



February 6, 2020

Dear Member of Congress:

I write to urge support for legislation that would end double taxation on job creators operating in Indian reservations.

Indian reservations are lands managed by a federally recognized Native American tribe. Tribes are governments with the power to tax, but because tribal land is held in trust with the U.S. Bureau of Indian Affairs, tribes cannot impose property taxes.

In *Cotton Petroleum Corp. v. New Mexico*, the Supreme Court held that states can impose taxes on non-Indians engaging in activity on the reservation, even if the state provides no benefit or incentive for the commercial activity to occur.

This uncertainty is suppressing economic growth and activity on Indian reservations, which are some of the most poverty-stricken areas of the U.S. — in New Mexico, for example, the average unemployment rate on reservations is 56 percent. Non-Indians are taxed twice as much as tribal members, a fact that creates a huge disincentive for outside investment and job creation.

This has been an issue for decades. In 1983, President Ronald Reagan predicted that double taxation would destroy tribal economies, and his 1984 Presidential Commission on Reservation Economies called on Congress to find a legislative solution. Unfortunately, Congress has never acted.

Eliminating double taxation on Indian reservations would produce tens of billions of dollars in economic stimulus without costing federal taxpayers a single penny. Fixing this issue would result in economic growth in every state that has an Indian reservation.

Ending double taxation on Indian reservations has broad support in Indian Country. The National Congress of American Indians, the Native American Finance Officers Association, the United South and Eastern Tribes, the Affiliated Tribes of Northwest Indians, the Coalition of Large Tribes, and the All Indian Pueblo Council have all passed resolutions or taken positions in support of legislative action on this front.

ATR has a long history of supporting ending double taxation on Americans, and President Trump's tax and regulatory agenda have brought jobs and investment back to America's heartland. Congress should finish the job President Reagan started by passing legislation that ends double taxation on Indian reservations. Doing so will quickly unleash an avalanche of economic activity that will empower impoverished citizens and put even more points on the board for President Trump's winning economic agenda.

Onward,

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