



23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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Navajo Nation Council approves Alcohol Tax

WINDOW ROCK – On Thursday, the Navajo Nation Council approved Legislation No. 0084-15, which seeks to amend Navajo Nation Code Title 24 by enacting the Alcohol Tax. If signed into law by President Russell Begaye, the tax would derive from gross receipts from all alcoholic beverages sold in Navajo gaming facilities and multiplying the gross receipts with the applicable proposed alcohol tax rate, set at 3.25%.

The tax revenue would be retained in a special fund entitled “The Division of Public Safety Alcohol Tax Fund” to be administered by the director of the Navajo Nation Division of Public Safety.

According to the legislation, the tax imposed is a legal direct tax on the retailers and distributors. However, alcoholic beverages sold would be individually taxed at the rate of 3.25%, so the responsibility of payment would be at the consumer level.

Legislation sponsor Council Delegate Edmund Yazzie (Churchrock, Iyanbito, Mariano Lake, Pinedale, Smith Lake, Thoreau) stressed to Council members that the Division of Public Safety is depending on the funding to combat drunk driving on Navajo land.

“These funds will be used for sobriety checkpoints in each police district on the Navajo Nation. It is going to send a message to individuals that are drinking and driving that our Navajo Police will be out on weekends and holidays to conduct sobriety checkpoints,” said Delegate Yazzie.

He added that the Alcohol Tax would not interfere with the recently enacted two-percent sales tax on unhealthy foods and beverages because it would only tax an individual who consumes alcohol within a casino.

In opposition of the legislation, Council Delegate Seth Damon (Bááháálí, Chichiltah, Manuelito, Tsé Lichíí, Rock Springs, Tsayatoh) raised concerns regarding the costs associated with collecting the tax and the potential strain it could impose on the Navajo Nation Tax Commission.

“The real root of the problem is the internal process. \$4 million was reverted last year, according to a memo from the [Navajo Nation Office of the Controller] in regards to the NNDPS. That’s something that the division director needs to look into. I mean, \$4 million is more than enough than \$73,000,” said Delegate Damon, referring to the annual tax revenue of \$73,000 that the Alcohol Tax is projected to create.

Delegate Damon added that if additional personnel would be hired, it could potentially exceed the \$73,000 and could total over \$80,000.

Council Delegate Otto Tso (Tó Nanees Dizi) said that voting against the legislation may illustrate that council members appear to be against law enforcement initiatives and urged his colleagues to vote in favor of the bill.

“\$73,000 might not sound like a lot to you, but it means a lot to the officers who want to put up their DUI checkpoints,” said Delegate Tso. “We need to get dollars to them so they can continue to save lives.”

Delegate Yazzie said that outside law enforcement entities operate DUI checkpoints with budgets less than \$45,000 and that the amount that the Navajo Nation Police Department would receive from the Alcohol Tax could be sufficient enough for their purposes.

The legislation directs the Division of Public Safety to develop a Fund Management Plan, and states that the tax would take effect no later than October 1, 2015.

Council members voted 10-9 to approve Legislation No. 0084-15. Once the resolution is sent to the Office of the President and Vice President, President Begaye will have 10 calendar days to consider the bill.

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