

Cheering for tribal tax exemption

The results are in. Residents living in communities within 35 miles of a tribally-owned casino are bigger winners than those who live near commercial casinos. Why? Because tribal tax exemptions benefit local communities.

Tribally-operated casinos pay the highest taxes of any casino operation in the country. They pay 100 percent on their net operational profits to the tribal government as mandated by the Indian Gaming Regulatory Act (IGRA).

So how does this help the local communities? It is just this simple: money that is not taken away from the local area remains in the local area.

For example, Wisconsin's 17 tribes reported \$796 million in revenue (approximately \$665 million came from gaming and non-gaming spending at the casinos, while \$313 million came from tourist spending

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outside the casinos). One analysis showed, after considering that most of the revenue was introduced by casino guests travelling from outside the local area and also taking into consideration that the dollars recycled once they enter the economy, the casinos produced a net positive economic impact of \$404 million on the local 17 areas. In addition, the tribal governments benefitted with tax revenues of \$257 million, much of which was ultimately spent on the local off-reservation economy.

What would have happened if the casinos incurred state and federal taxes? It is not a happy story. A study of commercially-owned casinos in Illinois shows the nega-

tive impact of state and federal taxation. In Illinois there is a fifteen percent state gambling tax, a five percent state corporate income tax, and a thirty-four percent federal corporate tax on net profits. Assuming pre-tax profits of thirty percent, the federal tax represents about ten percent of gaming revenues. The remaining twenty percent is absorbed by commercial casino owners, most probably living in another state. When you add it up, at the moment one dollar is wagered and lost at the casinos, nearly fifty cents exits the local economy. Granted, the ten riverboats operating in Illinois generate \$1.1 million in gambling wins and almost \$200 million in

other spending for the local area. However, in Illinois, as in other riverboat jurisdictions, most casinos are specifically placed in urban areas where sixty-two percent of the people who

gamble live in the local area. When comparing the positive economic benefit of tribal casinos in Wisconsin that do not incur local, state, and federal taxes versus those Illinois casinos that do, the result is the following: for every dollar that comes into a tribal casino in Wisconsin, the local area realizes a \$1.51 positive economic benefit (a \$0.51 gain); and for every dollar that is spent at a riverboat in Illinois, \$1.18 leaves the economy (a \$0.18 loss).

So now, should local business owners moan over "Indians who don't pay taxes?" Or should they be rejoicing?

Reprinted from Indian Gaming magazine. Story by Bill Thompson, Ph.D.

Tribal Council Minutes

Wednesday, October 9, 1996

Tracy Biery, the receptionist for the Dental Clinic, requested a Pendleton Blanket donation that HHS can raffle off to earn money for the Elder's Christmas food baskets this year. Council agreed unanimously to donate the blanket.

It was confirmed that Leon "Chip" Tom, Margaret Provost, and Kathryn Harrison will attend the National Congress of American Indians in Phoenix.

Pam Warren, Chair of the Kwelth Tahlkie Cultural Heritage Society, informed Council that there is a vacant position on the Board. All members of the Board must be appointed by Council. Council agreed to advertise the position and ask for applications from the membership.

Darlene Aaron, Chair of the Education Committee, made a recommendation to Council that Shelley Hanson be appointed to fill a vacancy on that committee. Council approval was unanimous.

Members of Tribal Council will attend a joint meeting with the Siletz Tribal Council to be held in Lincoln City on October 18. Ed Larsen, Ed Pearsall, Kathryn Harrison, and Reyn Leno will attend.

Also, it was agreed by Council that the Annual Tribal Christmas Party and Restoration Celebration will be on December 14 at the Grand Ronde Elementary School. It will begin at 12 noon, and last through the afternoon. The celebration will include a meal and various raffles.

Council approves insurance carrier

On October 9, Tribal Council approved the insurance carrier selected by the Risk Management Department to administer the Tribal Member Health Plan. This insurance carrier (ODS) will provide major medical insurance to tribal members no matter where they live and is essentially identical to what is now offered to tribal employees. To be eligible for this insurance you must be an enrolled tribal member, 64 years old or younger.

A unique feature of this plan is that every enrolled tribal member will have his or her own plan. This means a separate policy will be written for each person, even dependent children. If you are a parent or guardian of an enrolled tribal child and desire health care coverage for this child, you will be asked to complete a separate application for each individual you want enrolled on the plan.

During the last two weeks of October, tribal members 64 years and under will receive information about this health plan and an enrollment application form. The enrollment period for this plan will be from November 1 through December 20, 1996 for a plan start date of January 1, 1997. Enrollments will be conducted through area meetings or by mail, and you will be notified of the meetings near you. If you do not receive an application form by October 15, and want to enroll in this health plan, please contact Val Sheker or Marsha Jonson at 879-2221 or 1-800-422-0232.

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