



Swinomish Indian Tribal Community

A Federally Recognized Indian Tribe Organized Pursuant to 25 U.S.C. § 476
* 11404 Moorage Way * La Conner, Washington 98257 *

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The Swinomish Indian Senate, the governing body of the Swinomish Indian Tribal Community, has decided to adopt an interim tax on improvements on Reservation trust land for 2014 using Skagit County's assessed valuations. The 2014 Tribal tax rate will be equal to the sum total of all tax levy rates collected by the County on Swinomish Reservation trust improvements for 2014.

The Swinomish Senate decided that the interim tax will be applicable to the years 2011 – 2013 as well as 2014, using the applicable County valuations and tax rates for each year. However, taxpayers will receive a credit for all County tax on trust improvements paid for each of these years, provided the taxpayer has not received a refund of the County taxes based on the court ruling in the *Great Wolf Lodge* case.

“If you paid your County taxes on trust improvements in 2011 – 2014, if you make your second-half tax payments to the County by October 31, 2014, and you do not request or receive a refund of those taxes, then you will not owe the Tribe a penny in taxes for those years,” said Swinomish Chairman Brian Cladoosby. “The Tribe has no interest in double taxation.”

The Senate's decision is intended to provide stability and certainty to local taxing districts such as the La Conner School District and Fire District 13. “The Tribe understands that the School District, Fire District, and other districts budgeted and spent funds in 2011 – 2014 based on the County tax revenues they received,” said Cladoosby. “The Tribe also understands that requests for years of refunds of County taxes paid in those years could be very disruptive to the School and Fire District. The Senate plans to enact this interim tax to help make a smooth transition from the County tax system to the new Tribal tax system.”

If a taxpayer receives a refund of County taxes on trust improvements, then the Tribal tax credit will not be available and the Tribe will enforce its tax. “We will collect the tax, along with an administrative fee and costs of collection,” Chairman Cladoosby said. “So we encourage residents to just pay 2014 taxes to the County and do not request a refund.”

The Tribe hopes to enter into agreements to allow the local taxing districts, County and State to retain the trust improvement tax revenues received for 2011 through 2014. “Of course, the Tribe is not required to share its tax revenues,” said Cladoosby, “but we propose to do just that after considering all of the circumstances.” The Tribe has already begun conversations with Skagit County and the School and Fire Districts concerning the collection and distribution of the Tribal tax for 2011 - 2014.

The Senate action reflects a commitment to education. “The Tribe has long supported and honored education,” said Cladoosby. “Not everyone knows it, but the Tribe has hired twelve paraprofessionals as Tribal employees, using more than \$750,000 of the Tribe’s own funds, and sent them to work in the La Conner School District. In fact, the Tribe has spent about as much of its own money to support education in the School District as the County raised for the schools from trust improvements on the Reservation.”

Similarly, the Tribe already provides \$120,000 each year in Tribal funds to Fire District 13. “The Fire District provides important services to the Swinomish Reservation, and the Senate has shared Tribal revenue with the Fire District.”

The Senate directed that a proposed interim Tribal tax code be prepared for consideration at the next Senate meeting. Meanwhile, the Senate’s tax working group is continuing to address policy issues related to a permanent trust improvement tax for 2015 and later. “There is still a lot of work to be done on a permanent tax code, and many conversations to be had with the local districts,” said Cladoosby. “But the Tribe recognizes that the School District and Fire District are most concerned about 2014 taxes and about refund claims, so the Senate is addressing those first with this interim tax.”

The trust improvement tax provides an opportunity to collect revenue to fund public services which are already provided by the Swinomish Tribe within the Reservation, such as law enforcement, permitting and environmental protection. “Swinomish was not a part of the *Great Wolf Lodge* case,” said Chairman Cladoosby, “but we are thankful for the opportunity to exercise our sovereignty to fund services that for decades have been supported by other sources of Tribal revenue.”

The Swinomish Indian Tribal Community is a federally recognized Indian Tribe with more than 900 members. Swinomish is a signatory to the 1855 Treaty of Point Elliott and is the legal successor in interest to the Samish, Kikialus, Lower Skagit and Swinomish aboriginal bands. Its 10,000 acre reservation is located 65 miles North of Seattle, Washington on Fidalgo Island and includes approximately 3000 acres of tidelands.

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