

U.S. DEPARTMENT OF THE TREASURY

Press Center



Treasury Releases Tribal General Welfare Guidance to Address Unique Needs and Challenges of Indian Tribal Governments

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WASHINGTON – Today, the U.S. Department of the Treasury and Internal Revenue Service (IRS) issued final guidance specifying that a wide range of benefits and services provided by Indian tribal governments qualify for the general welfare exclusion from income. These include programs for housing, education, cultural and religious purposes, and the elderly and disabled, among others.

“Today’s guidance provides important clarity for Indian tribes that certain member benefits and services are exempt from federal income tax under the general welfare exclusion. This guidance was developed as part of our ongoing government-to-government consultation with Indian Tribal governments and further demonstrates the Administration’s commitment to working with the Native American community and addressing their specific needs,” said Assistant Secretary for Tax Policy Mark J. Mazur.

Traditionally, payments by governments qualify for the general welfare exclusion if they are (1) made pursuant to a governmental program; (2) for the promotion of general welfare (i.e., based on need); and (3) not compensation for services.

Treasury and the IRS created this guidance to address the unique needs and challenges of Indian tribal governments. While developing this guidance, Treasury and the IRS received over 120 written comments, convened listening sessions, and participated in other formal and informal consultations to facilitate government-to-government dialogues between the U.S. federal and Indian tribal governments and understand key tribal concerns.

The guidance specifies that certain benefits provided by Indian tribal governments to their members and certain non-members qualify for exclusion from federal income tax, including programs for housing, education, cultural and religious purposes, the elderly and disabled, and emergency and other qualifying assistance. It also provides that certain items of cultural significance or nominal cash honoraria provided to medicine men or women, shamans, or similar religious or spiritual officials to recognize their participation in cultural, religious, or social events will not be considered compensation for services.

The guidance issued today supersedes the preliminary guidance issued on December 5, 2012 (IRS Notice 2012-75), which has been effective since that date.

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

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