

Taxing Tribal Enterprises, Now Possible

Tribal casino enterprises are NOT TAX EXEMPT said the Federal District of Columbia Circuit Court of Appeals in case number 05-1392, decided February 9, 2007. This case involved Labor Law. The court ruled tribal casinos on and off reservations are merely casinos---a privately owned business and as such, subject to the applicable rules, regulations, and taxing measures of local, state and federal governments.

This case is worth reading because the court went to great lengths explaining why such a ruling is possible. Although this case involves labor law, unionization, and what is and is not a part of tribal governments, the guidance from the court is applicable to most any enterprise not restricted to tribal members.

For a good analysis of this case look up Professor I. Nelson Rose, one of the worlds leading authorities on gambling law and a Professor of Law, Whittier Law School, California, and read his article found at Poker Player online.

To spike your interest in this case here is a quote from the Rose article concerning this case. "At the maximum, this case could result in the virtual end of tribal sovereignty. Courts would never openly declare that tribes are not sovereign governments. Instead, using this decision, they could find that almost every federal and state statute and regulation applies to Indian casinos and to any other tribal business that is not limited to Members of that tribe."

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