



FEDERAL TAX INCENTIVES

(subject to annual renewal by Congress)

Special Depreciation (IRC Section 168(j))
 Allows for shorter recovery periods for qualified property on Indian reservations

In the case of	A recovery period of
3 year property	2 years
5 year property	3 years
7 year property	4 years
10 year property	6 years
15 year property	9 years
20 year property	12 years
Non-residential real property (39 year property)	22 years

Indian Employment Tax Credit (IRC Section 45A)

The Indian employment tax credit provides businesses with an incentive to hire certain qualified employees who live on or near an Indian reservation. The tax credit is against your federal income tax liability and is 20% of qualified wages and benefits paid to qualified employees.

A qualified employee, for any tax period, is any employee who meets all of the following tests:

- The employee is an enrolled member of an Indian tribe or the spouse of an enrolled member of an Indian tribe.
- The employee performs substantially all of his or her services for the employer within an Indian reservation.
- While performing those services, the employee has his or her main home on or near the reservation.

FEDERAL TAX INCENTIVES (cont'd)

Opportunity Zone

The Umatilla Indian Reservation is an IRS-certified Opportunity Zone. Opportunity Zones are designed to spur economic development by providing tax benefits to investors. First, investors can defer tax on any prior gains until the earlier of the date on which an investment is sold or exchanged, or December 31, 2026, so long as the gain is reinvested in a Qualified Opportunity Fund. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor would be eligible for an increase in basis equal to the fair market value of the investment on the date that the investment is sold or exchanged.

STATE TAX INCENTIVES

Tax incentives for business development in the CTUIR's Reservation Enterprise Zone.

Local Property Tax Abatement

For qualifying businesses:

- Standard exemption for three to five years, and
- Long-term rural facility incentive (up to 15 years) as applicable

Income Tax Credits (sunsets in 2018)

Special tax credits against state income tax liability that "level the playing field" on the reservation:

- Benefiting most any type of business operation that is new to the zone
- Claimed annually by business on state tax return using special form
- Equals 100% of all tribal taxes

STATE & LOCAL PROPERTY TAXES

Real property improvements regardless of ownership located on tribal trust land are exempt from state and local property taxes. (See ORS 307.181)

CTUIR PROPERTY TAXES

CTUIR has established a property tax on improvements and equipment equal to 2% of assessed value, with a \$500,000 exemption. Any tribal taxes paid are eligible for an Oregon income tax credit on a dollar for dollar basis through 2018. All tax revenues are reinvested into improvements and maintenance at Coyote Business Park!

Coyote Business Park and Wanapa Industrial Site are owned and operated by:

Confederated Tribes of the Umatilla Indian Reservation | Department of Economic and Community Development
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