

Project Works on Tax Ordinance

Greetings! The project is in its final month finishing a draft Family Welfare Code, the Public Law 280 study, the Community Law Court and tax ordinance work. Two draft ordinances, Community Law Court and Traffic, were read in July. Eventually, the Community Law Court will need tribal members to serve as peacemakers or Gwe-shvt-naga.

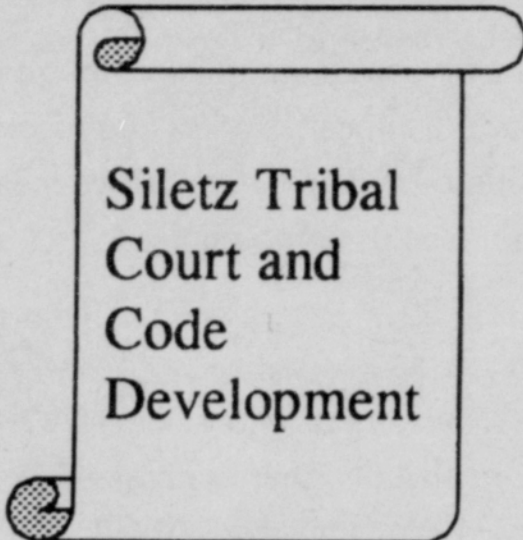
One objective of this project is to develop a tribal tax ordinance. This article answers some basic questions about this process. This information is based on federal case law and the Falmouth Institute training materials on Indian taxation.

What is a tax?

Tax can be thought of as any governmental regulation that increases the cost of carrying on an activity, engaging in a transaction, or owning property.

Can Indian tribes tax?

Yes, the power to tax is a fundamental attribute of tribal sovereignty. To enact a tax ordinance,



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the tribal government must follow the rules set forth in tribal law.

Why tax?

The major objective in taxing anything is to raise sufficient revenue to finance governmental services. The tax process also regulates activity on tribal land.

Who can the tribe tax?

An Indian tribe has an inherent right to tax tribal members. And under certain circumstances, Indian tribes have the power to tax non-members, especially if the non-member resides or does business on trust land and the tribe furnishes services, such as public works, police or fire, to that person or entity.

What are basic considerations in setting up a tax program?

To achieve its objectives, any successful tax program considers the

taxpayers' ability to anticipate, budget, and pay the amount of the tax; the convenience or ease of administering and enforcing the tax; and the amount of money a tax could raise in different periods.

What are examples of different kinds of taxes?

There are many different ways to tax. A government might tax consumption, wealth, or income. Some common types of taxes include:

***Royalties** or fees that are a payment charged to permit a special activity or privilege. For example, Business A uses Business B's property to produce a product and Business A pays a fee for that use in the form of a royalty fee on gross receipts.

***Licensing** is a permit to conduct a specific activity for a set period of time. For example, Business C pays Business D for a license to use Business D's brand name.

***Sales** tax is a percentage tax on the sale of retail goods, based on the value of the goods. For example, taxes on things sold on the reservation, like cigarettes, crafts, etc., are sales taxes.

***Income** tax is a tax on the personal income received by individuals living or working on the reservation.

***Estate** tax is a tax imposed upon

the right to transfer property at death and inheritance tax is a tax upon the right to receive such property.

***Real estate** transfer tax is a tax on the sale of real property, such as land or perhaps a house.

***Property** tax is a tax levied on the value of land owned by a taxpayer.

***Severance** tax is a tax levied on the mining or extraction of some natural resource, such as timber, oil, or coal.

Are tribal members exempt from paying the state of Oregon income tax?

Maybe. Tribal members are exempt from Oregon income taxes if three conditions are met: (1) the taxpayer must be an enrolled member of a federally recognized Indian tribe; (2) the taxpayer's income must come from sources within the boundaries of federally recognized Indian country (i.e. Siletz Tribal government); and (3) the taxpayer must reside in federally recognized Indian country (i.e. tribal housing). ORS 316.777.

Call 1-800-922-1399, ext. 212, or 541-444-8212, or e-mail dhenkels@ctsi.nsn.us or rgoulet@ctsi.nsn.us if you have any questions regarding the project. The project's last article will appear in the October 2001 issue of Siletz News.

Walt's Words of Wit and Wisdom

by Walk Klamath

Now Coyote had brought the fish up the mighty river. He decided to go south to see what was happening. After all, he is a curious creature. In his travels, he came upon a tribe of Indians that was having difficulty surviving. There was a big lake but no fish because of all the water. There were very few animals to eat.

Now Coyote began to think. He figured the solution would be to drain the lake and that would let the people raise food. Grass would grow, and the deer and elk would gather to feed. So Coyote thought for a spell about how to get the water from the lake.

There were mountains all around, forming a great basin. Then Coyote had a plan. He had the power to turn himself into anything that he wished, so he turned himself into a gigantic Coyote.

He went to the mountains to the west and sized things up a little, not really thinking too hard about it. He started digging, and he dug and scratched at that mountain. The mountain was a little reluctant to let Coyote through, but Coyote won out. He dug a trench through the mountain and the water from the lake rushed through.

The valley drained and became a very fertile valley. The deer, antelope, and elk did come; the people raised food and all was well.

That lake is Fort Rock. The trench that Coyote dug is Horse Canyon, between Millican and Bend. If you stop and look at the walls of that canyon, you will see the scratch marks where Coyote was digging. You will see where at times it was easy digging and other places where it was hard and you can picture Coyote working the area.

Incidentally, if you are in the area and are interested in writings, on the wall are many pictures drawn by someone long ago. These writings have not yet been deciphered, as far as I know. I have not seen anything about them for many years, so maybe by now someone has figured it out.

Last time that I was there, considerable damage had been done to the writings. I don't think that the new road maps even indicate the areas of the writings on the wall. But just as you leave Millican and enter Horse Canyon, you will have to walk a short ways and then you will see them on the left.

