

**Committee Testimony – Rep. Sharice Davids (KS-03)**

Ways and Means Subcommittee on Select Revenue Measures Hearing on “Examining the Impact of the Tax Code on Native American Tribes” – 03.03.2020

Thank you, Chairman Thompson and Ranking Member Smith, for holding this important hearing. It means a great deal to me to have the opportunity to testify today beside my colleagues and Co-Chairs of the Native American Caucus.

I would like to thank you especially for the committee’s willingness to examine tribal tax issues, a subject which hasn’t received a great deal of attention in past years.

For far too long, Native American voices have been woefully underrepresented in Congress. Issues that have relevance to tribal communities have routinely been minimized and ignored.

It’s why I pushed for the Transportation and Infrastructure Committee, which I proudly sit on, to hold its first hearing looking at the transportation needs of tribes.

It is my hope that this committee, along with other committees in the House, can serve as a proving ground for the greater inclusion of tribal voices in federal policy and that tribes can be regularly consulted on national tax issues.

While we don’t have tribal lands in the Kansas Third District that would be impacted by federal tax policy, I hear regularly from Indian Country about the challenges and inequality faced when it comes to the federal tax code. And I’ve seen it firsthand.

Before I began serving in Congress, I spent part of my career working in economic development, as well as on the Pine Ridge Reservation in South Dakota.

I worked regularly with folks in Indian Country that were trying to start new businesses and find financing for economic projects in the public interest.

I saw the programs that worked – and the places where we can do better. That’s what I’d like to focus on today.

In order to do that, I feel we need to set a baseline of understanding.

Tribes in this country do not operate like the cities, municipalities, and counties we all represent.

Often times, the eligibility requirements for federal programs are different or higher for tribes, meaning they can’t plan and develop their communities in quite the same way as the rest of the country.

This has serious implications for tribes.

There are programs that are helping to address this issue – and succeeding.

One program that has provided tremendous collective benefit is the New Markets Tax Credit, which provides an incentive for investment in low-income communities.

While tribes have been successful in working with, and creating CDFIs, to put themselves in the best position to attain New Markets Tax Credits, tribal entities only received .3 percent of investments from 2003 to 2015, according to the Tax Policy Center.

I encourage the committee to strongly consider efforts that would shore up and expand the New Markets Tax Credit whenever possible, while making sure tribes have a fair shot at the same investment assistance available to the rest of the country.

One such effort, which I'm proud to cosponsor and has been referred to the full Ways and Means Committee, is H.R. 1680, the New Markets Tax Credit Extension Act.

This important bill would make the New Markets Tax Credit permanent, allowing all CDEs greater certainty that this incentive will be around to support them in the future.

I know that crafting tax policy for this country is a heavy burden and a complex business — I thank you all for your efforts in that endeavor.

But I ask that as you continue your work, please keep in mind the interests of those in Indian Country, who face unique challenges and opportunities that are often left out of the national conversation.

Thank you again, Mr. Chairman, for the opportunity to testify.