Indian Affairs - Office of Public Affairs

Media Contact: Tozier - Int. 4306 | Information Service
For Immediate Release: July 13, 1956
Print PDF

Thousands of Indian landowners in many different parts of the country will be affected by a recent Internal Revenue Service ruling which exempts from Federal income taxes the direct income derived from Indian trust lands allotted under the General Allotment Act of 1887, Commissioner of Indian Affairs Glenn L. Emmons said today.

Altogether, Commissioner Emmons explained, there are more than 100,000 tracts Of individually owned Indian land totaling about 13,000,000 acres held in trust by the United States. Since the preponderant majority of these so-called “allotments'' were made under the 1887 statute, a large number of individual Indian landowners will be eligible for exemption. Mr. Emmons added, however, that each such land-owner would be well-advised to seek legal advice before claiming an exemption on income not clearly coming under the Internal Revenue Service ruling.

Types of income covered by the ruling include rentals (including crop rentals), Royalties, proceeds of sales of the natural resources of such land, and income from the sale of crops grown upon the land and from the use of the land for grazing purposes.

The Internal Revenue Service ruling was made following a conference between Commissioner Emmons and IRS officials in Washington, and is based upon the decision of the United States Supreme Court in the case of Squire vs. Horton Capoeman et ux. (351 U.S. 1, Ct. D. 1796, I.R.B. 1956-21, 15).