

SUBSTANTIVE POLICY STATEMENT

This Substantive Policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedures Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties, you may petition the agency under Arizona Revised Statutes section 41-1033 for a review of the statement.

ARIZONA DEPARTMENT OF REVENUE TRIBAL GOVERNMENT POLICY

Level One: Arizona Department of Revenue
Originator: David Briant, Director
Contact for Christie Comanita, Tax Policy & Research Division
Information: (602) 716-6791
Date: December 16, 2015

PURPOSE

This policy establishes the basic principles governing the Arizona Department of Revenue's (ADOR) relations with Tribal Governments in the State of Arizona.

INTRODUCTION

ADOR is charged with the administration and collection of income tax, withholding tax, transaction privilege tax, use tax, luxury tax and various other excise taxes. ADOR is also responsible for valuing certain properties for property tax purposes, and exercises general supervision over county assessors in administering the property tax laws to ensure all property is uniformly valued for property tax purposes. Some of the subjects of taxation administered by ADOR may be located on Reservations though not owned by a Tribe, Tribal Enterprise or an enrolled member of the Tribe. Some Tribes may also have their own system of taxing persons or enterprises located on the Reservation.

Taxation issues may cross political boundaries, thus encouraging cooperation in tax administration. Coordination efforts on administration could provide a model and a practical basis for overall State-Tribal cooperation. It is primarily through specific, program-level interactions that mutual trust and understanding are developed. For example, ADOR currently has agreements with two Tribes to collect tribal excise taxes, to exchange tax information and to keep information confidential.

POLICY

ADOR recognizes the sovereignty of Tribal governments within Indian Country as those concepts are defined by federal law. (Indian Country includes all lands within Reservation boundaries. 18 U.S.C. § 1151.) ADOR will not assert authority over Tribes, Tribal Enterprises or enrolled members of the Tribe while in Indian Country.

ADOR supports the strengthening of Tribal capacity for self-government and determination. ADOR's support to Tribes will be provided in the interest of State and Tribal cooperation and will not be used as the basis for assertion of State authority within Indian Country.

ADOR is committed to continuing cooperative and respectful relationships with Tribes and maintaining mutual respect for the concerns of the State and the Tribes regarding taxation on persons, property and activities on the Reservation.

RESPONSIBILITY

Responsibility for the enforcement of this policy lies with the Assistant Directors, section managers, the Office of General Counsel, and the Office of the Director.

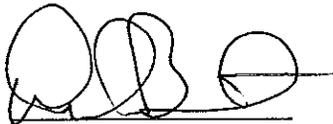
PROCEDURES

In light of the policy for cooperative relationships between the State and the Tribes, ADOR will take the following steps and seek reciprocity from the Tribes as to these steps.

1. If requested, and to the extent laws and resources allow, ADOR will assist Tribal Governments to develop taxation systems by providing technical assistance, sharing data, conducting joint Tribal-State projects, and cooperatively resolving taxation issues.
2. ADOR will enter into Intergovernmental Agreements (IGA) or Memoranda of Understanding (MOU) when considered mutually appropriate and beneficial by ADOR and an interested Tribal Government.
3. ADOR may conduct training, when appropriate and as resources allow, to encourage and to improve Departmental Tribal understanding and communication.
4. ADOR will make every effort to provide early notification to Tribes about changes in policy that may directly affect them.
5. ADOR will not attempt to impose state fees or taxes on Tribes, Tribal Entities or enrolled members of the Tribe that operate solely within Tribal Reservation boundaries or for activities conducted solely within Tribal Reservation boundaries.
6. ADOR will open its training programs to Tribal officials and Tribal staff whenever possible.

7. ADOR will share appropriate technical information and data with Tribes.
8. ADOR staff will relay Tribal issues, including requests from Tribes for technical assistance, to the appropriate Assistant Director(s) as quickly as possible.
9. ADOR staff will not make decisions affecting Tribes without obtaining approval from their Assistant Director.

APPROVED BY:
ARIZONA DEPARTMENT OF REVENUE

A handwritten signature in black ink, appearing to read 'David Briant', written over a horizontal line.

David Briant
Director

Issued: December 16, 2015