

103^D CONGRESS
1ST SESSION

H. R. 478

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for severance taxes and personal property taxes paid to an Indian tribal government.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 6, 1993

Mr. RICHARDSON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for severance taxes and personal property taxes paid to an Indian tribal government.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CREDIT FOR CERTAIN TAXES PAID TO INDIAN**
4 **TRIBAL GOVERNMENT.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to business related credits) is amended by
8 adding at the end thereof the following new section:

1 **“SEC. 44. CERTAIN TAXES PAID TO INDIAN TRIBAL GOV-**
2 **ERNMENTS.**

3 “(a) **GENERAL RULE.**—For purposes of section 38,
4 the amount of the Indian tribal government taxes credit
5 determined under this section for any taxable year shall
6 be an amount equal to the aggregate qualified taxes paid
7 or incurred during such taxable year by the taxpayer in
8 carrying on a trade or business.

9 “(b) **QUALIFIED TAXES.**—For purposes of this sec-
10 tion, the term ‘qualified taxes’ means—

11 “(1) any severance tax imposed by an Indian
12 tribal government, and

13 “(2) any personal property tax (as defined in
14 section 164(b)(1)) imposed by an Indian tribal gov-
15 ernment.

16 “(c) **CREDIT LIMITED TO DOUBLE-TAXED ACTIVI-**
17 **TIES AND PROPERTY.**—The amount of any tax which may
18 be taken into account under subsection (b) with respect
19 to removal or with respect to any property shall not exceed
20 the lesser of—

21 “(1) the amount of any other tax imposed on
22 such removal or property by any State or local gov-
23 ernment (other than an Indian tribal government),
24 or

1 “(2) the amount of such other tax which would
2 have been imposed on such removal or property
3 under laws in effect on January 1, 1991.

4 “(d) DENIAL OF DEDUCTION.—No deduction shall be
5 allowed under this chapter for any amount for which a
6 credit is determined under this section.”

7 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
8 NESS CREDIT.—Subsection (b) of section 38 of such Code
9 is amended by striking “plus” at the end of paragraph
10 (6), by striking the period at the end of paragraph (7)
11 and inserting “, plus”, and by adding at the end thereof
12 the following new paragraph:

13 “(8) the Indian tribal government taxes credit
14 determined under section 44(a).”

15 (c) INDIAN TRIBAL GOVERNMENT TAXES CREDIT
16 ALLOWABLE AGAINST ENTIRE REGULAR TAX AND AL-
17 TERNATIVE MINIMUM TAX.—

18 (1) Subsection (c) of section 38 of such Code
19 (relating to limitation based on amount of tax) is
20 amended by adding at the end thereof the following
21 new paragraph:

22 “(3) SPECIAL RULES FOR INDIAN TRIBAL GOV-
23 ERNMENT TAXES CREDIT.—

24 “(A) IN GENERAL.—This section and sec-
25 tion 39 shall be applied separately—

1 “(i) first with respect to so much of
2 the credit allowed by subsection (a) as is
3 not attributable to section 44(a), and

4 “(ii) then with respect to so much of
5 the credit allowed by subsection (a) as is
6 attributable to section 44(a).

7 “(B) RULES FOR APPLICATION OF INDIAN
8 TRIBAL GOVERNMENT TAXES CREDIT.—In the
9 case of the credit attributable to section 44(a),
10 in lieu of applying the preceding paragraphs of
11 this subsection, the amount of such credit al-
12 lowed under subsection (a) for any taxable year
13 shall not exceed the net chapter 1 tax for such
14 year.

15 “(C) NET CHAPTER 1 TAX.—For purposes
16 of subparagraph (B), the term ‘net chapter 1
17 tax’ means the sum of the regular tax liability
18 for the taxable year and the tax imposed by sec-
19 tion 55 for the taxable year, reduced by the
20 sum of the credits allowable under this part for
21 the taxable year (other than under subpart C
22 and section 44(a)).”

23 (2) Paragraph (2) of section 55(c) of such code
24 is amended to read as follows:

25 “(4) CROSS REFERENCES.—

1 “(A) For provisions providing that certain
2 credits are not allowable against the tax im-
3 posed by this section, see sections 26(a),
4 28(d)(2), 29(b)(5), and 38(c).

5 “(B) For provision allowing Indian tribal
6 government taxes credit against the tax im-
7 posed by this section, see section 38(c)(3).”

8 (b) CLERICAL AMENDMENT.—The table of sections
9 for such subpart D is amended by adding at the end there-
10 of the following new item:

 “Sec. 44. Certain taxes paid to Indian tribal governments.”

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years ending after the
13 date of the enactment of this Act.

○