

REN-19-035: Opposing State Taxation that Negatively Affects Tribal Government Gaming

Sponsor: Choctaw Nation of Oklahoma

Summary:

- Several states have created new tax policy that changes how gaming losses are treated for purposes of calculating gross income to determine state tax liability, which will negatively affect tribal government gaming operations.
- The resolution supports the continuation of the federal standard that calculates taxable income by deducting total gaming losses from total winnings and opposes state legislation that is inconsistent with this fair standard for taxation of customer winnings from gaming activity.

Issue:

The federal standard for determining taxable income from gaming activity is to deduct total losses from total winnings. Instead of using the federal standard, several states are considering or have enacted legislation (including Oklahoma) that would cap or limit itemized deductions from gaming winnings and eliminate the ability of individuals to deduct gaming losses from winnings to determine taxable income. These state bills would increase the tax liability of gaming patrons at tribal (and other) facilities, thereby potentially dissuading customers from visiting gaming facilities and thus, harming tribal government gaming revenues.

Action:

The resolution supports the federal standard for calculating taxable income related to gaming activity and opposes state tax legislation that would threaten the continued viability of gaming in Indian Country by adopting standards that are inconsistent with the federal standard.

For additional information, please contact Jacob Schellinger at jschellinger@ncai.org.

Resolution Action Plan: REN-19-035

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Action Plan:

- 30 Days:
 - Contact the sponsor to discuss preferred action.
 - Contact the National Indian Gaming Association and other partners to see if they are pursuing any action on this issue.
- 60 Days:
 - Summarize action ideas and determine the “ask” for this issue (*i.e.*, prepare one-pagers or other materials to educate state officials or the general public on the issue).
 - Submit resolution for consideration by the Tribal Tax and Finance Task Force.
- 90 Days:
 - Work with partners and continue implementation of plan.
- 120 Days:
 - Work with partners and continue implementation of plan.