



## STATE BOARD OF EQUALIZATION

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July 6, 2012

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Dear Tribal Leaders and Interested Parties:

Thank you for your participation in making changes to Regulation 1616, *Federal Areas*. Ongoing dialogue with tribal leaders resulted in the addition of subdivision (d)(4)(G) to this regulation, which now enables tribes who do not have a reservation or who conduct tribal business off the reservation because of a lack of facilities or essential services on the reservation, to claim an exemption from sales or use tax. To assist with this, we are providing a list of the qualifying tribes and their locations on our website. The list will allow vendors to easily verify the locations that will qualify for the exemption.

If your tribe meets the qualifications described below, please provide the following information to Ms. Judi Pierce at the address above, or send an email to [jpierce@boe.ca.gov](mailto:jpierce@boe.ca.gov):

- The name of the tribe
- The name, address, and telephone number of the contact person, and
- The address of the qualifying location.

### Qualifications

To qualify for the exemption, subdivision (d)(4)(G) provides that sales and use tax does not apply to sales of tangible personal property to and the storage, use, or other consumption of tangible personal property by the tribal government of an Indian tribe that is officially recognized by the United States if:

1. The tribal government's Indian tribe does not have a reservation or the principal place where the tribal government meets to conduct tribal business cannot be its Indian tribe's reservation because the reservation does not have a building in which the tribal government can meet or the reservation lacks one or more essential utility services, such as water, electricity, gas, sewage, or telephone, or mail service from the United States Postal Service;
2. The property is purchased by the tribal government for use in tribal self-governance, including the governance of tribal members, the conduct of inter-governmental relationships, and the acquisition of trust land; and
3. The property is delivered to the tribal government and ownership of the property transfers to the tribal government at the principal place where the tribal government meets to conduct tribal business.

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The purchase of tangible personal property is not exempt from use tax under this paragraph if the property is used for purposes other than tribal self-governance more than it is used for tribal self-governance within the first 12 months following delivery.

Because many interested parties, including off-reservation retailers, may not be aware of which tribes and locations qualify for the exemption, we recently updated our webpage dedicated to American Indian Tribal issues at <http://www.boe.ca.gov/sutax/indianLandSales.htm> to inform tribal leaders and interested parties of the regulatory change and provide a list of tribes and their addresses that qualify for the limited exemption. We will also issue a Special Notice and revise [Publication 146](#), *Sales to American Indians and Sales in Indian Country* to address this change.

Please feel free to contact Ms. Pierce at (916) 327-2045, should you have any questions.

Sincerely,



Susanne Buehler, Chief  
Tax Policy Division

SB: jmp

cc: Honorable Jerome E. Horton, Chairman, Fourth District  
Honorable Michelle Steel, Vice Chair, Third District  
Honorable Betty T. Yee, Member, First District (MIC 71)  
Senator George Runner (Ret.), Member, Second District (MIC 78)  
Honorable John Chiang, State Controller, c/o Ms. Marcy Jo Mandel

(Via E-mail)

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