



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge, after the colonists had consistently refused to aid them.

# **Oneida Tribe of Indians of Wisconsin**

## **BUSINESS COMMITTEE**



UGWA DEMOLUM YATEHE  
Because of the help of this Oneida Chief in cementing a friendship between the six nations and the colony of Pennsylvania, a new nation, the United States was made possible.

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September 12, 2011

Representative Jeffrey Mursau, Chair  
Special Committee on State-Tribal Relations  
One East Main, Suite 401  
Madison, WI 53701-2536

Dear Chairman Mursau:

I would like to offer a topic for discussion for our September 12<sup>th</sup> meeting. As you know, Wisconsin's Tribal Nations are always looking for ways to diversify Tribal economies while the State of Wisconsin is properly focused on creating new jobs through the state in these very difficult economic times.

Many job creators are not aware of significant federal tax incentives that are available for non-Indian businesses that locate on or near reservations. There are two in particular that have great potential for job creation in rural areas and other economically disadvantaged areas of the state:

**Employment Tax Credits** – The Indian employment credit provides non-Indian businesses with an incentive to hire Indians who live on or near the reservation. A \$20,000 tax credit is available to such businesses each tax year, for every qualified employee that is paid qualified wages.

**Accelerated Depreciation** -- Non-Indian manufacturers with facilities in Indian Country can use shorter recovery periods when calculating depreciation deductions for its production equipment (IRC 168(j)). Qualified infrastructure property that is located off-reservation, but connected to qualified infrastructure within the reservation, is also eligible for shorter recovery periods. Power lines, water systems and telecommunication facilities are examples of qualified infrastructure property.

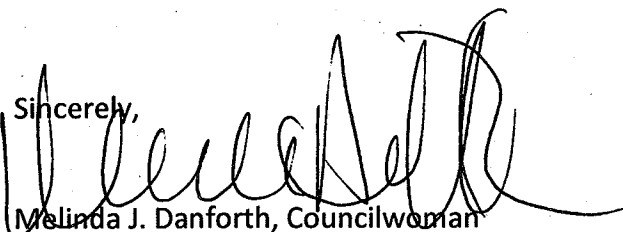
These are federal tax programs and utilization here would not in any way impact state tax collections. We propose that the committee examine these programs and other potential financial benefits associated with creating partnerships with Sovereign Tribal Nations. These partnerships could be in cooperation with the State of Wisconsin or local governments with the

goal attracting private investment, creating jobs for all Wisconsin citizens and increasing revenues for the State of Wisconsin.

At Oneida, it has been a challenge to increase awareness about these benefits in the private investment community. Additionally, there are questions about how these benefits would or could potentially interact with state tax incentives and/or tax law. Other Tribes have possibly had the same experience.

It is our hope that we could, after a thorough review of both state and federal statutes, develop legislation, that will benefit the state, local governments located within reservation boundaries and Tribal nations.

Sincerely,



Melinda J. Danforth, Councilwoman  
Oneida Tribe of Indians of Wisconsin