

WASHINGTON, D.C. — Last Friday, Representative Xavier Becerra (CA-31), Vice Chair of the House Democratic Caucus and senior member of the Ways and Means Committee, and Rep. Devin Nunes (CA-21) introduced [H.R. 3085](#), the Tribal Charities Fairness Act in the House of Representatives.

“Native American households are among the most disadvantaged in the United States, with more than 25 percent living in poverty,” Rep. Becerra said. “Tribal charities play an essential role in providing assistance to impoverished communities across Indian country. Yet, the tax code currently treats tribes like corporations rather than like state and local governments when they fund charities that serve tribal members. By simply recognizing tribal governments as local government, tribes would finally be free to fund public charities that serve the needs of their communities. It’s a question of equity, and tribes deserve to be treated the same as any state or local government.”

Charitable organizations under section 501(c)(3) of the tax code are classified as either public charities or private foundations. Organizations are deemed “public charities” when they receive “public support” from local, state, or federal governments. When an organization does not receive public support, it is deemed a “private foundation” and is subject to more stringent tax rules and regulations to ensure they remain dedicated to their mission to serve the public good. The Tribal Charities Fairness Act would allow Indian tribes to be treated the same as state and local governments when they provide support to tax-exempt charitable organizations – thus allowing tribal-funded charities that serve their communities to be deemed public charities.

Passage of Rep. Becerra’s legislation would free numerous nonprofit charities funded by Indian tribes – from health clinics and wellness centers to tribal museums and cultural centers – from additional tax rules aimed at regulating private foundations, not public charities.

“The aim of these tribal-funded nonprofits is to serve the public good of their communities, just like public charities in any other community in America,” Rep. Becerra said. “We owe it to them to fix this inequity in the tax code and give them equal treatment.”

A similar bill that was introduced by Rep. Becerra in the 110th Congress passed the House as part of the Charity Enhancement Act of 2008, but was never ratified by the Senate.

Upon introduction, cosponsors included Reps. Nunes, Mike Honda (CA-15), Dale Kildee (MI-5), Ben Ray Lujan (NM-3), Betty McCollum (MN-4), and John Olver (MA-1).

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