



The Navajo Nation Council — Office of the Speaker

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Navajo Nation Council discuss To'Nanees'Dizi Local Government Tax Code during work session

"We are setting precedence in doing this tax code and we are providing a path for other chapters to follow." – Bobby Robbins Sr., Council delegate for Coalmine Canyon/Toh Nanees Dizi

WINDOW ROCK, Ariz. — The 21st Navajo Nation Council convened for a work session to discuss Legislation No. 0740-08, the To'Nanees'Dizi Local Government Tax Code, today at the Navajo Nation Council chamber.

The legislation was tabled during the winter session of the Council by a vote of 42-32 and a work session was suggested to educate members of the Council and to also get additional input from the surrounding communities.

The work session began with an introduction by Max D. Goldtooth, president of the Council of Naa'taani from To'Nanees'Dizi Local Government, formerly known as Tuba City Chapter. Raymond Maxx and Bobby Robbins, sponsors of the legislation, explained its purpose to the Council. Priscilla Littlefoot, executive manager of To'Nanees'Dizi Local Government, followed up with a presentation explaining its impacts and the Council floor opened up for questions and answers.



Members of the To'Nanees'Dizi Local Government present their tax code to the 21st Navajo Nation Council during the 2009 winter session on Jan. 28, 2009. Pictured left to right: Priscilla Littlefoot, Max D. Goldtooth, Helen Herbert and Robert Yazzie. (Photo by Joshua Lavar Butler)

Some Council delegates expressed that more hearings should be held. Three additional public hearings were held in regards to the legislation, one at Coalmine Canyon and another at the Tuba City Chapter. The hearings were attended by several Council delegates, chapter officials and members from neighboring chapters. Presentations were also made to the Judiciary Committee and the Transportation and Community Development Committee.

The governance-certified chapter is proposing a 6 percent sales tax and an 8 percent hotel occupancy tax. Littlefoot made comparisons to neighboring taxes in border towns and said, "Flagstaff has an 8.326 percent sales tax and Gallup has a 7.9375 percent tax – far more than what we are proposing."

In the 6 percent tax code plan, allocations will be made accordingly: 1.5 percent for savings/investments; 1.5 percent for suspense fund; 1 percent for administration costs; 1 percent for To'Nanees'Dizi projects; 1.5 percent for waste management fund; 1.5 percent for Western Navajo Agency non-certified chapters; 1 percent for economic development and 1 percent for operational costs.

Littlefoot said, "Give us the opportunity on this proposed tax code, we have a growing community with growing needs."

A few Council members questioned if non-certified chapters will continue receiving tax dollars and there were concerns of double taxation.

Littlefoot explained non-certified chapters will continue receiving taxes. As taxes come in, the chapters will still get their portion. Non-Navajo businesses in Tuba City will pay three different types of taxes, but according to N.N.C. 24 §610, the businesses receive a credit and they don't have to pay all three taxes, this helps to offset their tax payments.

It was explained that the tax code allows a credit for businesses operating on the Navajo Nation. If a company comes onto the Navajo Nation in Arizona, a company can take a 6.2 percent sales tax credit, the tax amount in Arizona, and only pay the Navajo Nation taxes to avoid dual taxation.

Littlefoot said Tuba City's service area is enormous.

"We service the surrounding areas and we overlap in many areas, but we work together," Littlefoot explained. "Most of the businesses are in town and anyone who falls within the administrative area will be taxed. Our community has been 100 percent impacted by the Bennett Freeze – nine chapters total and we are recovering from that."

Littlefoot explained the tax will have a positive impact on neighboring chapters, because the sales tax will be 6 percent. Non-certified chapters are going to gain through the services that are provided.

"We are initiating this tax to further our people and to enhance our services for people that live in Tuba City and the surrounding chapters," Littlefoot added. "We want to get facilities up, like senior centers where elderly go to eat, to improve bus routes and to purchase a road grader. Without these taxes, it will not be possible."

Maxx explained, "Our community has initiated this tax code based on data; there are a lot of people within the Tuba City area that vote, our own district. The taxes are a lot, but it is not enough to take care of the basic needs of the people in our area."

Several members of the Council voiced their support for the tax code.

"We are setting precedence in doing this tax code and we are providing a path for other chapters to follow," Robbins said. "It is a positive legislation and if it passes, other chapters will go along with it. We already have a 4 percent Navajo Nation sales tax and we are only proposing to increase it by 2 percent for a total of 6 percent – border towns have higher tax rates and our community is supporting this."

Evelyn Acothley, a Council delegate for nearby chapter Bodaway, Cameron and Coppermine, supports the legislation and says it is a step in the right direction.

"This is the purpose of LGA control: to initiate their own governments to seek funding and to upgrade their community to help themselves," Acothley said. "What other funding source do we have? Even with the Navajo Nation, we don't have the revenue. There's too much demand and this tax code is an excellent way to do business to generate money for communities."

Jonathan Nez, Council delegate for neighboring Shonto Chapter, supports the legislation and believes the legislation is a step in the right direction as well.

"The Shonto Chapter is right in the middle of two tax-based communities, Kayenta to the east and Tuba City to the west. Many of our community members go to those to towns to shop," Nez said. "I think the ability to tax your own community is a step in the right direction for tribal communities throughout the U.S. That is what LGA was put in place for – community and economic empowerment."

The To'Nanees'Dizi Chapter thanked the Council for entertaining their legislation.

The tax is for the Tuba City area only and not the entire Navajo Nation. If implemented, the tax code will be effective beginning Jan. 1, 2010.