

PUBLIC EDUCATION RELEASE – Gaming Revenue Per Capita Disbursements

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Recently there has been much speculation regarding the reason why gaming revenues earned by the Legends Casino have not been distributed in per capita payments to tribal members. While the Gaming Commission does not have a role in approving or denying the payment of gaming per capita payments; we would like to offer factual information surrounding to promote a better understanding of what must occur for gaming per capita payments to be paid.

In order to pay per capita payments free of taxation the money distributed must have been earned from a trust resource, such as timber sales. All past per capita money paid out by the Yakama Nation to its membership has been from trust income and therefore was not subject to federal taxation.

However, if the Yakama Nation decides to distribute gaming revenues in the form of per capita payments, those payments will be taxed and a portion of that money must be paid to the federal government or the Yakama Nation may be forced to pay substantial penalties and fines, which would have a negative impact on the Yakama Nation's bottom line income.

Also, to legally distribute gaming per capita payments, a *Revenue Allocation Plan* must be prepared by the tribe and submitted to the Bureau of Indian Affairs for review and approval. If a tribe distributes gaming per capita payments without an approved allocation plan, the Internal Revenue Service has the authority to investigate and issue fines and the National Indian Gaming Commission has the authority to investigate, fine and, under extreme circumstances, issue a closure notice to the gaming operation.

Currently the Yakama Nation does not have an approved *Revenue Allocation Plan*, therefore gaming revenues can not be distributed **legally**. To do so would be a violation of federal law and could subject the Yakama Nation to substantial fees and fines. If we were forced to pay such fees and fines for failing to comply with the law this would mean even less money for the Yakama Nation and for its members.

The Gaming Commission supports the distribution of gaming per capita payments to all tribal members; however we will continue to urge the Tribal Council to only make such distributions in the proper way so that the casino's revenues are not placed in jeopardy.

The following excerpt can be found on the National Indian Gaming Associations website at www.indiangaming.org.

INDIAN GAMING FACTS ON PER CAPITA PAYMENTS:

- *Three-fourths of gaming Tribes devote all of their revenue to Tribal governmental services, economic and community development, to neighboring communities and to charitable purposes and do not give out per capita payments*
- *Tribal Government services, Economic and Community development, general tribal welfare, charitable donations and any requirements for aid to Local governments must be provided for before a Tribe can file for a "Revenue Allocation Plan"*
- *The Secretary of Interior must approve any per capita payments as part of a "Revenue Allocation Plan"*
- *Only about one-fourth of Tribes engaged in gaming distribute per capita payments to tribal members (73 Tribes)*
- *Tribal members receiving per capita payments **PAY FEDERAL INCOME TAX** on these payments*