

Tribally-owned casinos do pay Taxes---lots of taxes

You would think that the Nevada congressional delegates would have enough to worry about with a prospective federal gaming commission ready to give a close examination to the casino industry. Certainly, they must be shoring up their defenses (i.e., circling their wagons) against what is envisioned as a hostile effort to impose federal regulations and the new federal taxes on casinos. But from their bunkers, the delegates seem to have sufficient capacity of armaments to launch new and renewed attacks on tribal gaming. Ironically, the weapons of choice are federal regulation and federal taxation.

American Indians should not be defensive. Tribes should not have to circle their wagons against attacks from the commercial casino industry on this point. In this article, there is one very simple point: Tribally-owned casinos pay taxes---lots of taxes.

state and local governments as if it was a non-tribal business.

Tribal casinos also transfer large sums of monies to surrounding state and local governments in accordance with special provisions of gaming compacts. Most compacts require payment of fees to states to cover all regulatory costs incurred by the states. Additionally, in several states (Michigan, Louisiana, and Connecticut for example) tribes have agreed to let the outside governments have funds in lieu of taxes as privilege fees for doing business. In Connecticut, 25% of tribal slot revenues goes to the state. In Michigan, 8% of the slot revenues goes to the state and 2% to local governments, while up to 6% of casino revenues go to the state in Louisiana. In other places, tribes give funds to cover many governmental activities such as extra police and fire protection.

"If casino employees are off reservation residents they pay all state and local taxes..."

LOTS AND LOTS OF TAXES

Taxes can be complicated, and there are some disputes about taxes on tribal lands. But certain things are known for sure. First, American Indians who are on or off the reservation pay federal personal income taxes. They and their employers, (including tribal casinos) pay Social Security taxes and workers and employment insurance taxes. If casino employees are off reservation residents, they pay all state and local taxes---state incomes taxes, property tax, and sales tax. All federal excise taxes (gas taxes, cigarette taxes, luxury taxes) are paid for sales of goods on reservations. State sales taxes may also be paid by tribal businesses when products are sold to non-members (this varies from state to state). On-reservation liquor sales are subject to all federal, state and local taxes. State gas taxes may be paid by tribal retailers as the taxes are levied at distribution points which are most often off the reservations. Any tribal business that is off reservation lands pays full taxes to

TRIBES PAY 100% TAXES

But here's another point that I don't hear being made: American Indian-owned casinos pay the highest casino taxes in the world. Casinos in Nevada pay a gross gaming tax of 6.25%. In Illinois, Indiana, and Iowa, taxes equal 20% of the gross win. England is up to a 35% tax, Spain is over 50%, and Germany is up to 80%. In all these places, the casinos are left with after-tax profits. This is not so in Indian Country. Tribal casinos pay taxes that are equal to 100% of the net revenues. Tribal casinos pay taxes to tribal governments the same way that other local, state and federal tax dollars are used for governmental services. As a result, there are no after-tax profits like there are in almost every other jurisdiction in the world. Of course, there are exemptions from some state and federal gaming and income taxes. But are there really? Federal and state income taxes are applied to net profits and there are no net profits after the local tribal government has imposed its 100% tax.

Reprinted from Indian Gaming, June 1996. By Bill Thompson, Ph.D.

Adam Henny: Public Relations Specialist

Tribal member Adam Henny has been working in the Marketing Department of Spirit Mountain Casino for a year, and recently became the liaison between the tribal members and the Casino.

In this new job, Adam will be in a unique position to address any questions tribal employees, tribal members or members of Tribal Council have about the Casino.

Adam has been working closely with *Smoke Signals* to ensure Casino news and happenings are publicized, and that tribal members are aware of all current activities.

A graduate of Oregon State University, Adam had several goals after college.

"I wanted to become closer to the Tribe and increase my job experience after I got out of school," he said. "The Casino has helped me fulfill both these goals."

Because communication is a priority to the Casino staff as well as the employees of the Tribe itself, Adam's job was established to cultivate the working relationship with tribal and Casino staff as well as enhance the Casino's image. If tribal members have concerns about the Casino's policies and procedures, they should contact Adam. Part



of his job is to help resolve issues and make sure members have a clear understanding of the internal workings of the Casino. This goes hand-in-hand with keeping members up to date on promotional events, concerts, and special activities.

The Public Relations and Marketing departments are committed to working with tribal members in every regard, and Adam is looking forward to meeting fellow tribal members and assisting them with whatever they need to know.

Questions and Answers

We want to know what you want to know!

A new column has been established in *Smoke Signals* to specifically address your questions about Spirit Mountain Casino. The most commonly-asked questions will be featured in this column, as well as a detailed response. Although we cannot answer each question personally, we hope this new column will help explain some of the main concerns tribal members have. Please send your questions in, and we'll try to respond in an upcoming issue.

Are you concerned about:

- Gaming license procedures
- Hiring policies
- Taxes
- Employee benefits

Whatever is on your mind, let us know.

Send your questions to:

Smoke Signals

9615 Grand Ronde Road

Grand Ronde, Oregon 97347