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BAUCUS SAYS TAX REFORM SHOULD SIMPLIFY TAX RULES, SPUR GROWTH IN INDIAN COUNTRY

Baucus: "Uncertainty in our Tax Code Is Tough on Tribal Governments and Families"

Washington, DC – At a Senate Finance Committee hearing held today, Chairman Max Baucus (D-Mont.) said tax reform should simplify the code and help improve the economic outlook of Indian tribes, many of which have extreme unemployment rates and financial problems. Baucus also addressed the uncertainty caused by provisions in the tax code that expire frequently or are unclear, making it difficult for families to plan their finances or tribal governments to attract businesses.

"U.S. law is a patchwork of complicated rules for each territory, and for tribal governments, U.S. policies are inconsistent," Baucus said. **"The uncertainty in our tax code is tough on tribal governments and families, and it's something we should fix. Tax reform needs to simplify the code in a way that creates jobs and encourages growth in Indian Country."**

The unemployment rate on some reservations, such as the Northern Cheyenne reservation in Montana and the Pine Ridge reservation in South Dakota, is 80 percent. One in four Indians lives below the poverty line, and American Indians' median income is 31 percent less than all other Americans. U.S. territories and commonwealths also suffer from high unemployment.

Baucus said Congress should use tax reform to help address these issues. He pushed for Congress to allow Indian governments to use tax-exempt bonds to finance a broader range of economic development projects, and he said Congress should fix the uncertainty surrounding what tribal benefits are considered taxable income under the tax code. Baucus also said Congress needs to address the expiring or recently-expired tax provisions that affect tribal and territory governments.

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