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Via Email

To: [tribal.consult@treasury.gov](mailto:tribal.consult@treasury.gov)

Subject: **Support for Proposed Rulemaking on Entities Wholly Owned by Indian Tribal Governments (REG-113628-21)**

To whom it may concern:

On behalf of the Native CDFI Network (NCN), the only national organization representing and serving the interests of the nearly 100 Treasury-certified and emerging Native community development financial institutions who support the capital access, small business development, and homeownership needs of tribal communities across the country, I am writing to unequivocally support the Treasury Department's proposed rule regarding the tax status of wholly owned Tribal entities. For decades, Tribal Nations have sought clarity on this critical issue that directly impacts their ability to generate governmental revenue and exercise their inherent sovereign authority to meet the needs of their citizens. Finalizing and implementing this rule will bring certainty to and strengthen the economic environments of tribal communities and, in turn, enhance the impact that Native CDFIs make in service to those communities.

The proposed rule appropriately recognizes and advances several key principles that are fundamental to Tribal sovereignty and economic development:

First, the rule acknowledges that Tribal Nations largely lack traditional tax bases and must rely on commercial entities to generate essential governmental revenue. This recognition reflects the unique position of Tribal Nation governments and their need for diverse revenue streams to provide services to their citizens.

Second, by confirming that Tribally chartered entities share the tax status of tribal governments, the rule supports Tribal Nations' sovereign right to determine how best to structure economic enterprises under their own laws. This represents a significant improvement over the lengthy federal incorporation process required for Section 17 corporations.

Third, the rule's provisions for multi-Tribal entities demonstrate respect for Tribal sovereignty while facilitating beneficial economic partnerships between Tribal Nations. This flexibility is crucial as Tribal Nations work together to build economies of scale.

We particularly appreciate that the proposed rule does not impose an "integral part" test or other multi-factor control requirements that could restrict Tribal flexibility. The rule's focus on Tribal ownership and incorporation under Tribal law appropriately centers Tribal sovereignty.

We strongly encourage Treasury to engage in ongoing consultation with Tribal Nations on this matter, and (1) uphold that this tax treatment extends to *all* subsidiary entities wholly owned through Tribal parent entities, as this corporate

structure is common in Tribal economic development, and (2) provide explicit confirmation that Tribally chartered entities can assert the same excise tax benefits as their owning Tribal Nations (as this remains an area of uncertainty). Also, we encourage Treasury to provide guidance on Tribally chartered corporations that are owned in part by persons other than Tribal Nations, as outlined in the October 7th Dear Tribal Leader letter.

We also encourage Treasury to remain engaged with the Treasury Tribal Advisory Committee and tribal leaders on these issues rather than viewing the regulations as a final resolution. Ongoing dialogue will be essential to successful implementation.

The proposed regulations are a significant achievement, but continued work is needed to fully realize the opportunities for Tribally Chartered Corporations to contribute meaningfully to growing Tribal economies. NCN looks forward to participating in and supporting Treasury's continued consultation with Indian Country to address these remaining challenges.

Thank you for including these comments as part of the permanent record on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Upton", written in a cursive style.

Pete Upton  
CEO and Board Chair  
Native CDFI Network