



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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Bulletin 25 of 2017
November 28, 2017
Lands Owned by Indian Tribes

TO: Assessors, Equalization Directors and Interested Parties
FROM: State Tax Commission
SUBJECT: Assessment of Property Owned by a Federally Recognized Indian Tribe or by an enrolled Member

Bulletin No. 18 of 1998 is rescinded.

State and local taxation involving Federally Recognized Indian Tribes (Tribe) and/or their enrolled members (Member) is complex and evolving in nature. The purpose of this bulletin is to provide general guidance on the assessment of land owned by a Tribe or one or more of its Members without conflicting with the requirements of federal law as it may apply in specific circumstances. This language is not intended to alter or affect any tax agreement between the Treasurer and any Tribe.

Based on case law, including *Keweenaw Bay Indian Community v Naftaly*, 452 F3d 514 (CA6, 2006), the State Tax Commission has concluded the following regarding the assessability of Indian lands:

1. Land held in trust, or subject to restriction regarding alienation (i.e., restricted), by the United States for the benefit of a Tribe, or one or more of its Members, is exempt from state and local real property taxes.
2. Land owned in fee simple by a Tribe, or one or more of its Members, within the exterior boundaries of that Tribe's reservation, is exempt from state and local real property taxes, unless the state or local tax is clearly authorized by Congress.
3. Where lands formerly held in trust, or otherwise restricted, are later subjected to state or local taxation through clear Congressional authorization, and those lands are subsequently re-acquired by a Tribe, or one or more of its Members, the lands continue to remain taxable unless again taken into trust or otherwise restricted.
4. Lands within the exterior boundaries of an Indian reservation that are owned by anyone other than the Tribe, or one or more of its Members, are subject to state or local real property taxation. This includes lands owned by another Tribe, or another Tribe's Members.

“Federally Recognized Indian Tribe” means an entity identified in the annual list of recognized tribes published by the Secretary of the United States Department of Interior pursuant to section 104 of the Federally Recognized Indian Tribe List Act of 1994, Pub. L. 103-454, 108 Stat. 4791 (November 2, 1994).

“Reservation” means the reservation designated or set aside for that Tribe.