



GROWING TRIBAL ECONOMIES. STRENGTHENING TRIBAL FINANCE.
1101 30TH STREET, NW, SUITE 500 • WASHINGTON, DC

July 11, 2025

Honorable Members
United States Congress
Washington, DC 20004

RE: Support for S. 2022 - The Tribal Tax and Investment Reform Act

Dear Congressional Leaders, Supporters, and Allies;

On behalf of NAFOA and the undersigned Tribal Organizations, we strongly support S. 2022, the Tribal Tax and Investment Reform Act. Tribal Nations govern over 56 million acres and serve as cornerstone economic engines driving prosperity across rural America. Tribal governments often function as the largest employers and primary economic drivers in regions where market forces alone cannot sustain robust economic activity.

Tribal Nations as Economic Powerhouses

Tribal economies contribute substantially to the national economic landscape, generating billions in economic activity far beyond reservation boundaries. From comprehensive healthcare systems serving Native and non-Native populations to educational institutions, energy development projects, and tourism enterprises, Tribal Nations anchor entire rural regions through employment, infrastructure development, and supply chain partnerships. When Tribal economies thrive, entire rural regions benefit through increased employment, enhanced infrastructure, expanded services, and strengthened local businesses, creating multiplier effects throughout surrounding communities.

The Critical Need for Tax Parity

Despite their significant economic contributions, Tribal governments have faced decades of systemic disadvantages in the federal tax code that limit our ability to finance essential infrastructure, provide governmental services, and foster economic development. The current "essential governmental function" requirement restricts Tribal bond issuance in ways that state and local governments simply do not face, undermining the government-to-government relationship and contradicting federal treaties recognizing Tribal sovereignty.

Transformative Economic Benefits

The Tribal Tax and Investment Reform Act will unlock unprecedented economic development opportunities by eliminating the "essential governmental function" test, placing Tribal governments on equal footing with state and local governments for bond issuance. This change will enable comprehensive infrastructure development, including modern healthcare facilities, educational institutions, government buildings, and community centers, while providing access

to a national \$400 million private activity bond volume cap for manufacturing facilities, technology centers, and tourism infrastructure.

The Act's pension and employee benefit provisions will strengthen workforce recruitment and retention by treating Tribal plans like state government plans, ensuring over 100,000 Tribal employees nationwide receive the same retirement security protections as their governmental counterparts. The legislation creates a dedicated \$175 million annual New Markets Tax Credit allocation for Tribal areas, addressing the historic inequity where Indian Country has received less than 1% of these investments despite representing some of the nation's most economically distressed communities.

The Act also classifies Indian areas as "difficult development areas" for Low-Income Housing Tax Credit purposes, addressing severe housing shortages exceeding 40% in many Tribal communities while enabling infrastructure investments that benefit entire regions. Additionally, the permanent extension and enhancement of the Indian Employment Tax Credit, increasing the wage limitation from \$20,000 to \$30,000, will provide meaningful long-term employment incentives in communities where unemployment rates often exceed national averages by significant margins.

National Economic Impact

Economic modeling indicates these reforms could generate thousands of construction jobs during project development and hundreds of permanent positions in ongoing operations, with New Markets Tax Credits alone potentially creating 2,000-3,000 new jobs annually in Tribal communities. The enhanced financing capabilities will leverage billions in private capital investment, multiplying the impact of every federal dollar while creating sustainable economic opportunities that strengthen Tribal communities and the broader rural economy.

Sovereignty and Self-Determination

This legislation represents more than tax policy—it affirms the fundamental principle of Tribal self-determination while recognizing that strong Tribal economies are essential to America's rural economic vitality. By providing Tribal governments with the same tools available to other governments, this legislation enables Tribes to exercise their inherent sovereignty more effectively and build stronger, more sustainable economies that contribute to national prosperity.

We urge the Senate to act swiftly on the Tribal Tax and Investment Reform Act. This legislation enjoys broad support across Indian Country because it addresses persistent barriers to economic development while respecting Tribal sovereignty and recognizing the vital role Tribal Nations play in strengthening America's economic foundation. We thank you for your consideration and stand ready to provide any additional information needed to advance this vital legislation.

Respectfully,

Native American Finance Officers Association (NAFOA)
Affiliated Tribes of Northwest Indians (ATNI)
ATNI Economic Development Corporation
Coalition of Large Tribes (COLT)
Indian Gaming Association (IGA)
Midwest Alliance of Sovereign Tribes (MAST)
National Congress of the American Indian (NCAI)
National Center for American Indian Enterprise Development (NCAIED)
Native American Rights Fund (NARF)
Native CDFI Network (NCN)
Nixyáawii Community Financial Services (NCFS)
Tribal Alliance of Sovereign Indian Nations
United South and Eastern Tribes (USET)