sense of where we are in the legislative year, and what we can expect over the next couple of months.

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**Aurene Martin:** So we are in the midst of I'm going to go to rescissions first so I'm doing my slide backwards actually, because it just passed last week was the Rescissions Bill that was just passed by the House on Friday and sent over to the President for signature. I just checked just before we jumped on. It doesn't look like he signed it yet, but he is expected to sign it. It will become law.

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**Aurene Martin:** It's basically the President's request to reduce some of the spending that was authorized for FY 2025

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**Aurene Martin:** in particular with that bill there there is one program that was significantly affected that does affect Indian Tribes.

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**Aurene Martin:** but mainly this is focused on foreign aid and global health issues. The one area that does affect Tribes was the corporation for public broadcasting and elimination of over 1 billion in funding for them. There are tribal radio stations that are funded that way. The decision or the deal that was cut in the Senate was that those radio stations would be funded through other program funds.

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**Aurene Martin:** It was actually something that held it up in the Senate.

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**Aurene Martin:** But so that's done. It's got to be signed by the President. The other thing that's outstanding now that both the OB 3 and the Residians package are done is the budget and appropriation, or the appropriations for fiscal year 2026. So this is

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**Aurene Martin:** probably what's getting most conflated with the OBB and that this is a separate process of funding the Federal Government for the next fiscal year that usually starts

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**Aurene Martin:** very early in the year February, and in most years. It didn't happen that way this year. We we didn't really get the budget until May of this year, and we still don't have some of the detailed

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**Aurene Martin:** provisions of what the President is asking for, particularly for the Department of Interior. But appropriations hearings did commence this year in March, through May, and generally bills are approved July through September. Congress is trying to meet these goals. The House is doing a little bit better than the Senate, but they are running behind.

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**Aurene Martin:** Usually what you will have are bills reported out of committee considered on the full floor by the end of this month, July, so that full floor. Consideration can be done in September, and appropriations can be funded for the fiscal year by October 1st next slide, please.

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**Aurene Martin:** So what that means is that as I spoke about a little bit earlier, we already have the implementation of the rescissions going into effect once the President signs that, probably this week. Then we'll have a staggered implementation of the OBB that actually is going to happen over the course of the next 2 to 3 years.

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**Aurene Martin:** and then we have the current legislative process going on now. As I mentioned, we do expect that

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**Aurene Martin:** we usually expect for this to be done by the end of September, so that things can happen - Oct 1st so people can get their funding. The problem is that the Government has not been funded in the normal course of things through the regular process

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**Aurene Martin:** since before 2019, and, in fact, in 2019, that was the year that we had the longest shutdown ever, since then we have not had a Federal appropriations process that's completed before the end of December, and, in fact, 2 of the last 3 years the appropriations process didn't get completed until the second quarter, like July.

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**Aurene Martin:** the end of the second quarter, the end of June, and this this year we're under a continuing resolution for the full year. I think that the outlook for this coming year for fiscal year 2026 is that

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**Aurene Martin:** because of their partisan splits that you've seen you've seen on the news dealing with the OB 3, with rescissions over the last several weeks. Those aren't going to get any better.

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**Aurene Martin:** There's still backlash from what happened in fiscal year 2025, where the Democrats

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**Aurene Martin:** called their leadership to task for letting the continuing resolution go forward. They felt like Democrats should have responded more strongly to what's going on with the new Administration. And then you have backlash from the rescission bill that was just passed.

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**Aurene Martin:** And basically the feeling there is that among Democrats that you know we worked with you. We were the grownups in the room. We helped pass this continuing resolution, so the Federal Government could continue to operate. And then you come back with this rescission Bill and you claw back funding. That's really important to us. We're not going to play ball with you anymore. And so I think that the the wisdom or the

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**Aurene Martin:** common view in Washington is there is a very high, like extremely high chance that there will be a shutdown this year, and I think there is some speculation also, that even the administration and some of the more conservative elements of the Republican party want a shutdown because that can control spending, and in one other way that you know just another tool in their toolbox.

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**Aurene Martin:** But I will stop there because we're going to go back to the OB 3 and talk about those those provisions. So thank you.

## **NIHB - Health: Medicaid & SNAP**

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**Marisa Joseph, NAFOA:** Thank you, Aurene, for your presentation on the overview of the bill next to speak on the Medicaid and snap provisions of the bill, I will now turn the presentation over to Winn Davis, Congressional Relations Director and Emily Larson, Policy Analyst from the National Indian Health Board. Welcome Wynne and Emily.

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**Winn Davis, Congressional Relations Director:** Thank you, Marisa, and thank you, Irene, for providing that great background. So I know there's been a lot of kind of interest in what's happening with the health and other social service components within the OBBBA, which is the other kind of shortened acronym that you can call the bill by.

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**Winn Davis:** This is kind of a high level overview, and I'm going to speak a little more in-depth about each of these sections, but I think the number that everyone has been really focused on is that there are approximately 900 billion dollars in cuts to the Medicaid program that were encapsulated in this bill. I want to start by saying that that is an estimate that was an estimate that was provided by the CBO, and that that number is actually a 10 year breakdown of the amount of cuts that were a part of this piece of legislation next slide.

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**Winn Davis:** So we'll start kind of at the top with Medicaid work requirements. I think everyone knows at this point that this was a central part of the way that the bill sought to control spending. But there are some key caveats to who will be impacted specifically by these new community engagement as they're otherwise known or work requirements. And that's that they are limited to the Medicaid expansion population.

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**Winn Davis:** And even more specifically, they're isolated to individuals who do not have dependent children. And to be very kind of clear about this. These work requirements will not be applicable to children. They will not be, and children qualifies as anyone under the age of 18. They will not apply to individuals with dependent children who are on Medicaid expansion, they will not apply to pregnant women, they will not apply to the elderly or the disabled. All of those groups are generally considered traditional classes of Medicaid eligibility, and they are not supposed to be and are not currently listed under the statute as being impacted by these new work requirements.

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**Winn Davis:** Additionally, there were exemptions provided for American, Indian and Alaska Natives under the statute that the definition specifically refers to the Indian Health Care Improvement Act in individuals who are eligible for services under that act, and it identifies 3 different groups. It identifies Indians as defined under the law, it defines urban Indians, and then also California Indians, all under the Indian Healthcare Improvement Act.

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**Winn Davis:** So each of those classes is protected from the work requirements and community engagement requirements and recognition of the special trust and treaty obligations that the Medicaid program fulfills in funding the Indian health system, including the IHS Tribal facilities and urban Indian organizations. Where can we kind of expect to go from here? Well, the bill requires rulemaking to be done by June 1st 2026.

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**Winn Davis:** So we expect that CMS is going to begin its rulemaking process and the CMS Tribal Technical Advisory group has already started engagement on what the implementation of

the new rules around the work requirements will look like many of you are probably in States that have submitted 11-15 waivers where they have requested work requirements to be implemented. It is true that under the statute States are allowed early implementation, but until CMS provides additional guidance on what that early implementation can look like. There is not really a clear path on exactly what those 11-15 waivers will look like. What is specifically clear is that the requirements in the OB3 cannot be waived under an 11-15, and that includes the exemption for American Indian Alaska Natives, and so we would encourage everyone to immediately engage with your States if they're seeking early implementation to ensure that it includes those exemptions. And we'll also be working with CMS on that.

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**Winn Davis:** Further, the community engagement work requirements actually don't go into effect under the statute until December 31st 2026. So what that means in practice is that

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**Winn Davis:** 2027 will be the 1st year that all States are required to implement some type of community engagement and work requirement. The bill also provides about 200 million dollars to States for the implementation of changes to their eligibility and enrollment systems in order to complete and comply with the statute.

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**Winn Davis:** and then finally States, do have an option to request a blanket exemption for their Medicaid populations through December 31st 2028, to allow them more time to effectively implement these new work requirements. This is going to be really key.

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**Winn Davis:** because if you're in a State that struggles to implement new work requirements, or they're struggling to implement changes to their systems for Medicaid. This is an opportunity for that State to get additional time to figure out what they're going to do so that they do it appropriately, and that American Indian Alaska Natives are not impacted, next slide.

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**Winn Davis:** So there are also work requirement, exemptions in SNAP. This is the 1st time that there's ever been an exemption for American, Indian and Alaska Natives in the SNAP program for their work requirements. And so this is actually a fairly important change to the statute. The exemption mirrors what was provided under Medicaid. And so again, Indians, urban Indians, and California Indians under the Indian Health Care Improvement Act definitions, all would qualify for exemption from SNAP work requirements, and this has been done specifically to allow for state implementation to ensure that American Indian Alaska Natives are not getting

caught up in any of the state implementation processes that might have might have accidentally implemented or removed their benefits erroneously.

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**Winn Davis:** Where are we kind of with the implementation of these new work requirements? Well, we expect that the USDA is going to be issuing guidance in the next several months about how they're going to implement these. But under regulation States also have a 4 month runway.

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**Winn Davis:** Once that guidance has been provided, to move forward with their own state level implementation. And so we're about probably 6 to 8 months away from something in the SNAP program. Cost sharing was another really big concern in the OBBBA, American Indian Alaska Natives have had their cost sharing protections in the Medicaid program preserved, so there will be no new cost sharing for American Indian Alaska Natives next slide

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**Winn Davis:** Medicaid redeterminations. There were changes around the way that Medicaid redeterminations happen for that expansion population. What Congress has done is they've actually shortened that window from 12 months, which is the typical kind of churn that happens to 6 months. We did manage to get an exemption within that American Indian Alaska Natives are also exempted from that 6 month time period. So redeterminations for American Indian Alaska. Native beneficiaries on Medicaid will be at 12 months.

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**Winn Davis:** and then I wanted to call out rural health care transformation payments. This is an area where there's a real opportunity for Tribes. The bill provides a new program that's funded over 5 years at 50 billion dollars.

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**Winn Davis:** Unfortunately, the funding is currently set to go out to States. But the way that the law is written Tribal programs would be eligible to participate if they met the other generally applicable requirements. So this includes other rural hospital types, CHCs and federally qualified health centers, behavioral health community centers and other types of providers under the Medicaid program.

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**Winn Davis:** Right now, I think again, our biggest concern is that the dollars are going to have to flow through States. But we're already looking at ways that this can help benefit Indian Country, particularly the impacts that we expect to see in the rural provider community next slide.

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**Winn Davis:** And then I also want to touch a little bit on provider tax reductions. And the impacts that we'll see there.

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Winn Davis: So this is an area where the largest cut is likely to occur over the next several years within the Medicaid program.

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**Winn Davis:** There is a gradual step down that's been set out starting in 2028 for a cap on Provider taxes. Now that step down walks from 6% where it's currently capped down to a 3.5% in 2032. And the reason that this is really important is because these provider tax dollars in the majority of States, though not in all States, are what States use to pay for their Federal match for the whole Medicaid population.

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**Winn Davis:** and while American Indian Alaska Natives are qualified to receive 100% Federal medical assistance percentage in recognition of that trust and treaty obligation, the dollars in general, that fund the State's Medicaid program really help the State determine what types of optional services and how tight their eligibility, requirements must be.

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**Winn Davis:** And so, as the step down begins, we expect that States are going to start assessing what optional services should be available to the general population, and as those services are evaluated and stepped back, those services also become unavailable to American Indian Alaska Natives on the State's Medicaid programs, and so this is our greatest concern right now.

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**Winn Davis:** We do have several years before the step down begins, and we plan on working very closely with CMS. But we should also all be working very closely with our State Medicaid programs to ensure as little impact as possible to American, Indian and Alaska Natives. There are some options for uncompensated care in our communities that we are, we are going to be exploring and what that looks like for tribal facilities that see some percentage or a large percentage of what we call non beneficiaries so essentially non American, Indian, Alaska, Native beneficiaries on Medicaid there could be some impact to the revenue that flows into those facilities to support services to the broader community. And so this is again an area where we have, I think, our greatest concern. But we have a pretty long runway to start figuring this out, and we look forward to working with everyone on the best solutions forward.

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**Winn Davis:** next slide.

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**Winn Davis:** And then I want to talk a little bit about the federally facilitated marketplace changes. There are a number of changes in the bill around the federally facilitated marketplace which provides commercial insurance to the general population. Many of those changes are tightening around documentation requirements when one applies.

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**Winn Davis:** But one of the biggest changes, and it wasn't specifically in the bill, but it's something that needs to be noted is that the enhanced premium tax credits that were provided during the covid-nineteen period are going to phase out. They were set to expire in December of this year, and without those enhanced payments, our data indicates that about 318,000 American Indian Alaska Natives who receive marketplace coverage will lose that coverage. So that's a reduction of 40%. It's really important that these individuals get assistance from navigators on how to best access additional coverage opportunities.

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**Winn Davis:** These enhanced premium tax credits aren't all of the premium tax credits that are available. They're just a significantly higher portion of dollars going into the market, and so the tax credits going forward will be much smaller.

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**Winn Davis:** and that's where we expect folks are going to fall off again. This is happening this year. So at the end of this year, beginning of next year, that's when you're going to start seeing the impact of this we are doing a further analysis on that transition. One thing I do want to underscore is that this doesn't change any of the cost sharing or special enrollment period protections that American Indian Alaska Natives have, and so

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**Winn Davis:** want to just kind of note and underline that. And then

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**Winn Davis:** I will turn it over. I think we've covered a little bit on appropriations. I want to underscore again. Kind of the difference between this reconciliation process and the FY26 budget proposal.

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**Winn Davis:** The Indian Health Service does currently have advanced appropriation for FY26. That was provided by Congress in their continuing resolution for FY25. And then the bills that have come out last week, and this week do seem to preserve advanced appropriations for the Indian Health Service, and so we feel we're in a good position at least right now with that.

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**Winn Davis:** Even though the President's Budget request did not ask for advanced appropriations, Congress has definitely stepped in recognizing the importance of that in funding the Indian health system.

## Tax Implications

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**Marisa Joseph, Policy Specialist at NAFOA:** Thank you, Lynn, for your presentation on the Medicaid and Snap provisions next to speak on the tax provisions of the bill, I will now turn it over to Ken Parsons, partner with Holland & Knight. Welcome, Ken.

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**Ken Parsons, Tax Attorney and Partner at Holland & Knight:** Hey Thanks, everybody. Thanks, NAFOA, for the invitation to speak today on the tax provisions and the one big, beautiful bill.

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**Ken Parsons:** I'm a Tax Attorney at Holland & Knight and I specialize in tribal tax planning and business structuring next slide, please.

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**Ken Parsons:** So with respect to tax, I've heard a lot of different characterizations of this bill about what's in there for Tribes, or really what's not in there. There were a number of tribal tax priorities that are part of a separate Parity bill that are not in the bill except for one of them.

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**Ken Parsons:** So I've heard it referred to a number of names, including the big, beautiful nill, because there's very little, as Aurene was mentioning earlier. If you do a keyword search for through 330 pages of this bill, you'll find very little, and references to Tribal governments.

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**Ken Parsons:** and and even fewer specifically respect to tax.

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**Ken Parsons:** However, although we have very few provisions that explicitly reference Tribes or their members, a number of the provisions impact Tribes and their members. There are certain provisions that I'm not really going to go over. Other than briefly mentioning them just now, like the

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**Ken Parsons:** the bill makes permanent the tax Cuts and Jobs Act tax cuts. There's an enhanced child care deduction credit. Excuse me, there's a elder tax credit. There's an enhanced, charitable contribution deduction for people who don't itemize their deduction to take that standard deduction. So those kinds of provisions generally apply to everybody. I want to focus this presentation for these few minutes on the provisions that don't say Tribe, but may have a bigger impact on Tribes or their businesses.

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**Ken Parsons:** So, as I mentioned, many of the the tribal tax priorities remain unaddressed. But there was one priority that was addressed in the big beautiful Bill, the only one, and I wanted to turn it back over to Aurene just briefly to talk about that one provision that was addressed. Can you do that for me, Aurene?

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**Aurene Martin:** Sure I'm happy to the one provision was the Indian what we call the Indian adoption tax credit, and basically in the law before the

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**Aurene Martin:** big, beautiful bill was passed was that if you adopt a child through a regular adoption without any special needs component, you are able to take a tax credit that year for your expenses, and you would itemize what those expenses were. You get your tax credit. If you adopt a special needs, child, then you could just take the maximum tax credit without regard to showing any expenses.

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**Aurene Martin:** and for 2025 that tax credit is above \$17,000.

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**Aurene Martin:** That's a significant difference between your actual expenses and and taking the maximum credit. The problem was up until before this bill was passed that if you adopted an Indian child through Tribal court you could never take the maximum tax credit, because Tribes were not one of the recognized governments that could determine whether a child had special needs or not.



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**Aurene Martin:** For native children. A large number of those adoptions are special needs, because special needs is not just children with disabilities or other issues that could cause them to have difficulties in placement, but it also is with regard to their ability to be placed because of the Indian Child Welfare Act and its preferences for family members and other tribal members for placements.

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**Aurene Martin:** And so most Native children are placed in the special needs category. The big, beautiful Bill changed that in a very simple way by changing the definition of governments who could determine special needs to include Indian Tribal governments, that fixes that. One other change that was also just very favorable to adoptive parents in general, and that is that if you have adoption expenses, and you don't exhaust, and you would owe no tax, it will allow you to be reimbursed or credited up to \$5,000, that is, you could receive up to \$5,000. That tax credit wasn't refundable before.

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**Aurene Martin:** It's very simple, and I guess with that I'll turn it back to Ken thanks.

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**Ken Parsons:** Thank you. So other than that one. There was one of the provision just related to Alaska Native whaling that was in the in the tax provisions in the one big, beautiful bill. But other than that, all of the provisions I'm going to focus on were again provisions that don't say Tribe, but could impact Tribes significantly next slide, please.

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**Ken Parsons:** So the 1st one and Irene went through some of these in her overview. I'm going to go into a bit more detail, but we don't have time to go into a ton of detail so let let me know if you need any additional information.

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**Ken Parsons:** As you probably heard, one of the Trump campaign promises was no tax on tips, so that is accomplished through New Section 224 of the Internal Revenue code. There's also an overtime tax break as well. So I'm going to deal with both of them on the same slide, and they're both back to back, and the Internal Revenue code 224 225. They both have similar requirements and they're both also temporary.

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**Ken Parsons:** So they go into effect retroactive for this year, so they can start in January, and then they sunset at the end of 2028.



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**Ken Parsons:** So the deduction for tips is individuals at certain occupations can deduct \$25,000 of cash tips. So why, this matters obviously is, Tribes are in a lot of businesses like casinos, restaurants and other industries and establishments that would pay tips to workers. So you're going to have to monitor what's going on here because it's going to require changes to W2 other information statements as well as IRS guidance on what's a qualifying occupation. By the way, I read that Attorneys are not expected to qualify for this no tax on tips.

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**Ken Parsons:** So as unfortunate as that may be. We also have this no tax on overtime under the new section 225 up to \$12,500. Again, it's a deduction from their income.

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**Ken Parsons:** And it can be \$25,000 in the case of a joint return, both of these start to phase down as an individual reaches \$150,000 in income or \$300,000. In the case of a joint return. Both of these sections are going to require more guidance from the IRS this year to help us understand exactly how we're going to put these into practice next slide, please.

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**Ken Parsons:** So, as I, as I said on my my 1st slide, there's a lot in here. Some of it's good. Some of it's bad for Indian country, right? One of the one of the real benefits here, and Aurene mentioned this briefly at the beginning is the increases to reporting thresholds. These haven't really been updated in a long time under Section 60, 41 of the Internal Revenue code payments of \$600 or more. You have to issue a 1099 to most vendors.

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**Ken Parsons:** that threshold was increased to \$2,000, so that could be a 1099, miss, or a 1099 NEC for non-employee compensation. I work on a lot of these issues. There are a lot of footfalls in this area, Tribes issuing these late or not, the right amounts. Things like that can lead to really stiff penalties. So I spend a lot of my time trying to get these penalties removed, based on various arguments so increasing this threshold will make it less burdensome, administratively and hopefully lead to fewer issues.

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**Ken Parsons:** So, although not explicitly stated, this same change in the big, beautiful Bill act should impact the W2 G reporting threshold, at least for slot machine winning. So the IRS hasn't issued guidance on this particular issue yet. But the underlying rule for this reporting is also that 60 41 of the Internal Revenue code that I mentioned. So I anticipate we'll see guidance from the IRS in this area.

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**Ken Parsons:** but that increases threshold from 1,200 to 2,000. Not a huge increase, right? But anytime we don't have to shut down the machines and stop everything to issue a return to somebody could be really helpful, and the goal is to obviously increase this even higher to 5,000 and index for inflation.

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**Ken Parsons:** And, by the way, I didn't mention it. But both of these numbers, the \$2,000 are indexed for inflation, starting in the year 2027. So this should really help with the administrative burdens. Next slide, please.

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**Ken Parsons:** Okay, one of the negative impacts is the modification for the gambling tax law just in a nutshell.

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**Ken Parsons:** Right now we can deduct up to a hundred percent of our gains from income. So if we go to the Casino, we spend a hundred \$1,000 during the year we lose a hundred \$1,000. We don't have any income right? We had no net economic gain. But under the Beautiful Bill Act we can only deduct 90% of our losses.

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**Ken Parsons:** So the same gambler who spends \$100,000 the Casino and loses \$100,000 will have \$10,000 of taxable income, even though they've had no net economic gain. Obviously this is going to be really unpopular, and there are actually already efforts underway to repeal it. I note the Fair Bet Act there which has bipartisan support. Next slide, please.

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**Ken Parsons:** just real quickly.

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**Ken Parsons:** There are a few changes to the opportunity zones, new market tax credit and low income housing tax credit. Just summarize on the slide.

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**Ken Parsons:** Permanent extensions to new markets, tax credits permit renewal for opportunity zones and various increases to the credit allocations and thresholds

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**Ken Parsons:** and with the opportunity zones. There are modifications designed to enhance benefits for investments and rural communities where many Tribes are located, so these are generally good changes.

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**Ken Parsons:** There are some, also some negative changes that our next speaker will get into in a minute related to the energy tax credits

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**Ken Parsons:** So the last thing I wanted to cover before I turn it over, and we learn more about the energy tax credits I just hinted at is

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**Ken Parsons:** I mentioned on the 1st slide. That so yeah, there's not much in the bill specifically for Tribes. There is, however, a separate bill already in Congress right now co-sponsored by Senators Cortez, Masto, and Murkowski, so bipartisan co-sponsors, and it would address longstanding Tribal tax priority provisions.

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**Ken Parsons:** There are 13 of them. One of them, as Aurene mentioned, was covered already with the adoption tax credit, but that leaves 12 more just hit on 3 of them real fast

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**Ken Parsons:** Parity for bond issuances. This would broaden the ability for Tribal governments to issue tax exempt bonds right now, they're limited by an essential government function test and other things that don't apply to States.

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**Ken Parsons:** In addition, reforms to the pension rules that currently require Tribes to be separate, maintain separate plans for their government and business operations. I know, with the Treasury Tribal Advisory Committee. The Subcommittee on the Pensions Reform issues are looking into this issue. Telly Meyer, Robert Yoder, among other members, are working on this issue at an administrative level. There's also the push in the actual bill, the Tribal Investment Reform Act Bill.

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**Ken Parsons:** Lastly, an issue that's near and dear to me as a member of the TTAC General Welfare Exclusion Subcommittee is getting an extension of the general welfare exclusion, the Income Tax exclusion to apply also to social security administration tests for determining

eligibility. So people that are on supplemental security income SSI and certain Medicaid programs, including those administered by States would not be impacted by the general welfare exclusion benefits that they receive for income or resource purposes. So those are on the

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**Ken Parsons:** o the menu for this tax bill. They didn't get into the big, beautiful Bill Act, but we're still working on pursuing them. Now I'll turn it over to the next speaker. Thank you all.

## OBBA & Energy

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**Marisa Joseph, NAFOA:** Thank you, Ken, for your presentation on the tax provisions. Next to speak on the energy provisions of the bill. I will now turn the presentation over to Dr. Crystal Miller with the Alliance for Tribal Clean Energy. Welcome, Dr. Miller.

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**Dr. Crystal Miller, Walker River Paiute Tribe, Head of Policy and Government Relations with the Alliance for Tribal Clean Energy:** Yeah, thank you, Marisa. Good afternoon, everyone, or good morning. Depending on where you are. My name is Dr. Crystal Miller. I'm an enrolled citizen of the Walker River Paiute Tribe, and I'm the Head of Policy and Government Relations with the Alliance for Tribal Clean Energy. I'm going to give a high overview of some of the detriments that this bill has had on clean energy generally

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**Dr. Crystal Miller:** and then also let you all know that we are in collaboration with Baker Tilly to provide the Tribal analysis of what this looks like for clean energy and deployment in Indian Country. So the Inflation Reduction Act had many provisions on clean energy, if not all of them rescinded. And I have an entire list. We have the investment and production tax credits, which are the ITC48E and PTC45Y. That have accelerated the phase out of vital technology neutral credits. To remain eligible for solar and wind projects you must begin construction by July 4th 2026, and placed in service by December 31st 2027. After that those credits will not be available to anybody. The investment tax credit which also noted ITC and production tax credit, which is the PTC for non solar and wind projects speeds up the sunset of 48 E and 45Y for energy, storage, geothermal, biomass, hydroelectric, and other clean energy sources. The electric vehicle or EV home efficiency credits are also repealed, or sunset very quickly, with EV credits needing to be phased out by September 2025, and EV charging and home energy efficiency credits. By June 2026.

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**Dr. Crystal Miller:** As many of you have heard, The Tribal Loan Energy Guarantee program is also eliminated from the remaining induction, inflation, reduction act funding, and this included up to 20 billion in unobligated loan authority.

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**Dr. Crystal Miller:** The Department of Energy's Loan and Grant program, the advanced technology vehicles manufacturing and the energy infrastructure reinvestment program, which was a total of 11.6 billion, has been rescinded as well as Federal grants for transmission development, grid expansion and utility scale siting that had Tribal applications were also defunded.

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**Dr. Crystal Miller:** I'm sure many of you have also heard of the Greenhouse Gas Reduction Fund under EPA. Tribes across the Board have lost access to billions in unobligated IRA Grant dollars which targeted disadvantaged communities.

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**Dr. Crystal Miller:** That's about halfway through the list. The energy community adder and related bonus credit, which is the clean energy adder for projects in brownfields and hard hit industrial communities is eliminated, and so in summary, the bill rescinded or phased out virtually all major clean energy under the IRA for Tribal communities.

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**Dr. Crystal Miller:** Additionally to that, there is a timeline for phase out of energy, efficient home upgrade tax credits under the bill, the energy efficient home upgrade tax credit established is being significantly curtailed and phased out much earlier than originally planned, and that is to be expected. Most notably out of that, though there are 2 major homeowner and incentives.

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**Dr. Crystal Miller:** The 1st one being the energy efficient home Improvement Credit, which is section 25C and the Residential Clean Energy Property Credit, which is a section 25D will expire for improvements and installations placed in service after December 31, st 2025.

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**Dr. Crystal Miller:** In addition to that, the New Energy Efficient Home Credit, which is 45L targeted home builders, construction constructing energy, efficient new homes. This will be a more gradual phase, out with credits ending for homes acquired after June 30, th 2026, unless construction starts prior to that date, then the home phase out will be December 31st 2026.

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**Dr. Crystal Miller:** So with that broad overview of the cuts that are coming down, some of the types of projects that are going to be defunded or curtailed, are solar farms that we see throughout Indian country community scale, solar and micro grid projects. The Department of Energy's program, the rural electrification and microgrid grant that one will be curtailed. And then we're even seeing solar canal programs that are being curtailed as well, too.

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**Dr. Crystal Miller:** With that, though we always like to offer something to move forward with. And so one of the pivots that we're seeing, or at least energy strategies in Indian Country, despite all of this coming through the bill is Tribes can pivot by rethinking the type of project scale that they're venturing into. Financial modeling, we're seeing a lot of pivoting happening in that space as well as with partners. And so, rather than relying solely on large scale builds that need federal tax credits. Tribes may begin thinking about how to prioritize community scale or phase projects that can be financed incrementally.

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**Dr. Crystal Miller:** Another opportunity is exploring State level incentives, philanthropic grants. And then also mission aligned impact investors will become more important as you move through this process as well, too. To add on to that. We've also began considering what alternative financing may look like as well as development strategies that Tribes could consider.

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**Dr. Crystal Miller:** In the absence of robust Federal incentives Tribes could consider diversifying their financing strategies. Some options include forming Tribal energy cooperatives. We have heard conversations of that happening, joint ventures that enable shared ownership and risk across multiple communities. Again, philanthropic capital, green banks, mission driven impact investors. Same thing as well, too. But Tribes can also pursue state level, clean energy programs. And we've seen some States in the past month or so allocating set asides for that as well, too.

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**Dr. Crystal Miller:** And so just going back to some of the collaborative strategies that Tribal nations can look to, to employ and maintain clean energy's momentum throughout the duration of this administration, or whoever's administration Tribes can form regional energy alliances.

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**Dr. Crystal Miller:** We haven't seen too many to date, but we'd love to see more as well to share technical staff or legal resources, and then code develop projects to reduce costs. And so, partnering with Tribal colleges or nonprofits and impact investors can help fill these funding gaps

as well. One of the things that we know is joint advocacy for Tribal energy, sovereignty, and future legislation is going to be key to restoring long term support.

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**Dr. Crystal Miller:** And then also just plugging into the advocacy piece of that by creating these unified coalitions, as well as engaging with Congressional and Federal agencies, as much as much as you all already doing, but push for mandatory consultations and Tribal set asides in the process and also sovereignty based energy policy frameworks and future legislation.

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**Dr. Crystal Miller:** And one last thing that I will leave with this is my email is in on the slide right now. Please feel free to reach out with anything outside of that. We are working with the Democrats, with the Alliance For Travel Clean Energy through the policy team that I lead on Bill fixes. And so if you'd like to discuss some of these fixes that we are going to be submitting for suggestions. Please reach out and let us know we're happy to meet, discuss, and have conversations moving forward as well.

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**Dr. Crystal Miller:** Thank you, and with that I will hand it to the our next speaker. Thank you.

## Q&A

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**Cory Blankenship, Executive Director, NAFOA:** Well, thank you, Dr. Miller, for your insights on the future of funding for Tribal energy projects on behalf of NAFOA. I want to extend our sincerest appreciation to our panelists for their contributions to this webinar. Just a quick reminder this webinar is closed to the press. Comments made during the discussion are not for attribution, quotation, or publication, and we appreciate everyone's respect as it helps ensure an open and productive conversation. If you are a member of the press and have questions. Please submit a media inquiry by emailing [info@nefoa.org](mailto:info@nefoa.org), or visiting [nefoa.org/slash/press](http://nefoa.org/slash/press). So to our webinar participants. Thank you for submitting your questions, using the Q&A function. The function remains open and available to you to ask your questions. And we're going to take as many questions as we can in the time remaining.

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**Cory Blankenship, Executive Director, NAFOA:** So for Ken and Aurene, a couple of questions came through about the adoption tax credit as well as implementation.





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**Cory Blankenship, Executive Director, NAFOA:** So we're going to take as many questions as we can in the time remaining. Ken and Aurene, we had a question about the implementation of the 1099, and the W2 reporting, what will that look like should Tribes just wait for guidance from IRS? Or is there a specific timeline that's been identified?

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**Ken Parsons:** So funnily enough. I think the answer to both questions is, yes, so it's absolutely true that the IRS has to issue guidance to tell us more about how to do what we need to do. However, the provisions are effective, retroactive to the beginning of 2025. So when you're doing tax reporting. You wouldn't be doing the 2025 year until 2026.

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**Ken Parsons:** Sometime by the end of this year or early next year, we're going to have to know a whole lot more about how to do these reporting requirements. For example, with the W2, they need a whole new form, because on the W2, you need to be able to identify the person's occupation. So we're definitely going to be seeing some guidance in this area that we need to monitor. But it's something that we need to be cognizant of when we're doing our reporting for this year, which will be in early next year.

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**Cory Blankenship, Executive Director, NAFOA:** Thank you for that, Ken. Aurene another question came through about when folks can begin to claim the adoption tax credit for adoptions that happened in Tribal court? Will folks be able to go back and and file for 2024, file an amended return? Or is it purely a forward-looking provision?

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**Aurene Martin:** It is effective starting January 1st so the credit would start for adoptions that are made in 2025 and forward.

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**Aurene Martin:** Did you get that? Could you hear me?

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**Cory Blankenship, Executive Director, NAFOA:** Yes.

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**Aurene Martin:** So you couldn't look back to 2025 - 2024 unfortunately.



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**Cory Blankenship, Executive Director, NAFOA:** Some more questions, and Winn and Emily best equipped to answer these questions, what will the American Indian Medicaid exemptions look like in practice? Will it mean that folks need to provide some type of ID or proof of Tribal citizenship? And what will the paperwork burden look like for those individuals?

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**Winn Davis:** Yeah. And I, I put a written response in there. So if folks are interested in going and looking at that, they're more than welcome to do that. But generally the this is similar to some of the other responses you've heard so far. There is going to be a periods of a a period of guidance, provision from CMS

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**Winn Davis:** and that guidance, whether that comes through more informal methods, or whether that comes to a more formal rulemaking process is going to really determine what that looks like. And the CMS Tribal Technical Advisory group has already begun its engagement on this in hopes to help reduce any type of documentation burden that would be required as a part of that.

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**Cory Blankenship, Executive Director, NAFOA:** And you may have provided a written response to this question as well. The Indian exemption from the Medicaid work requirements does not appear to be automatic it requires the Secretary to set specifications and respective governors to consent. Do you see these actions as being ministerial? What will the impact be?

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**Winn Davis:** So the exemption is immediate. And it really what it's going to lead to is the dependence on that rulemaking process.

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**Winn Davis:** Any work requirements for the Medicaid expansion population will require an American Indian Alaska Native Exemption period, and I think that should be the takeaway for everybody.

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**Winn Davis:** The I think the concern here again goes back to that rulemaking process. And what do the documentation requirements look like in that space? How are States going to implement that when CMS has issued its guidance. I think those are kind of the key pieces that we're following to make sure that there aren't folks that fall through the cracks when it comes to. You know how that happens already. I believe in the response that I provided

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**Winn Davis:** the way that the Medicaid applications work right now in States is, they ask very clearly on the application, if someone is a member of a federally recognized Tribe, it is, of course, the election of the person applying for benefits of whether they put that or not, but it is to their benefit to indicate that, given the protections and exemptions that exist inside the Medicaid program.

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**Winn Davis:** and that kind of that provides a basis for where things will go, even though that's not a one to one lineup of the exemption provided in the bill.

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Winn Davis: It certainly is a head start on some of that data.

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**Cory Blankenship, Executive Director, NAFOA:** Thank you Winn. Next question is for Dr. Miller. What about the grid? Resilience block grants to Tribes? Are those slated for elimination?

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**Dr. Crystal Miller:** Yeah, I responded in the

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**Dr. Crystal Miller:** in the chat. But yes, under the bill the good, resilient state and Tribal formula grants. They were Limited eliminated.

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**Dr. Crystal Miller:** I think I got to all of the all of the questions in the chat, but happy to answer them out loud as well, too.

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**Cory Blankenship, Executive Director, NAFOA:** Fantastic. Thank you for that, for all of our panelists, just very quickly. Any feedback that you would provide to Tribal leaders and Tribal practitioners. How do they communicate the implications of the one big, beautiful bill to their Tribal communities? And how do they start preparing for any future impact?

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**Dr. Crystal Miller:** Yeah, I can. I can jump in really quickly. So, not speaking on behalf of a Tribal leader giving suggestions but I think generally they know what to do. They've been providing education, funneling down to their Tribal nations since they've been seated. And so it starts there by continuing that education, ensuring that you are aligning your prior your priorities with some of the things that are funneling out from the Federal Government

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**Dr. Crystal Miller:** as well, too, and ensuring that you know what you guys from a community from a Tribal nation are thinking in terms of prioritizing or protecting aligns with some of the efforts that both is coming from the Tribal government as well as you're ensuring that the community is coming along with you with that education component.

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**Winn Davis:** Yeah. And Corey, I think from the health perspective, the 1st piece would be just to encourage your citizens to stay on top of kind of the mail that they get related to their Medicaid and SNAP benefits. That's the that's like the key point where folks really end up losing their coverage, as they're not necessarily seeing kind of items that come to them as communications from the State.

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**Winn Davis:** And then I think the other piece is, there are some really long timelines for implementation. And so I would just encourage folks to really stay on top of the Tribal consultations that become available through your State Medicaid programs to weigh in, then on what benefits and works best for your Tribe and your state and your situation.

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**Winn Davis:** and to also, you know, keep abreast of the information that is being sent out to State Medicaid Directors, because that information will include implementation items on the way that the exemptions and the social safety net programs are being implemented, I think just kind of keeping on top of that can certainly help you know, being aware of kind of the changes as they're coming.

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**Cory Blankenship, Executive Director, NAFOA:** Thank you for that. Ken any closing thoughts. But also I see that in the Q&A there's a question about will the no tax on overtime or tips be in the form of a credit on the year in tax return, or during the course of paying employees, not having taxes taken out of a check?

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**Ken Parsons:** Yeah, we all love paying lower taxes or no taxes, preferably. That's always my goal. So I've seen lots of questions in the chat about the W2. Or the sorry, the W2 withholding the 1099, withholding great questions. It's not completely clear, but based on the way the law works.

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**Ken Parsons:** It's a deduction by the employees, so it's something that they would take on their own tax return. It's unclear how the IRS is going to implement that at the employee level that it would impact the withholding that you do. You're still supposed to do the payroll withholding. They're still subject to FICA all of that.

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**Ken Parsons:** But it's possible. Say that if employee knows that they're going to be entitled to more deductions that they could request lower withholding from you. So I think some of these things are going to be clarified in IRS guidance going forward. But I think the critical thing to know right now is, don't stop withholding on these employees these individuals.

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**Ken Parsons:** It's gonna be left to them to deduct it, at least for this next year. Deducted from their own personal tax returns.

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**Cory Blankenship, Executive Director, NAFOA:** Well on behalf of NAFOA and our partners. We want to thank everyone for joining us in this webinar today. Clearly the 1st of many conversations yet to come. Dr. Crystal Miller, I'll recognize you for a closing remark.

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**Dr. Crystal Miller:** Yeah, just sorry about that. I try to try to catch it before you started. One thing that I wanted to flag for everybody on the call in terms of energy. There was a memo that came out of the Department of Interior on July 15th So, coming up close to a week ago that actually undermines Tribal sovereignty. It reinforces the paternalism of the Department and the secretary to make decisions on behalf of the Tribe and Tribal lands, and so we have put together a toolkit to help Tribes and Tribal nations prep and actually push back on that as well, too. So wanted to make sure that everybody was aware of that, because it was a major, a major thing that came down.

## Closing - Thank You!

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**Cory Blankenship, Executive Director, NAFOA:** Thank you, Dr. Miller. So at NAFOA we remain committed to delivering timely information and analysis to our member Tribes and the Indian Country. We extend our sincerest appreciation to our panelists and partners for their contributions to today's event. We always want to hear more from you. So please take our brief



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survey available at the end of this webinar. And if you have any questions or requests for information.

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**Cory Blankenship, Executive Director, NAFOA:** email us at [info@nafoa.org](mailto:info@nafoa.org). We also invite you to subscribe to our email alerts at [nafoa.org/subscribe](http://nafoa.org/subscribe) to stay informed on the latest updates regarding the bill and other Tribal Economic Development News. We also welcome you to join our Tribal tax working group to learn more about the working group. Please contact a member of our policy team to sign up. Denadagahvyv, until we meet again.