Proposals to tax Indian Tribes violate tribal sovereignty and hold tribes to an unfair standard not applied to states

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For Immediate Release: June 9, 1997
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I join Interior Secretary Bruce Babbitt and Attorney General Janet Reno in strongly opposing proposals by some members of Congress to levy taxes on tribal government revenues from gaming and other economic activities. As they noted in a joint letter to U.S. House of Representatives Ways and Means Committee Chairman Bill Archer, H.R. 325 and H.R. 1554 are contrary to the United States' longstanding protection of tribal self-government and the Federal trust responsibility. Moreover, taxation of tribal gaming revenues contradicts Congress' own intent when it enacted the Indian Gaming Regulatory Act of 1988, which explicitly states that the purpose of revenue derived from Indian gaming is to "promote tribal economic development, self-sufficiency, and strong tribal governments."

Tribal enterprises produce revenues that are invested in tribal development and the delivery of tribal government services. Unlike private-sector businesses, profits from tribal enterprises accrue to the benefit of entire communities just as profits from state-owned enterprises flow back into state treasuries. Indian nations, like state governments, are an integral part of our nation's Constitutional structure. Tribes are governmental entities with the same authorities and responsibilities of any government. Lawmakers have a responsibility to the citizens of this nation to understand these Constitutional principles and to act consistently with them. To do otherwise breaches the trust the American people have placed in their elected officials and, in this regard, the special trust between the Government of the United States and the Indian nations.

Until now, the rule has been that governments do not tax other governments just as the Federal government does not tax states. The rules should not change just because the government in question is a tribal government. Indian tribal governments struggling to overcome centuries of poverty should be supported by the United States and not unfairly singled out for punitive treatment.