

U.S. Rep. Markwayne Mullin (OK-02)
Testimony for the Ways and Means Subcommittee on Select Revenue Measurers on Examining
the Impact of the Tax Code on Native American Tribes.

Thank you Chairman Thompson and Ranking Member Smith for allowing me to share my thoughts on the treatment of Native Americans and tribal governments in the tax code. I would also like to thank full committee Chairman Neal and Ranking Member Brady for their continued leadership and interest in Indian Country.

Tribal governments play a key role in investing in our local communities and driving our economy. In Oklahoma in 2017 alone, tribal governments supported more than 96,000 jobs and had a total economic impact of \$12.9 billion. Tribal sovereignty is the foundation for economic success and prosperity of Native Americans.

However, at times, the federal government has failed to treat tribal governments like actual governments. When crafting legislation and regulations, tribal governments are often overlooked or simply left out by mistake. This lack of parity has resulted in missed opportunities for growth throughout the country.

The bill the subcommittee has drafted provides important changes on several key provisions that have bipartisan support. I would like to highlight two provisions: the Indian Employment Tax Credit and Adoption Tax Credit.

The Indian Employment Tax Credit provision would permanently extend the credit and modify the formula. This tax credit is designed to encourage employers to hire Native Americans who are members of a federally recognized tribe and live in Indian Country. In my district in eastern Oklahoma approximately 18 percent of the population is Native American. My district also includes Choctaw County – one of the poorest counties in the nation with a poverty rate of 31 percent. By leveraging the Indian Employment Tax Credit, the Choctaw Nation has been able

to bring in hundreds of new jobs, add to the skilled workforce, and revitalize the region. Without the Indian Employment Tax Credit, these opportunities would not be possible.

The draft bill also includes the Adoption Tax Credit. Congress created the tax credit to incentivize the adoption of children with special needs. Currently, the IRS does not recognize a determination by a tribal court that a child is considered special needs. This means Native American children and their adoptive families are unable to claim the tax credit. The provision in the draft bill brings parity to tribal governments by allowing adopting parents to receive an adoption tax credit when a tribe has determined that a child has special needs. As an adoptive father, the fact that a simple oversight has negatively impacted children throughout the country is unimaginable. We should be doing everything we can to encourage and facilitate adoptions by bringing parity to the Adoption Tax Credit.

Again, thank you Mr. Chairman for allowing me to share my thoughts on the treatment of Indian Country in the tax code. As a Native American, I am excited to see Congress reviewing these issues and offering real, bipartisan solutions.