



## 23RD NAVAJO NATION COUNCIL OFFICE OF THE SPEAKER

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### **Budget and Finance Committee supports changes to the Arizona Transaction Privilege Tax law**

**WINDOW ROCK** – On Tuesday, the Budget and Finance Committee considered Legislation No. 0139-15, recommending changes to the Arizona Transaction Privilege Tax statute by adding a distribution formula for Arizona Indian tribes to return transaction privilege taxes collected on their lands to be utilized for infrastructure development, telecommunications, community development, and reservation roads.

The Arizona Transaction Privilege Tax is a tax on the privilege of doing business in Arizona, including Indian reservation areas. The taxes are collected and deposited into the state treasury, which is then distributed through an established formula to municipalities and counties throughout Arizona.

Legislation sponsor Council Delegate Jonathan Hale (Oak Springs, St. Michaels) said currently, the TPT's collected on Indian reservations generally do not go back to the tribe it is collected from, other than educational institutions such as Diné College and Navajo Technical University.

“The legislation endorses the concept of what was passed in the Arizona State House of Representatives. The concept is more or less giving an idea to the state regarding the TPT, which would add a distribution formula for capital improvement projects,” said Delegate Hale. “The bill would benefit all Arizona Indian tribes, not just the Navajo Nation.”

Delegate Hale said that Arizona Rep. Albert Hale (Dist. 7 – D) introduced House Bill 2156, which sought to create the distribution formula for a portion of the TPT to be utilized for capital improvement projects on Indian reservations. The bill passed in the House, however the bill was not considered by the Senate, prior to the end of the 52<sup>nd</sup> Arizona Legislature 1<sup>st</sup> Session.

Arizona Sen. Carlyle Begay introduced a similar bill, Senate Bill 1394, to the State Senate. However, it also was not considered.

Although both bills were not considered, Delegate Hale stressed to the committee that the Navajo Nation needs to support the amendment of the TPT statute to allow for funding of CIP plans to return back to Indian tribes.

“I think it’s important to support both Honorable Rep. Hale and Sen. Begay because taxes paid by tribal members in their respective reservation communities should have those monies returned to them,” said Delegate Hale, following the BFC meeting. “It is common knowledge that tribes are very much lacking in adequate roads and infrastructure, so we need to provide them this opportunity.”

Delegate Hale added that both state legislators would reintroduce the bills during the next state legislative session.

BFC members voted 2-0 to approve Legislation No. 0139-15.

On Thursday, the Naabik’iyátí’ Committee voted 12-0 to pass the legislation, and serves as the final authority on the bill.

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