

Testimony
Of
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Chairman, Northern Arapaho Business Council
Wind River Indian Reservation, Wyoming

Before the
United States Senate Committee on Indian Affairs
January 28, 2010

Chairman Dorgan, Vice Chairman Barrasso, Members of the Committee.

Thank you for the opportunity to share with you some information that will hopefully be helpful to you as you look for ways to assist Indian Country reduce the unemployment rate and help native people free themselves from the bonds of poverty and in some cases despair. I know that the time of the committee is limited and so my remarks will be brief but I hope helpful.

Let me begin by providing some basic facts about the Wind River Reservation.

The Wind River Reservation is located on 2.2 million acres in Central Wyoming.

The unemployment rate on the Reservation exceeds 70% and over 60% of households live below the poverty line.

With the opening of our three relatively small casinos, the marketing of our organic beef from our Arapaho Ranch to Colorado based food stores

and our sponsorship of the tribally chartered Wind River Health Systems, a federally supported rural health system; we have begun to provide meaningful jobs outside of tribal government for our members.

Obviously, there are many issues that are specific to the Wind River Reservation that I could discuss with you that would help my specific Tribe and Reservation. However, I would like to take my time with you this afternoon to discuss two important issues that affect all reservations throughout the country.

The Northern Arapaho believes that two changes to the tax code would be most helpful in creating jobs in Indian Country. We would like to see an elimination of the "sunset" provisions in the property depreciation schedule and the Indian Employment Tax Credit.

Specifically, Section 168(J) of the Internal Revenue Code has for many years provided an accelerated property depreciation schedule for certain property on Indian Reservations. The property tax provision allows businesses to depreciate that property twice as quickly as it could be depreciated outside a Reservation.

Second, the Indian employment tax credit allows businesses to take a 20% employment tax credit on the first \$20,000 of qualified wages and health insurance costs paid to a Tribal member or their spouse who live on or near a reservation.

Both provisions have been renewed several times, but usually on an annual basis.

Large capital investments are seldom made on the basis of short-term planning. Without a fixed long-term extension businesses will be reluctant to factor the accelerated depreciation schedule or employment tax credits into their investment plans. The benefits of doing business on Reservations needs to be seen by private enterprise as steady and predictable. In order to help encourage significant investment in Indian Country, businesses need to rely on long-term incentives.

Although these are not high profile issues and are not commonly discussed solutions, ultimately economic development cannot occur unless the private sector is encouraged to do business in Indian Country.

Mr. Chairman, Vice-Chairman Barrasso, Members of the Committee again thank you for this opportunity to discuss with you these important issues.