

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Issues Tax Guidance On Per Capita Tribal Payments

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Guidance Provides Significant Clarity, Incorporates Feedback from Tribal Nations

WASHINGTON – Today, the U.S. Department of the Treasury and Internal Revenue Service (IRS) issued interim guidance regarding per capita distributions made to members of Indian tribes from funds held in trust by the Secretary of the Interior. In response to feedback from tribal nations, the guidance clarifies that, generally, these per capita payments will not be subject to federal income tax.


Assistant Secretary for Tax Policy Mark J. Mazur will be speaking about the per capita guidance, tax-exempt bond options available to tribes, and other tribal tax initiatives during the National Congress of American Indians [2014 Executive Council Winter Session](#) tomorrow.

“Today’s notice provides uniform, clear guidance regarding the tax treatment of per capita distributions of tribal trust assets,” said Assistant Secretary Mazur. “This announcement and our ongoing tribal consultation process underscore the Administration’s commitment to understanding and addressing the issues facing the Native American community.”

The Department of the Interior is responsible for holding in trust certain funds on behalf of federally recognized Indian tribes. Under the Per Capita Act of 1983, tribes are authorized to make per capita distributions from these trust accounts directly to tribal members subject to the approval of the Department of Interior. In September 2012, Treasury and the IRS released guidance on per capita distributions from specific settlements, and have since received requests to address the tax treatment of per capita payments more broadly.

While developing this guidance, Treasury convened listening sessions and other consultations to facilitate a government-to-government dialogue between the federal government and tribes, and to understand key tribal concerns.

Treasury and IRS are issuing this notice as interim guidance to allow Indian tribes time to review and provide feedback by September 17, 2014. Based on these comments, we will consider revisions before issuing a final notice.

For the Per Capita Distributions notice issued today, click [here](#). 

For more information on Treasury’s consultation with Indian tribes, click [here](#).

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