



# CALIFORNIA INDIAN LEGAL SERVICES

BISHOP·ESCONDIDO·EUREKA·SACRAMENTO

Principal Office

609 S. Escondido Blvd., Escondido, CA 92025 ~ Phone: 760.746.8941 ~ Fax: 760.746.1815  
[www.calindian.org](http://www.calindian.org) ~ [contactCILS@calindian.org](mailto:contactCILS@calindian.org)

## TRIBAL ALERT

January 24, 2012

### *New BOE Regulations Apply Sales and Use Tax Exemptions to Landless Tribes*

PLEASE POST and/or DISTRIBUTE

Recent amendments drafted by the State Board of Equalization (BOE), with comments and feedback from California Indian Legal Services and many tribes throughout the states, will allow federally recognized tribes to enjoy a broader exemption from sales and use taxes on personal tangible property. These amendments recognize the reality that not all federally recognized tribes in California have a land base. The state of California will no longer treat federally recognized tribes without a land base differently than all other federally recognized tribes.

The Office of Administrative Law (OAL) approved the Board's recent amendments to Sales and Use Tax Regulation 1616, Federal Areas on January 11, 2012 and the amended regulation was then filed with the California Secretary of State. The amendments, which become effective February 10, 2012, add a new subdivision (d)(4)(G) to Regulation 1616 describing the circumstances under which sales of tangible personal property to and the use of tangible personal property by the governments of federally-recognized Indian tribes are exempt from California sales and use tax because the tax is preempted by federal law.

The BOE website page's ([www.boe.ca.gov](http://www.boe.ca.gov)) section containing sales and use tax regulations will be revised soon to include the amended regulation. Until then, please visit the "[pending revisions](#)" currently listed next to Regulation 1616 to review the OAL amendments. Publication 146, *Sales to American Indians and Sales in Indian Country*, will also be revised to incorporate the amendments. The BOE's American Indian Tribal Issues page can be found at [www.boe.ca.gov/sutax/indianLandSales.htm](http://www.boe.ca.gov/sutax/indianLandSales.htm).

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