

A BILL

To amend the Internal Revenue Code of 1986 to treat Indian Tribal Governments in the same manner as State governments for certain Federal tax purposes, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Short title; table of contents.

(a) Short title.—This Act may be cited as the “Tribal Tax and Investment Reform Act of 202~~65~~”.

(b) Table of contents.—The table of contents of this Act is as follows:

[Sec. 1. Short title; table of contents.](#)

[Sec. 2. Findings.](#)

[Sec. 3. Treatment of Indian tribes as States with respect to excise taxes and bond issuance.](#)

[Sec. 4. Treatment of pension and employee benefit plans maintained by Tribal Governments.](#)

[Sec. 5. Treatment of Tribal foundations and charities like charities funded and controlled by other governmental funders and sponsors.](#)

~~[Sec. 6. Improving effectiveness of Tribal child support enforcement agencies.](#)~~

~~[Sec. 7. Recognizing Indian tribal governments for purposes of determining under the adoption credit whether a child has special needs.](#)~~

~~[Sec. 68. New markets tax credit for tribal area investments.](#)~~

~~[Sec. 79. Inclusion of Indian areas as difficult development areas for purposes of certain buildings.](#)~~

~~[Sec. 840. Tribal general welfare and trust programs clarification.](#)~~

~~[Sec. 944. Indian employment tax credit.](#)~~

~~[Sec. 1042. Exclusion from gross income for payments under Indian health service loan repayment program.](#)~~

~~[Sec. 1143. Exclusion of certain amounts received under Indian Health Professions Scholarships Program.](#)~~

SEC. 2. Findings.

Congress finds the following:

(1) There is a unique Federal legal and political relationship between the United States and Indian Tribes.

(2) Indian Tribes have the responsibility and authority to provide governmental programs and services to Tribal citizens, develop Tribal economies, and build community infrastructure to ensure that Indian reservation lands serve as livable, permanent homes.

(3) The United States Constitution, United States Federal Court decisions, Executive orders, and numerous other Federal laws and regulations recognize that Indian Tribes are governments, retaining the inherent authority to tax and operate as other governments, including (inter alia) financing projects with government bonds and maintaining eligibility for general tax exemptions via their government status.

(4) Codifying tax parity with respect to Tribal Governments is consistent with Federal treaties recognizing the sovereignty of Tribal Governments.

(5) That Indian Tribes face historic disadvantages in accessing the underlying capital to build the necessary infrastructure for job creation, and that certain statutory restrictions on Tribal governance further inhibit Tribes' ability to develop strong governance and economies.

(6) Indian Tribes are sometimes excluded from the Internal Revenue Code of 1986 in key provisions which results in unfair tax treatment for Tribal citizens or unequal enforcement authority for Tribal enforcement agencies.

(7) Congress is vested with the authority to regulate commerce with Indian Tribes, and hereby exercises that authority in a manner which furthers Tribal self-governance, and in doing so, further affirms the United States government-to-government relationship with Indian Tribes.

SEC. 3. Treatment of Indian tribes as States with respect to excise taxes and bond issuance.

(a) Repeal of essential governmental function requirements.—[Section 7871](#) of the Internal Revenue Code of 1986 is amended by striking subsections (b) and (e) and redesignating subsections (c), (d), and (f) as subsections (b), (c), and (d), respectively.

[\(b\) Special rules for tax-Exempt bonds.—Subsection \(b\) of section 7871 of such Code, as redesignated by subsection \(a\), is amended to read as follows:](#)

[“\(b\) Special rules for tax-Exempt bonds.—](#)

[“\(1\) IN GENERAL.—In apply section 146 to bonds issued by Indian Tribal Governments](#)

[“\(A\) there shall be a national bond volume cap for each calendar year after 2026 equal to \\$400,000,000 and](#)

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“(B) the volume cap for any Indian Tribal Government shall be the portion of such national bond volume cap which is allocated by the Secretary (under such regulations as the Secretary may prescribe) to such Indian Tribal Government.

~~(A) APPLICATION OF PRIVATE ACTIVITY BOND RULES.—Subsection (b) of section 7871 of such Code, as redesignated by subsection (a), is amended to read as follows:~~

~~“(b) Special rules for tax-Exempt bonds.—~~

~~“(1) VOLUME CAP.—~~

~~“(A) IN GENERAL.—In applying section 146 to bonds issued by Indian Tribal Governments—~~

~~“(i) there shall be a national bond volume cap for each calendar year equal to \$400,000,000, and~~

~~“(ii) the volume cap for any Indian Tribal Government shall be the portion of such national bond volume cap which is allocated by the Secretary (under such regulations as the Secretary may prescribe) to such Indian Tribal Government.~~

~~“(B) INFLATION ADJUSTMENT.—In the case of a calendar year after 2026, the \$400,000,000 amount in subparagraph (A)(i) shall be increased by an amount equal to—~~

~~“(i) such dollar amount, multiplied by~~

~~“(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.~~

~~If any increase determined under the preceding sentence is not a multiple of \$100,000, such increase shall be rounded to the nearest multiple of \$100,000.~~

“(2) APPLICATION OF GEOGRAPHIC RESTRICTION.—In the case of national bond volume cap allocated under paragraph (1), section 146(k)(1) shall not apply to the extent that such cap is used with respect to financing for a facility located on qualified Indian lands.

“(3) RESTRICTION ON FINANCING OF CERTAIN GAMING FACILITIES.—No portion of proceeds from an obligation issued by an Indian Tribal Government (or subdivision thereof) under section 103 may be used with respect to the financing of any portion of a building in which class II or class III gaming (as defined in section 4 of the Indian Gaming Regulatory Act ([25 U.S.C. 2703](#))) is conducted or housed or any property actually used in the conduct of such gaming.

“(4) DEFINITIONS AND SPECIAL RULES.—~~For purposes of this subsection—~~

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“(A) INDIAN TRIBAL GOVERNMENT.—For purposes of this subsection, subsection (e), and so much of subsection (a) as relates to paragraph (4) of such subsection. The term ‘Indian Tribal Government’ means the recognized governing body of any Indian or Alaska Native tribe, band, nation, pueblo, village, community, component band, or component reservation, individually identified (including parenthetically) pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994 (25 U.S.C. 5131), including any agency, instrumentality, or subdivision of such governing body, and, under regulations prescribed by the Secretary, any entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing.

“(B) QUALIFIED INDIAN LANDS.—For purposes of this subsection, the term ‘qualified Indian lands’ means—

“(i) Indian lands within the meaning of section 29(j)(8) of the Stevenson-Wylder Technology Innovation Act of 1980 (15 U.S.C. 3722b(j)(8)),

“(ii) land held in fee simple by an Indian Tribal Government,

“(iii) each region in effect under subsection (a) or (b) of section 7 of the Alaska Native Claims Settlement Act (43 U.S.C. 1606)

“(iv) Hawaiian Home Lands (as defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4221), and

“(v) under regulations prescribed by the Secretary, lands where the facility is to be placed in service connection with—

“(I) the active conduct of a trade or business by an Indian Tribe on, contiguous to, within reasonable proximity of, or with a substantial connection to lands described in clause (i), (ii), (iii), or (iv), or

“(II) infrastructure (including roads, power lines, water systems, railroad spurs, and communication facilities) serving lands described in clause (i), (ii), (iii), or (iv).

Such term shall not include any land which is not within the United States.

“(CB) INTERTRIBAL CONSORTIA, ETC.—Under regulations prescribed by the Secretary, an Indian Tribal Government (including any subdivision

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~~thereof or a partnership of Indian Tribal Governments), or any combination of such Indian Tribal Governments operating pursuant to a written agreement, may authorize any intertribal consortium, an organization, or a Regional Corporation, Village Corporation, Urban Corporation, or Group Corporation (as defined in, or established pursuant to, the Alaska Native Claims Settlement Act); person~~ to plan for, coordinate or otherwise administer services, finances, functions, or activities on its behalf under this subsection, except that the authorized ~~person entity~~ shall have the rights and responsibilities of the authorizing Indian Tribal Government (or Indian Tribal Governments) only to the extent provided in the authorizing resolution.

~~“(D) INFLATION ADJUSTMENT.—In the case of any calendar year after 2027, the \$400,000,000 amount in paragraph (1)(A) shall be increased by an amount equal to—~~

~~_____“(i) such dollar amount, multiplied by~~

~~_____“(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2026’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.~~

~~_____ If any increase determined under the preceding sentence is not a multiple of \$100,000, such increase shall be rounded to the nearest multiple of \$100,000.”.~~

~~“(C) QUALIFIED INDIAN LANDS.—The term ‘qualified Indian lands’ means—~~

~~“(i) Indian lands within the meaning of section 29(j)(8) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3722b(j)(8));~~

~~“(ii) land held in fee simple by an Indian Tribal Government;~~

~~“(iii) any land located within a region established pursuant to section 7(a) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(a));~~

~~“(iv) Hawaiian Home Lands (as defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4221)), and~~

~~“(v) under regulations prescribed by the Secretary, lands where the facility is to be placed in service in connection with—~~

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~~“(l) the active conduct of a trade or business by an Indian Tribe on, contiguous to, within reasonable proximity of, or with a substantial connection to lands described in clause (i), (ii), (iii), or (iv), or~~

~~“(ll) infrastructure (including roads, power lines, water systems, railroad spurs, and communication facilities) serving lands described in clause (i), (ii), (iii), or (iv).”.~~

~~(B) CONFORMING AMENDMENTS.—~~

~~(i) Section 7871(a) of such Code is amended—~~

~~(l) in paragraph (2) by striking “subject to subsection (b),” and~~

~~(ll) in paragraph (4) by striking “subsection (c)” and inserting “subsection (b)”.~~

~~(ii) Subparagraph (B) of section 45(c)(9) of such Code is amended to read as follows:~~

~~“(B) INDIAN TRIBE.—For purposes of this paragraph, the term ‘Indian tribe’ means any Indian Tribe, band, nation, or other organized group or community which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.”.~~

~~(c2) ALASKA NATIVE INTERTRIBAL CONSORTIUM TAX-EXEMPT BONDS.—Section 7871 of such Code, as amended by subsection (a) is amended by adding at the end the following new subsection: CORPORATION ECONOMIC DEVELOPMENT BONDS.—~~

~~“(e) ALASKA NATIVE INTERTRIBAL CONSORTIUM TAX-EXEMPT BONDS.—~~

~~_____ “(1) BONDS TREATED AS EXEMPT FROM TAX.—In the case of an Alaska Native Intertribal Consortium tax-exempt bond—~~

~~_____ “(A) such bond shall be treated for purposes of this title in the same manner as if such bond were issued by an Indian Tribal Government, and~~

~~_____ “(B) in applying section 146 to any issuer of such bond—~~

~~_____ “(i) there shall be a national bond volume cap for each calendar year after 2026 equal to \$45,000,000, and~~

~~_____ “(ii) the volume cap of such issuer shall be the portion of such national bond volume cap which is allocated by the Secretary (under such regulations as the Secretary may prescribe) to such issuer.~~

~~_____ “(2) ALASKA NATIVE INTERTRIBAL CONSORTIUM TAX-EXEMPT BOND.—For purposes of this section—~~

“(A) IN GENERAL.—The term ‘Alaska Native Intertribal Consortium tax-exempt bond means any bond issued by an Alaska Native Intertribal Consortium if—

“(i) such bond is a qualified bond (as defined in section 141(e), determined without regard to paragraph (2) thereof),

“(ii) none of the net proceeds of such bond are used for the purpose of providing any facility, project, or program for which the proceeds of any bond to which subsection (b) applies are also used, and

“(iii) such bond is designated as an Alaska Native Intertribal Consortium tax-exempt bond by such Alaska Native Intertribal Consortium.

“(B) EXCEPTIONS.—The term ‘Alaska Native Intertribal Consortium tax-exempt bond’ shall not include any bond issued as part of an issue if—

“(i) any portion of the proceeds of such issue are used to finance any portion of a building in which class II or class III gaming (as defined in section 4 of the Indian Gaming Regulatory Act) is conducted or housed or any other property actually used in the conduct of such gaming, or

“(ii) any portion of the proceeds of such issue are used to provide (including the provision of land for) any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principle business of which is the sale of alcoholic beverages for consumption off premises.

“(C) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds issued by any Alaska Native Intertribal Consortium which may be designated by such Consortium under subparagraph (A)(ii) shall not exceed the amount of national Alaska Native Intertribal Consortium tax-exempt bond limitation allocated to such Consortium under paragraph (1).

“(3) ALASKA NATIVE INTERTRIBAL CONSORTIUM.—For purposes of this subsection—

“(A) IN GENERAL.—The term ‘Alaska Native Intertribal Consortium’ means—

“(i) any combination of Alaska Native Tribal Governments operating pursuant to a written agreement, and

“(ii) any Alaska Native regional non-profit organization.

“(B) ALASKA NATIVE TRIBAL GOVERNMENT.—The term ‘Alaska Native Tribal Government’ means any Indian Tribal Government with respect to one or more regions in effect under subsection (a) or (b) of section 7 of the Alaska Native Claims Settlement Act (43 U.S.C. 1606).

“(C) ALASKA NATIVE REGIONAL NON-PROFIT ORGANIZATION.—The term ‘Alaska Native regional non-profit organizations means—

“(i) the Aleutian Pribilof Islands Association, Inc.,

“(ii) the Arctic Slope Native Association,

“(iii) the Association of Village Council Presidents,

“(iv) the Bristol Bay Native Association,

“(v) the Chugachmiut, Inc.,

“(vi) the Cook Inlet Tribal Council,

“(vii) the Copper Rivier Native Association,

“(viii) the Kawerak, Inc.,

“(ix) the Kodiak Area Native Association,

“(x) the Maniilaq,

“(xi) the Tanana Chiefs Conference,

“(xii) the Alaska Native Tribal Health Consortium,

“(xiii) the Bristol Bay Area Health Corporation,

“(xiv) the Norton Sound Health Corporation,

“(xv) the Southeast Alaska Regional Health Consortium,

“(xvi) the Yukon Kuskokwim Health Corporation, and

“(xvii) under regulations prescribed by the Secretary, such other organizations as may be identified by the Secretary, upon request by an Indian Tribal Government and after consultation with the Bureau of Indian Affairs, as Alaska Native regional non-profit organizations for purposes of this subsection.

“(4) APPLICATION OF CERTAIN RULES REGARDING INTERTRIBAL CONSORTIA.—The rules of subsection (b)(4)(C) shall apply with respect to Alaska Native Intertribal

Consortiums under this subsection in the same manner such rules apply to Indian Tribal Governments under subsection (b).

“(5) SPECIAL RULES FOR ALASKA NATIVE CORPORATION.—

“(A) IN GENERAL.—If any Alaska Native Corporation participates with respect to any bond, such bond shall not be treated as an Alaska Native Intertribal Consortium tax-exempt bond unless such Corporation provides a written certification to the Secretary that the facilities or services provided with the proceeds of such bond will promote the economic, social, or cultural well-being of such Corporation’s shareholder pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.).

“(B) PARTICIPATION.—For purposes of subparagraph (A), an Alaska Native Corporation shall be treated as participating with respect to any bond if such Corporation—

“(i) is part of any Alaska Native regional non-profit organization which is part of the Alaska Native Intertribal Consortium that issues such bond,

“(ii) is authorized pursuant to paragraph (4) to provide any service described in subsection (b)(4)(C) with respect to such bond, or

“(iii) receives any of the proceeds of such bond.

“(C) ALASKA NATIVE CORPORATION.—For purposes of this paragraph, the term ‘Alaska Native Corporation’ means any Regional Corporation, any Village Corporation, any Urban Corporation, and any Group Corporation (as such terms are defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602).

“(6) INFLATION ADJUSTMENT.—In case of any calendar year after 2027, the \$45,000,000 amount in paragraph (1)(B)(i) shall be increased by an amount equal to—

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2026’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

If any increase determined under the preceding sentence is not a multiple of \$100,000, such increase shall be rounded to the nearest multiple of \$100,000.”.

~~(A) IN GENERAL.—Section 7871 of the Internal Revenue Code of 1986, as amended by subsection (a), is amended by inserting at the end the following new subsection:~~

~~“(e) Alaska Native Corporation economic development bonds.—~~

~~“(1) NATIONAL LIMITATION.—~~

~~“(A) IN GENERAL.—There is a national Alaska Native Corporation economic development bond limitation for each calendar year. Such limitation shall be equal to the amount \$45,000,000:~~

~~“(B) INFLATION ADJUSTMENT.—In the case of a calendar year after 2026, the \$45,000,000 amount in subparagraph (A) shall be increased by an amount equal to—~~

~~“(i) such dollar amount, multiplied by~~

~~“(ii) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting ‘calendar year 2025’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.~~

~~If any increase determined under the preceding sentence is not a multiple of \$100,000, such increase shall be rounded to the nearest multiple of \$100,000.~~

~~“(C) ALLOCATION.—~~

~~“(i) IN GENERAL.—The Secretary shall allocate the national Alaska Native Corporation economic development bond limitation among the Alaska Native Corporations selected by the Secretary, in consultation with the Secretary of the Interior.~~

~~“(ii) ELIGIBILITY.—The Secretary shall not make any allocation under clause (i) to an Alaska Native Corporation unless such Alaska Native corporation provides the Secretary with a written certification that any project undertaken using the proceeds of an Alaska Native Corporation economic development bond will promote the economic, social, or cultural well-being of the corporation’s shareholders.~~

~~“(2) BONDS TREATED AS EXEMPT FROM TAX.—In the case of an Alaska Native Corporation economic development bond—~~

~~“(A) such bond shall be treated for purposes of this title in the same manner as if such bond were issued by a State;~~

~~“(B) the Alaska Native Corporation issuing such bond shall be treated as a State for purposes of section 141, and~~

~~“(C) section 146 shall not apply.~~

~~“(3) ALASKA NATIVE CORPORATION ECONOMIC DEVELOPMENT BOND.—~~

~~“(A) IN GENERAL.—For purposes of this section, the term ‘Alaska Native Corporation economic development bond’ means any bond issued by an Alaska Native Corporation—~~

~~“(i) the interest on which would be exempt from tax under section 103 if issued by a State or local government;~~

~~“(ii) substantially all of the net proceeds of which are used—~~

~~“(I) with respect to facilities on land located within a region established pursuant to section 7(a) of the Alaska Native Claims Settlement Act (43 U.S.C. 1606(a)), or~~

~~“(II) to provide facilities within Alaska or services to residents of Alaska;~~

~~“(iii) none of the net proceeds of which are used for any project or activity if the proceeds of a bond to which subsection (b) applies has also been used for such project or activity; and~~

~~“(iv) which is designated by the Alaska Native Corporation as an Alaska Native Corporation economic development bond for purposes of this subsection.~~

~~“(B) EXCEPTIONS.—Such term shall not include any bond issued as part of an issue if any portion of the proceeds of such issue are used to finance—~~

~~“(i) any portion of a building in which class II or class III gaming (as defined in section 4 of the Indian Gaming Regulatory Act) is conducted or housed or any other property actually used in the conduct of such gaming; or~~

~~“(ii) any portion of the proceeds of such issue is to be used to provide (including the provision of land for) any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.~~

~~“(C) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated by any Alaska Native Corporation under subparagraph (A) shall not exceed the amount of national Alaska Native Corporation economic development bond limitation allocated to such corporation under paragraph (1).~~

~~“(4) ALASKA NATIVE CORPORATION.—For purposes of this subsection, the term ‘Alaska Native Corporation’ means any Regional Corporation, any Village Corporation, any Urban Corporation, and any Group Corporation (as such terms are defined in section 3 of the Alaska Native Claims Settlement Act).”.~~

~~(d)~~ **TERMINATION OF TRIBAL ECONOMIC DEVELOPMENT BONDS.**—Section 7871(d)(3) of such Code, as amended ~~as redesignated~~ by subsection (a), is amended by adding at the end the following new subparagraph:

~~“(D) TERMINATION.—For purposes of this section, the term ‘tribal economic development bond’ shall not include any bond issued after December 31, 2029.”~~ ~~No bond which is issued after December 31, 2028, may be designated as a tribal economic bond under subparagraph (A):”~~

~~(e) CONFORMING AMENDMENTS.—~~

~~_____ (1) Section 7871(a) of such Code is amended—~~

~~_____ (A) in paragraph (2) by striking “subject to subsection (b).”, and~~

~~_____ (B) in paragraph (4) by striking “subsection (c)” and inserting “subsection (b)”.~~

~~_____ (2) Section 45(c)(9)(B) of such Code is amended to read as follows:~~

~~_____ “(B) INDIAN TRIBE.—For purposes of this paragraph, the term ‘Indian Tribe’ means any Indian Tribe, band, nation, or other organized group or community which is recognized as eligible for the special programs and services provided by the United States to Indian because of their status as Indians.”~~

~~(f) Effective dates.—~~

~~(1) IN GENERAL.—Except as otherwise provided in this subsection paragraph (2), the amendments made by this section shall apply to obligations issued in calendar years beginning after December 31, 2026. the date of the enactment of this Act.~~

~~(2) EXCISE TAXES.—The amendments made by subsections (a) and ~~(e)(1)(A)(b)(1)(B)(i)(I)~~ shall take effect on and after the first day of the first calendar quarter beginning more than 60 days after the date of the enactment of this Act.~~

SEC. 4. Treatment of pension and employee benefit plans maintained by Tribal Governments.

~~(a) Treatment of plans.—~~

~~(1) QUALIFIED PUBLIC SAFETY EMPLOYEE.—~~ ~~Section 72(t)(10)(B)(i)~~ ~~Section 72(t)(10)(B)~~ of the Internal Revenue Code of 1986 (defining qualified public safety employee) is amended by—

~~(A) striking “or political subdivision of a State” and inserting “, political subdivision of a State, or Indian tribal government”; and~~

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(B) striking “such State or political subdivision” and inserting “such State, political subdivision, or Indian tribal government”.

(2) GOVERNMENTAL PLAN.—The last sentence of section 414(d) of such Code (defining governmental plan) is amended to read as follows: “The term ‘governmental plan’ includes a plan established or maintained for its employees by an Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing.”.

(3) EXEMPT GOVERNMENTAL DEFERRED COMPENSATION PLAN.—Section 3121(v)(3) of such Code (defining governmental deferred compensation plan) is amended by inserting “by an Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing,” after “political subdivision thereof.”.

(4) GRANDFATHER OF CERTAIN DEFERRED COMPENSATION PLANS.—Section 457 of such Code is amended by adding at the end the following new subsection:

“(h) Certain Tribal government plans grandfathered.—Plans established before the date of enactment of this subsection and maintained by an Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing, in compliance with subsection (b) shall be treated as if established by an eligible employer under subsection (e)(1)(A). A plan described in the preceding sentence may, at the election of the employer, continue to be maintained without regard to the preceding sentence or be amended if necessary to be maintained in compliance with this section.”.

(5) LONG-TERM, PART-TIME WORKERS.—Section 401(k)(15)(C) of such Code is amended to read as follows:

“(C) APPLICATION OF STANDARDS TO CERTAIN EMPLOYEES AND PLANS.—The provisions of paragraph (2)(D)(ii) shall not apply to—

“(i) employees described in section 410(b)(3), and

“(ii) a governmental plan [within the meaning of section 414\(d\)](#).”.

(b) Enforcement moratorium related to Pension Protection Act of 2006.—

(1) IN GENERAL.—An Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, and an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing, shall not be subject to a

Federal agency enforcement action based solely on the amendments made by the Pension Protection Act of 2006 to the Internal Revenue Code of 1986 or Employee Retirement Income and Security Act of 1974 with respect to any period prior to the publication of regulations with respect to such amendments.

(2) INDIAN TRIBAL GOVERNMENT.—For purposes of this subsection, the term “Indian tribal government” has the meaning given such term in [section 7701\(a\)\(40\)](#) of the Internal Revenue Code of 1986.

(3) REGULATORY GUIDANCE.—The Secretary of the Treasury (or the Secretary’s delegate) and the Secretary of Labor shall, in consultation with the Tribal Advisory Committee established pursuant to section 3 of the Tribal General Welfare Exclusion Act of 2014 and Indian tribal governments and relevant governmental agencies, shall issue such regulations or other guidance as may be necessary to carry out this subsection.

(c) Uniform protections and fiduciary standards for tribal plans.—

(1) IN GENERAL.—Chapter 77 of such Code is amended by adding at the end the following:

“SEC. 7531. Uniform protections and fiduciary standards for Tribal pension plans.

“(a) In general.—A Tribal pension plan shall be subject to the uniform protections and fiduciary standards for Tribal pension plans.

“(b) Personal liability.—

“(1) IN GENERAL.—Any person who is a fiduciary with respect to a Tribal pension plan who breaches any of the responsibilities, obligations, or duties imposed upon fiduciaries by the uniform protection and fiduciary standards for Tribal pension plans, shall be personally liable to make good to such plan any losses to the plan resulting from each such breach, and to restore to such plan any profits of such fiduciary which have been made through use of assets of the plan by the fiduciary, and shall be subject to such other equitable or remedial relief as the court may deem appropriate, including removal of such fiduciary.

“(2) NO LIABILITY FOR PRIOR BREACH.—No fiduciary shall be liable with respect to a breach of fiduciary duty under this section if such breach was committed before the fiduciary became a fiduciary or after the fiduciary ceased to be a fiduciary.

“(c) Nondiscrimination.—

“(1) NO INTERFERENCE WITH PROTECTED RIGHTS.—It shall be unlawful for any person to discharge, fine, suspend, expel, discipline, or discriminate against a participant or beneficiary for exercising any right to which the participant or beneficiary is entitled under the provisions of a Tribal pension plan or under the uniform protection and fiduciary

standards for Tribal pension plans, or for the purpose of interfering with the attainment of any right to which such participant or beneficiary may become entitled under such plan or the uniform protection and fiduciary standards for Tribal pension plans.

“(2) NONDISCRIMINATION.—Contributions or benefits provided under a Tribal pension plan shall not discriminate in favor of highly compensated employees (within the meaning of section 414(q)).

“(d) Definitions and special rules.—For purposes of this section—

“(1) TRIBAL PENSION PLAN.—The term ‘Tribal pension plan’ means any qualified employer retirement plan (as defined in section 72(d)(1)(G)) which—

“(A) is a governmental plan (as defined in section 414(d)),

“(B) has at least 500 active participants, and

“(C) is established or maintained for the employees of an Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing.

“(2) UNIFORM PROTECTION AND FIDUCIARY STANDARDS FOR TRIBAL PENSION PLANS.—The term ‘uniform protections and fiduciary standards for Tribal pension plans’ means that, in connection with a fiduciary’s duties with respect to a Tribal pension plan, the fiduciary shall discharge those duties—

“(A) solely in the interest of the participants and beneficiaries,

“(B) for the exclusive purpose of providing benefits to participants and beneficiaries,

“(C) to defray reasonable expenses of administering the plan,

“(D) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims,

“(E) by diversifying the investments of the plan so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and

“(F) in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the requirements of the preceding subparagraphs.

“(3) CONTROL OVER ASSETS BY PARTICIPANT OR BENEFICIARY.—In the case of a Tribal pension plan which provides for individual accounts and permits a participant or beneficiary to exercise control over the assets in their account, if a participant or beneficiary exercises control over the assets in their account—

“(A) such participant or beneficiary shall not be deemed to be a fiduciary by reason of such exercise, and

“(B) no person who is otherwise a fiduciary shall be liable under this section for any loss, or by reason of any breach, which results from such participant’s or beneficiary’s exercise of control.

“(e) Notice requirements.—The plan administrator for any Tribal pension plan shall cause to be furnished to each participant covered under the plan a summary plan description. The summary plan description and any notice of material modifications shall be provided or made available to participants within a reasonable period following the effective date of a participant’s coverage or the effective date of material changes to the plan, as applicable. The summary plan description shall—

“(1) be written in a manner calculated to be understood by the average plan participant,

“(2) be sufficiently accurate and comprehensive to reasonably apprise such participants and beneficiaries of their rights and obligations under the plan, and

“(3) specify any material modification in the terms to the plan made after the previous summary plan description.

“(f) Persons empowered To bring a civil action.—In the case of a Tribal pension plan, a civil action may be brought—

“(1) by a participant or beneficiary to recover benefits due under the terms of the plan, to enforce rights under the terms of the plan, or to clarify rights to future benefits under the terms of the plan,

“(2) by a participant, beneficiary, or fiduciary for relief for any loss for which a fiduciary is personally liable under this section, and

“(3) by a participant, beneficiary, or fiduciary—

“(A) to enjoin any act or practice which violates any provision of the uniform protection and protections and fiduciary standards for Tribal pension plans, or

“(B) to obtain other appropriate equitable relief—

“(i) to redress such violations, or

“(ii) to enforce any provisions of the uniform protections and fiduciary standards for Tribal pension plans or the terms of the plan.

“(g) Status of Tribal pension plan as entity.—A Tribal pension plan may sue or be sued under this section as an entity. Service of summons, subpoena, or other legal process of a court upon a trustee or an administrator of a Tribal pension plan in such capacity shall constitute service upon the Tribal pension plan. Any money judgment under this section against a Tribal pension plan shall be enforceable only against the plan as an entity and shall not be enforceable against any other person or entity.

“(h) Jurisdiction.—Enforcement actions related to the uniform protections and fiduciary standards for Tribal pension plans shall be in the applicable Tribal court unless the Indian tribal government has opted to limit Tribal court jurisdiction for such actions in favor of Federal court enforcement. In the absence of an established Tribal court, or for Indian tribal governments who have elected to limit their Tribal court’s jurisdiction to exclude claims for enforcing the uniform protections and fiduciary standards for Tribal pension plans, a participant or beneficiary may seek enforcement in the district court of the United States for the district where the plan has its principal office, or in the United States District for the District of Columbia. When applicable, the district courts of the United States shall have jurisdiction without respect to the amount in controversy or the citizenship of the parties.

“(i) Attorney’s fees and costs.—The court, in its discretion, may allow an award of reasonable attorney’s fees and costs to a participant, beneficiary, or fiduciary who prevails in an action to enforce the uniform protections and fiduciary standards for Tribal pension plans.

“(j) Coordination with other tribal laws and protections.—Nothing in this section shall preempt or otherwise prevent an Indian Tribe from adopting additional laws and protections not inconsistent with this section.

“(k) Regulations.—The Secretary, in consultation with the Tribal Advisory Committee established pursuant to section 3 of the Tribal General Welfare Exclusion Act of 2014, and in consultation with Indian tribal governments and relevant governmental agencies, to develop regulatory guidance under this section, as well as the enforcement of such standards.” ~~shall issue such regulations or other guidance as may be necessary to carry out the provisions of this section, including regulations or guidance with respect to the enforcement of such standards.”~~

(2) CLERICAL AMENDMENT.—The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

[“Sec. 7531. Uniform protections and fiduciary standards for Tribal pension plans.”](#)

(d) Conforming amendment.—The last sentence of section 3(32) of the Employee Retirement Income Security Act of 1974 ([29 U.S.C. 1002\(32\)](#)) is amended to read as follows: “The term ‘governmental plan’ includes a plan established or maintained for its employees by an Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing.”

(e) Effective date.—The amendments made by this section shall apply to years beginning after the date of the enactment of this Act.

(f) Transition provisions.—The Secretary of the Treasury (or the Secretary’s delegate) shall, in consultation with the Tribal Advisory Committee established under section 3 of the Tribal General Welfare Exclusion Act of 2014 ([26 U.S.C. 139E](#) note), and in consultation with Indian tribal governments, develop guidance on the transition of plans to meet requirements added or changed by the amendments made by this section, including publication of transition relief if appropriate. The Secretary of the Treasury (or the Secretary’s delegate) is authorized to extend deadlines imposed by the Internal Revenue Code of 1986 to reflect any such transition relief (and to coordinate such transition relief with relevant governmental agencies) as well as time for plan sponsors to adopt amendments and implement required changes.

SEC. 5. Treatment of Tribal foundations and charities like charities funded and controlled by other governmental funders and sponsors.

(a) In general.—[Section 170\(b\)\(1\)\(A\)](#) of the Internal Revenue Code of 1986 is amended by adding at the end the following: “For purposes of clause (vi), the term ‘governmental unit’ includes an Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing.”

(b) Certain supporting organizations.—Section 509(a) of such Code is amended by adding at the end the following: “For purposes of paragraph (3), an organization described in paragraph (2) shall be deemed to include an Indian tribal government, an agency, instrumentality, or subdivision of an Indian tribal government, or an entity established under Federal, State, or Tribal law which is wholly owned or controlled by any of the foregoing.”

(c) Effective date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 6. Improving effectiveness of Tribal child support enforcement agencies:

(a) Amendment to the Social Security Act.—Section 464 of the Social Security Act (42 U.S.C. 664) is amended by adding at the end the following:

“(d) Applicability to Indian tribes and tribal organizations eligible for a grant under this part.—This section, except for the requirement to distribute amounts in accordance with section 457, shall apply to an Indian Tribe or Tribal organization eligible for a grant under section 455(f) in the same manner in which this section applies to a State with a plan approved under this part.”.

(b) Amendment to the Internal Revenue Code.—Subsection (c) of ~~section 6402~~ of the Internal Revenue Code of 1986 is amended by adding at the end the following: “For purposes of this subsection, any reference to a State shall include a reference to any Indian Tribe or Tribal organization described in section 464(d) of the Social Security Act.”.

SEC. 7. Recognizing Indian tribal governments for purposes of determining under the adoption credit whether a child has special needs:

(a) In general.—~~Section 23(d)(3)~~ of the Internal Revenue Code of 1986 (defining child with special needs) is amended—

(1) in subparagraph (A), by inserting “or Indian tribal government” after “a State”; and

(2) in subparagraph (B), by inserting “or Indian tribal government” after “such State”.

(b) Effective date.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 68. New markets tax credit for tribal area investments.

(a) Additional allocations for tribal area.—

(1) IN GENERAL.—Section 45D(f) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(4) ADDITIONAL ALLOCATIONS FOR TRIBAL AREA INVESTMENTS.—

“(A) IN GENERAL.—In the case of each calendar year after 20265, there is (in addition to any limitation under any other paragraph of this subsection) a new markets tribal area tax credit limitation of \$175,000,000 which shall be allocated by the Secretary as provided in paragraph (2) except that—

“(i) such allocation shall only be allocated with respect to qualified tribal area investments, and

“(ii) in addition to the priorities described in paragraph (2), the Secretary may give priority to any entity with a record of having successfully provided capital or technical assistance in tribal statistical areas.

“(B) CARRYOVER OF UNUSED NEW MARKETS TRIBAL AREA TAX CREDIT LIMITATION.—

“(i) IN GENERAL.—If the new markets tribal area tax credit limitation under subparagraph (A) for any calendar year exceeds the amount of such limitation allocated by the Secretary for such calendar year, such limitation for the succeeding calendar year shall be increased by the amount of such excess.

“(ii) LIMITATION ON CARRYOVER.—No amount of new markets tribal area tax credit limitation may be carried under clause (i) past the 5th calendar year following the calendar year in which such amount of new markets tribal area tax credit limitation arose.

“(iii) TRANSFER OF EXPIRED NEW MARKETS TRIBAL AREA TAX CREDIT LIMITATION TO GENERAL LIMITATION.—In the case of any amount of new markets tribal area tax credit limitation which would (but for clause (ii)) be carried under clause (i) to the 6th calendar year following the calendar year in which such amount of new markets tribal area credit limitation arose, the new markets tax credit limitation under paragraph (1) for such 6th calendar year shall be increased by the amount of such new markets tribal area tax credit limitation.

“(C) ALLOCATIONS RESTRICTED TO QUALIFIED TRIBAL AREA INVESTMENTS.—For purposes of this section—

“(i) subsection (b)(2) shall be applied separately with respect to the new markets tax credit limitation under paragraph (1) and the new market tribal area tax credit limitation under this paragraph,

“(ii) any designation under subsection (b)(1)(C) shall indicate the source and amount of the limitation to which such designation relates, and

“(iii) in the case of any investment which is designated under subsection (b)(1)(C) using amounts of the new market tribal area tax credit limitation allocated under this paragraph, ~~subsection (b)(1)(B) shall be applied by substituting ‘qualified tribal area investments’ for ‘qualified low-income community investments’.~~—

~~“(i) such investment shall not be treated as a qualified equity investment unless substantially all of the cash described in subsection (b)(1)(A) is used to make qualified tribal area investments, and~~

~~“(H) subsection (g)(3)(B) shall be applied by substituting ‘subsection (f)(4)(C)(iii)(I)’ for ‘subsection (b)(3)(B)’.~~

“(D) QUALIFIED TRIBAL AREA INVESTMENTS.—For purposes of this paragraph, the term ‘qualified tribal area investment’ means—

“(i) any capital or equity investment in, or loan to, any qualified active tribal community business,

“(ii) the purchase from another community development entity of any loan made by such entity which is a qualified tribal area investment,

“(iii) financial counseling and other services specified in regulations prescribed by the Secretary to businesses located in, and residents of, tribal statistical areas, and

“(iv) any equity investment in, or loan to, any qualified community development entity if substantially all of the proceeds of such investment or loan are used by such qualified community development entity to make qualified tribal area investments.

“(E) QUALIFIED ACTIVE TRIBAL COMMUNITY BUSINESS.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘qualified active tribal community business’ has the meaning which would be given the term ‘qualified active low-income community business’ under subsection (d)(2) if ‘tribal statistical area’ were substituted for ‘low-income community’ each place it appears therein.

“(ii) INCLUSION OF CERTAIN QUALIFIED ACTIVE LOW-INCOME COMMUNITY BUSINESSES WHICH SERVE TRIBAL AREAS.—The term ‘qualified active tribal community business’ includes any qualified active low-income community business which—

“(I) provides good or services to a significant population of Tribal, Alaska Native village, or Native Hawai‘ian community members, who are residents of a tribal statistical area, and

“(II) obtains a written statement from one or more relevant Indian tribal governments (as defined in section 7871(b)(4)(A)) (or, in the case of Native Hawai‘ian community members, the Department of Hawai‘ian Home Lands, as defined in section 801 of the Native American Housing Assistance and Self-Determination Act of 1996 ([25 U.S.C. 4221](#))) that documents the eligibility of such qualified active low-income community business with respect to the requirement of subclause (I).

“(F) TRIBAL STATISTICAL AREA.—For purposes of this paragraph, the term ‘tribal statistical area’ means any low-income community which is located in any area determined by the Secretary, after consultation with the Bureau of the Census, as a Tribal Census Tract,

Oklahoma Tribal Statistical Area, Tribal-Designated Statistical Area, Alaska Native Village Statistical Area, or Hawai'ian Home Lands.”

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to new markets tribal area tax credit limitation determined for calendar years after December 31, 2026⁵.

(b) Educational and technical assistance related to qualified tribal area investments.—Section 45D of such Code is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

“(i) Education and technical assistance related to investments with respect to tribal statistical areas.—Not later than 180 days after the date of the enactment of this subsection, the Secretary, after consultation with the Office of Tribal and Native Affairs, the Community Development Financial Institutions Fund, and other appropriate Federal agencies, shall establish a program to provide educational and technical assistance to qualified community development entities with respect to—

“(1) applications for, and the appropriate use of—

“(A) new markets tribal area tax credit limitation, and

“(B) new markets tax credit limitation with respect to investments with respect to tribal statistical areas, and

“(2) in the case of any qualified community development entity which has been allocated limitation described in subparagraph (A) or (B) of paragraph (1), technical issues specifically associated with investments with respect to tribal statistical areas.”

SEC. 79. Inclusion of Indian areas as difficult development areas for purposes of certain buildings.

(a) In general.—Subclause (I) of [section 42\(d\)\(5\)\(B\)\(iii\)](#) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: “, and any Indian area”.

(b) Indian area.—Clause (iii) of section 42(d)(5)(B) of such Code is amended by redesignating subclause (II) as subclause (IV) and by inserting after subclause (I) the following new subclauses:

“(II) INDIAN AREA.—For purposes of subclause (I), the term ‘Indian area’ means any Indian area (as defined in section 4(11) of the Native American Housing Assistance and Self Determination Act of 1996 ([25 U.S.C. 4103\(11\)](#))).

“(III) SPECIAL RULE FOR BUILDINGS IN INDIAN AREAS.—In the case of an area which is a difficult development area solely because it is an Indian area, a building shall not be

treated as located in such area unless such building is assisted or financed under the Native American Housing Assistance and Self Determination Act of 1996 ([25 U.S.C. 4101 et seq.](#)) or the project sponsor is an Indian Tribe (as defined in section 45A(c)(6)), a tribally designated housing entity (as defined in section 4(22) of such Act ([25 U.S.C. 4103\(22\)](#))), or wholly owned or controlled by such an Indian Tribe or tribally designated housing entity.”.

(c) Effective date.—The amendments made by this section shall apply to buildings placed in service after December 31, 2026~~5~~.

SEC. 810. Tribal general welfare and trust programs clarification.

(a) In general.—Section 1612(b) of the Social Security Act ([42 U.S.C. 1382a\(b\)](#)) is amended by striking “; and” at the end of paragraph (25), by striking the period at the end of paragraph (26) and inserting “; and”, and by adding at the end the following new paragraph:

“(27) any Indian general welfare benefit (as defined in [section 139E](#) of the Internal Revenue Code of 1986).”.

(b) Exclusion from resources.—Section 1613(a) of the Social Security Act ([42 U.S.C. 1382b\(a\)](#)) is amended by striking “; and” at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting a semicolon, and by inserting after paragraph (17) the following new paragraphs:

“(18) for the 9-month period beginning after the month in which received, any Indian general welfare benefit (within the meaning of [section 139E](#) of the Internal Revenue Code of 1986); and

“(19) any grantor trust established by an Indian tribe for the benefit of Indians and for which the Indian tribe is the grantor (within the meaning of subpart E of part 1 of subchapter J of [chapter 1](#) of the Internal Revenue Code of 1986).”.

SEC. 911. Indian employment tax credit.

(a) Extension.—[Section 45A](#) of the Internal Revenue Code of 1986 is amended by striking subsection (f).

(b) Modification of determination of amount of credit.—Paragraph (2) of section 45A(a) of such Code is amended to read as follows:

“(2) the quotient of—

“(A) the sum of the qualified wages and qualified employee health insurance costs which were paid or incurred by the employer (or any predecessor) during the two most recent calendar years ending before the beginning of such taxable year, divided by

“(B) 2.”.

(c) Increased limitation.—Section 45A(b)(3) of such Code is amended by striking “\$20,000” and inserting “\$30,000”.

(d) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 202~~6~~⁵.

SEC. 102. Exclusion from gross income for payments under Indian health service loan repayment program.

(a) In general.—Paragraph (4) of [section 108\(f\)](#) of the Internal Revenue Code of 1986 is amended by inserting “under section 108 of the Indian Health Care Improvement Act,” after “338I of such Act,”.

(b) Clerical amendment.—The heading for section 108(f)(4) of such Code is amended by inserting “, **Indian health service loan repayment program,**” before “**and certain**”.

(c) Effective date.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 113. Exclusion of certain amounts received under Indian Health Professions Scholarships Program.

(a) In general.—Paragraph (2) of [section 117\(c\)](#) of the Internal Revenue Code of 1986 is amended by striking “or” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, or”, and by adding at the end the following new subparagraph:

“(D) the Indian Health Professions Scholarships Program under section 104 of the Indian Health Care Improvement Act.”.

(b) Effective date.—The amendment made by subsection (a) shall apply to amounts received in taxable years beginning after December 31, 202~~6~~⁵.