

# TRIBAL ECONOMIC DEVELOPMENT: INDIAN COUNTRY'S POLICY PRIORITIES FOR THE FEDERAL GOVERNMENT



Across Indian Country, Tribal Nations are forging impressive records of economic progress. From operating nation-owned enterprises to cultivating tribal citizen-owned businesses to preparing their people to access new job opportunities through workforce education and training, Tribal Nations are methodically building sustainable economies to support thriving Native communities. Driving this remarkable yet uneven renaissance is tribal self-determination, specifically the responsibility each Tribal Nation exercises to create a robust economy based on its cultural values, particular circumstances, and long-range priorities. To support Tribal Nations, the federal government must fulfill its binding trust and treaty obligations to take key actions to foster – and remove the barriers impeding – their economy-building efforts.



## POLICY PRIORITIES – CONGRESS

Below are top-line policy steps Congress should take to enhance Tribal Nations' ability to grow vibrant economies based on their distinct challenges, needs, and goals. These consensus priorities are endorsed by the 12 contributing Native organizations below. For more, please visit: <https://www.ncaied.org/indian-country-policy-priorities/>.

### ACCESS TO CAPITAL AND CREDIT

- ❖ Increase Annual [Native American CDFI Assistance \(NACA\) Program Funding to \\$50 million](#): to address the capital needs of Native community development financial institutions (CDFIs) and the eight-fold return on investment they produce in economic benefits.
- ❖ Increase Department of Interior (DOI) [Indian Loan Guarantee and Insurance Program Annual Funding to at Least \\$25 Million](#): to expand flexible private financing of tribally and Native-owned businesses, increase the allocation for administrative expenses so DOI can hire more staff with banking experience, and double the aggregate value of loans subject to this unique federal guarantee.
- ❖ Pass the [Native American Direct Loan \(NADL\) Improvement Act of 2023](#): to create a \$5 million relending program enabling Native CDFIs to obtain an NADL loan at 1% interest and relend the funds to qualified Native veterans, and allow them to use NADL to refinance non-VA mortgages so they have the same ability as non-Natives to use their VA loan benefit to refinance mortgage loans.
- ❖ Support the [Small Business Administration \(SBA\) proposal for licensing new Small Business Lending Companies \(SBLCs\)](#): to include at least one new license for a Mission-Based SBLC for Indian Country with eligible applicants to include Native CDFIs.
- ❖ Pass the [Rural Housing Service Reform Act of 2023 \(S. 1389\)](#): Title III of S. 1389 makes the successful USDA Section 502 relending demonstration program permanent, extends it across Indian Country, and authorizes \$50 million to finance Native homeowners.
- ❖ Increase Annual [HUD Section 4 Program Funding to \\$50 Million](#): and create a 10% set-aside for Native communities to ensure the program [equitably serves](#) low-income communities across the U.S. based on their affordable housing needs.
- ❖ Reclassify [Contract Support Costs and Indian Self-Determination and Education Assistance Act of 1975 Section 105\(I\) Leases as Mandatory Spending](#): Mandatory, not discretionary, spending will [provide greater funding resource certainty](#) for Tribal Nations.

### ENHANCING MARKETPLACE COMPETITIVENESS

- ❖ Extend the [Buy Indian Act Across All Federal Agencies](#): Expand the [Indian Community Economic Enhancement Act](#) to extend its Buy Indian Act provisions to all federal agencies, which will equitably increase tribal/Native businesses' share of government contracts.
- ❖ Expand [Section 823 of the 2020 National Defense Authorization Act \(NDAA\) Across All Federal Agencies](#): to [raise](#) the justification and approval threshold for sole-source federal contracts to Native entity-owned [SBA 8\(a\)](#) contractors from \$25 million to \$100 million for agencies other than the Department of Defense (DOD) based on the proven positive benefits for contractors *and* DOD customers.
- ❖ Increase Annual Funding for the [DOD Indian Incentive Program to \\$35 Million](#): to fund DOD-approved applications for 5% incentive payments earned by DOD prime contractors that subcontracted DOD work performed by eligible Native businesses.
- ❖ Amend the [2017 Tax Cuts and Jobs Act to Expand the Number of Indian Country Opportunity Zones](#): by removing the statutory limit on how many eligible areas can be designated, which will [foster](#) economic and job growth in low-income tribal communities.
- ❖ Permanently [Rescind SBA's "Bona Fide Place of Business" Requirement](#): that renders 8(a) contractors ineligible for certain government construction contracts if they do not have a physical office headquarters in the state where the work is to take place, which unfairly harms emerging Native 8(a) contractors.
- ❖ Include [Tax Immunity for Native Artists in the ARTIST Act of 2023](#): Strictly interpret the Constitution, which recognizes the status of "Indians not taxed," to [immunize Native artists](#) who produce arts and crafts on tribal lands from income taxes; ensure [Indian Arts and Crafts Act](#) beneficiaries are enrolled tribal citizens.

### ENDORSING NATIVE ORGANIZATIONS



## TAX FAIRNESS FOR TRIBAL ECONOMIC DEVELOPMENT AND GROWTH

- ❖ **Reintroduce and Pass the [Native American Tax Parity and Relief Act](#):** to make comprehensive and long-overdue changes to the Internal Revenue Code (IRC) to equitably treat tribal governments in the same manner as other governments for tax purposes.
- ❖ **Make Indian Country-based Tax Credits Permanent:** notably the Accelerated Depreciation Incentive, Indian Employment Credit, and other Indian Country-related credits; also provide Tribal Nations access to [Low Income Housing Tax Credits](#) and establish other tax incentives to create certainty for tribal and Native-owned businesses and attract investment in Indian Country.
- ❖ **Enable Tribal Nations to Establish Subchapter S Corporations:** by [amending](#) IRC Section 1361 so that Tribal Nations can establish such corporate entities to create jobs and bring much-needed income to their communities.
- ❖ **Repeal the Wagering Excise Tax:** to eliminate the unfair increased operational cost burdens of the wagering excise tax on tribal gaming operations that now feature sports betting.
- ❖ **Enable Tribal Governments to Issue Tax-Exempt Bonds:** [Eliminate the “essential government function” test for tribal government tax-exempt bonds](#) to provide Tribal Nations parity with states in accessing tax-exempt bond markets to enhance job creation and stimulate infrastructure and business development on tribal lands.
- ❖ **Eliminate Unfair Double Taxation of Commerce and Energy Development on Tribal Lands:** by passing legislation [affirming the exclusive authority of tribal governments to tax such activity](#) (and explicitly prohibiting state governments from doing the same), which will enhance Tribal Nations’ ability to fund social services and cultivate tribal commerce, development projects, and jobs.
- ❖ **Ensure Equitable Tribal Access to New Markets Tax Credits:** Permanently and amply fund the [CDFI Fund’s New Markets Tax Credits \(NMTC\) Program](#) and establish a 10% set-aside for tribal governments and Native financing entities to enhance their ability to attract much-needed private investment in economic development projects on tribal lands.

## LAND AND ENERGY DEVELOPMENT

- ❖ **Pass the [UNLOCKED Act \(S. 1322\)](#):** to authorize federally recognized Tribal Nations to [issue leases of up to 99 years and affirm tribal authority to issue rights-of-way](#) to eliminate barriers to tribal infrastructure and economic development projects.
- ❖ **Pass a Clean [Carcieri](#) Fix to Enable All Federally Recognized Tribal Nations to Take Newly Acquired Land Into Trust:** This [long-overdue legislation has earned](#) broad bipartisan support; it would enable Tribal Nations recognized after 1934 to take land into trust for economic development and other purposes.
- ❖ **Make Tribal Trust Land Acquisitions Eligible for Payments in Lieu of Taxes to Local Governments:** to [facilitate the expeditious and continued restoration of tribal homelands](#) by easing local governments’ perceived burdens due to lost tax revenue.
- ❖ **Reintroduce and Pass the [Tribal Energy Investment Act](#):** to authorize the Department of Energy to provide direct loans through the Federal Financing Bank to Tribal Nations and tribal energy development organizations for energy development.
- ❖ **Pass Legislation Requiring the Department of Energy to Facilitate Funding of Tribal Energy Projects:** which should deploy [long-unused Tribal Energy Loan Guarantee Program \(TELGP\) funding](#) and clarify that using TELGP funding does *not* constitute illegal federal “double dipping” based on recent budget reconciliation laws.
- ❖ **Mandate the Internal Revenue Service Provide Comprehensive Guidance and Support to Tribal Nations to Use Tribal Energy Development Tax Credits:** such as those now available through the [Elective/Direct Pay provisions](#) through the Inflation Reduction Act.

## INFRASTRUCTURE AND WORKFORCE DEVELOPMENT

- ❖ **Reintroduce and Pass the [DIGITAL Reservations Act](#):** to preserve Tribal Nations’ and Native Hawaiian organizations’ autonomy of access to spectrum over their lands and expedite deployment of telecommunications services for economic and other purposes.
- ❖ **Integrate [Indian Country’s Policy Priorities](#) in the Reauthorization of the [Workforce Innovation and Opportunity Act](#):** including protecting [Section 166](#) of the existing act, streamlining reporting by Section 166 grantees, and recognizing the data they generate.

## GROWING NATIVE FOOD ECONOMIES

- ❖ **Extend the [Buy Indian Act](#) and [Indian Employment Preference Hiring Provisions](#) to all USDA Programs in the Farm Bill:** which will [dramatically expand](#) USDA’s issuance of contracts to tribally and Native-owned businesses and its hiring of Native workers, fulfilling federal “promise to purchase” provisions found in tribal treaties.
- ❖ **Include Other [Indian Country Economic Priorities in the Farm Bill](#) to Grow the Number and Scale of Tribal and Native Food Producers:** such as enhancing the competitiveness of [Tribal Promise Zones](#), expanding the [Market Access Program](#), and creating a tribal-set aside for USDA-Rural Development funding.

## SMALL BUSINESS DEVELOPMENT

- ❖ **Protect the [SBA 8\(a\) Business Development Program](#):** so all qualified socially and economically disadvantaged businesses owned by Tribal Nations, Alaska Native Corporations, Native Hawaiian organizations, and individual Native people can maintain equitable access to the government contracting marketplace and continue to generate economic benefits for Native communities.
- ❖ **Pass the [Native American Entrepreneurial Opportunity Act \(S. 1156\)](#):** to authorize ample, stable funding for SBA’s Office of Native American Affairs (ONAA) and [create a permanent ONAA Associate Administrator](#), reporting directly to the SBA Administrator, and empowered to advocate for Indian Country’s small business development priorities.

## FOSTERING INTERNATIONAL NATIVE COMMERCE

- ❖ **Immunize Tribal Nation-to-Nation Commerce and Investment from Taxation:** by [prohibiting state taxation and regulation of Tribal Nation-to-Tribal Nation commerce and investment](#) where the economic activity takes place on tribal lands.
- ❖ **Pass Legislative Enhancements to the 2016 [Native American Tourism and Improving Visitor Experience Act \(NATIVE\) Act](#):** to strengthen and expand the Act based on the consensus priorities of leading national Native organizations.