



CALIFORNIA INDIAN LEGAL SERVICES

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TRIBAL ALERT

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EXTENDED Commenting Period on General Welfare Exclusion for Tribal Benefit Programs

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The Internal Revenue Service (IRS) is extending the time limit for commenting on guidance the agency issued regarding the application of the general welfare exclusion to Indian tribal government programs. The general welfare exclusion allows certain tribal government social welfare program income to be excluded as taxable income. Many gaming tribes in their Revenue Allocation Plan (RAP) have a provision for the allocation of gaming revenue for “general welfare.” Over the years there has been confusion with regard to whether a tribal social program established under the tribe’s “general welfare” RAP automatically qualified the program for the IRS “general welfare exemption.” In many cases the tribal program did not qualify, thus exposing the tribe and tribal members to tax liability. Written comments are now due on or before **March 14, 2012**. To read more visit: <http://www.irs.gov/pub/irs-drop/n-11-94.pdf>.

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