

115TH CONGRESS
1ST SESSION

S. _____

To amend the Internal Revenue Code of 1986 to make permanent the Indian Employment Credit and the depreciation rules for business property on Indian reservations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. HOEVEN (for himself, Ms. MURKOWSKI, and Ms. HEITKAMP) introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to make permanent the Indian Employment Credit and the depreciation rules for business property on Indian reservations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tribal Economic As-
5 sistance Act of 2017”.

1 **SEC. 2. TREATMENT OF INDIAN TRIBES AS STATES WITH**
2 **RESPECT TO BOND ISSUANCE.**

3 (a) REPEAL OF ESSENTIAL GOVERNMENTAL FUNC-
4 TION REQUIREMENT.—Section 7871 of the Internal Rev-
5 enue Code of 1986 is amended by striking subsections (b)
6 and (e).

7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to transactions after, and obliga-
9 tions issued in calendar years beginning after, the date
10 of the enactment of this Act.

11 **SEC. 3. MAKING PERMANENT THE INDIAN EMPLOYMENT**
12 **CREDIT AND DEPRECIATION RULES FOR BUSI-**
13 **NESS PROPERTY ON INDIAN RESERVATIONS.**

14 (a) INDIAN EMPLOYMENT CREDIT.—

15 (1) IN GENERAL.—Section 45A of the Internal
16 Revenue Code of 1986 is amended by striking sub-
17 section (f).

18 (2) EFFECTIVE DATE.—The amendment made
19 by this subsection shall apply to taxable years begin-
20 ning after December 31, 2016.

21 (b) ACCELERATED DEPRECIATION FOR BUSINESS
22 PROPERTY ON AN INDIAN RESERVATION.—

23 (1) IN GENERAL.—Section 168(j) of the Inter-
24 nal Revenue Code of 1986 is amended by striking
25 paragraph (9).

1 (c) EFFECTIVE DATE.—The amendment made by
2 this subsection shall apply to property placed in
3 service after December 31, 2016.

4 **SEC. 4. PRIORITY UNDER NEW MARKETS TAX CREDIT FOR**
5 **QUALIFIED LOW-INCOME COMMUNITY IN-**
6 **VESTMENTS ON INDIAN RESERVATIONS.**

7 (a) IN GENERAL.—Subsection (f) of section 45D of
8 the Internal Revenue Code of 1986 is amended—

9 (1) in paragraph (2)—

10 (A) in subparagraph (A), by striking “or”
11 at the end,

12 (B) in subparagraph (B), by striking the
13 period and inserting “, or”, and

14 (C) by adding at the end the following new
15 subparagraph:

16 “(C) which intends to make qualified low-
17 income community investments within a res-
18 ervation, including any such entity established
19 by a tribe or an economic enterprise which in-
20 tends to make such investments within a res-
21 ervation.”, and

22 (2) by adding at the end the following new
23 paragraph:

24 “(4) DEFINITIONS.—For purposes of subpara-
25 graph (C) of paragraph (2), the terms ‘reservation’,

1 ‘tribe’, and ‘economic enterprise’ shall have the same
2 meanings given such terms under section 3 of the
3 Indian Financing Act of 1974 (25 U.S.C. 1452).”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to calendar years beginning after
6 December 31, 2017.

7 **SEC. 5. AUTHORIZATION TO ESTABLISH QUALIFIED INDIAN**
8 **SCHOOL CONSTRUCTION BOND ESCROW AC-**
9 **COUNT.**

10 (a) AUTHORIZATION TO ESTABLISH QUALIFIED IN-
11 DIAN SCHOOL CONSTRUCTION BOND ESCROW AC-
12 COUNT.—

13 (1) IN GENERAL.—Part B of title II of the In-
14 dian Self-Determination and Education Assistance
15 Act (25 U.S.C. 5351) is amended by adding at the
16 end the following:

17 **“SEC. 204A. AUTHORIZATION TO ESTABLISH QUALIFIED IN-**
18 **DIAN SCHOOL CONSTRUCTION BOND ES-**
19 **CROW ACCOUNT.**

20 “(a) DEFINITIONS.—In this section:

21 “(1) FEDERAL ESCROW ACCOUNT.—The term
22 ‘Federal escrow account’ means the qualified Indian
23 school construction bond escrow account established
24 under subsection (b).

1 “(2) QUALIFIED INDIAN SCHOOL CONSTRUC-
2 TION BOND.—The term ‘qualified Indian school con-
3 struction bond’ means a bond for which the Sec-
4 retary of the Interior has provided an allocation pur-
5 suant to the authority provided to the Secretary
6 under section 54F(d)(4) of the Internal Revenue
7 Code.

8 “(3) SECRETARY.—The term ‘Secretary’ means
9 the Secretary of the Interior.

10 “(b) IN GENERAL.—Pursuant to the authority grant-
11 ed under section 54F(d)(4) of the Internal Revenue Code
12 of 1986, the Secretary shall establish a Federal qualified
13 Indian school construction bond escrow account for the
14 purpose of implementing such section.

15 “(c) USE OF ESCROW ACCOUNT.—The Secretary
16 shall use amounts available under the Federal escrow ac-
17 count to carry out a qualified Indian school construction
18 bond program for schools funded by the Bureau of Indian
19 Affairs, through which—

20 “(1) the Secretary shall approve qualified
21 school construction bonds to the extent that amounts
22 are available in the Federal escrow account to sup-
23 port the bonds pursuant to paragraph (2);

24 “(2) upon the Secretary’s approval of a request
25 for a qualified school construction bond, the Sec-

1 retary shall deposit, from amounts available in the
2 Federal escrow account, the amount described in
3 paragraph (4) in an individual bond escrow account
4 that shall be managed for such qualified school con-
5 struction bond;

6 “(3) the funds for the individual bond escrow
7 account shall be held by the Federal Government or
8 in an insured depository institution, as defined in
9 section 3 of the Federal Deposit Insurance Act (12
10 U.S.C. 1813), and shall be invested in appropriate
11 Treasury securities; and

12 “(4) the amount of the funds provided for the
13 individual bond escrow account shall be an amount
14 sufficient to repay the face value of the bond in a
15 15-year period, based on the investment required
16 under paragraph (3).

17 “(d) TRANSFER TO ESCROW ACCOUNT.—

18 “(1) IN GENERAL.—The Secretary shall deposit
19 in the Federal escrow account such sums as are
20 made available to implement this section and section
21 54F(d)(4) of the Internal Revenue Code of 1986.

22 “(2) OTHER FUNDS.—The Secretary may ac-
23 cept and deposit in the Federal escrow account
24 amounts received to carry out this section from any
25 other source, including Federal agencies, non-Fed-

1 eral public agencies, Indian Tribes, nonprofit organi-
2 zations, and private sector entities.”.

3 (2) CONFORMING AMENDMENTS.—Section 204
4 of the Indian Self-Determination and Education As-
5 sistance Act (25 U.S.C. 5351) is amended by strik-
6 ing “this part B” each place the term appears and
7 inserting “this section”.

8 (b) USE OF BONDS FOR REASONABLE AND NEC-
9 ESSARY PRECONSTRUCTION COSTS.—Section 54F(d)(4)
10 of the Internal Revenue Code of 1986 is amended by strik-
11 ing “Affairs.” and inserting “Affairs, which may include
12 paying the reasonable and necessary predevelopment costs
13 directly associated with such construction, rehabilitation,
14 or repair.”.