

**FOURTH AMENDMENT TO THE TAX AGREEMENT BETWEEN
THE MATCH-E-BE-NASH-SHE-WISH BAND OF POTTAWATOMI INDIANS AND
THE STATE OF MICHIGAN**

This Fourth Amendment to the Tax Agreement between the Match-E-Be-Nash-She-Wish Band of Pottawatomi Indians and the State of Michigan is executed as indicated below and is effective as of the first day of the month after the date of execution of this Amendment by the State Treasurer or her designee.

RECITALS

On September 17, 2008, the parties entered into a Tax Agreement, which was implemented on February 1, 2009.

Section XVIII of the Tax Agreement provides that the Tax Agreement may be amended upon a mutual, written agreement executed by an authorized representative of each party.

In accordance with § XVIII, the parties have previously amended the Tax Agreement as follows:

- On January 14, 2013, the parties entered into a First Amendment to the Tax Agreement, which took effect on January 1, 2012.
- On December 17, 2015, the parties entered into a Second Amendment to the Tax Agreement, which took effect on January 1, 2015.
- On July 11, 2023, the parties entered into a Third Amendment to the Tax Agreement, which took effect on August 1, 2023.

Now, in accordance with § XVIII, the parties amend §§ II, III, and XII of the Tax Agreement as follows.

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AMENDED TERMS

II. GENERAL DEFINITIONS

For purposes of this Agreement, the following definitions pertain:

A. through N. [Not amended herein]

O. **"(CPI Adjusted for YEAR)," placed after a dollar amount, means that the dollar amount is indexed to inflation from the year indicated by "YEAR" to the present year. To index a dollar amount to inflation from the indicated year to the present year, multiply the dollar amount by the previous year's consumer-price index for all urban consumers (CPI-U) and divide by the CPI-U for the indicated year. For example, if the present year is 2024 and the Agreement refers to "\$1,000 (CPI Adjusted for 2020)," the Agreement means an indexed amount equal to \$1,000 multiplied by the CPI-U for 2023 (304.702) divided by the CPI-U for 2020 (258.811), or \$1,177.31. If an indexed amount decreases year-on-year, the previous year's indexed amount may be used as the indexed amount. Each year, by February 28, the Department will publish on its website indexed amounts for the present tax year and the CPI-U values used to calculate that limit.**

III. SALES TAX AND USE TAX

A. Exemptions

1. Tribe

a. [Not amended herein]

b. **Purchases Except as described in § III(A)(1)(e), purchases** by the Tribe of tangible personal property that is primarily used (95% or more) in performing one of the following Tribal Governmental Functions is exempt from both the sales tax and use tax if the transaction takes place within the Agreement Area regardless of where the tangible personal property is used:

- i. Public Safety and Conservation;
- ii. Environmental Services;
- iii. Tribal Government;
 - Tribal Judiciary
 - Tribal Legislature
 - Tribal Executive Administrative Activity
- iv. Public Welfare and Other Social Services;
- v. Education;
- vi. Health Services;
- vii. Housing and Housing Services;
- viii. Casino Gaming (limited to actual gaming activities); and

ix. Other similar functions customarily performed by State or local units of government.

c. and d. [Not amended herein]

e. Notwithstanding § III(A)(1)(b), purchases by the Tribe of vehicles, including automobiles, pick-up trucks, watercraft, snowmobiles, and off-road vehicles, are exempt from both the sales and use tax regardless of where purchased or used provided the vehicles are primarily used (95% or more) in performing one or more of the Tribal Governmental Functions identified in § III(A)(1)(b).

2. Resident Tribal Member

a. and b. [Not amended herein]

c. Resident Tribal Members are exempt from both the sales tax and use tax on the following items regardless of where purchased or used provided they are purchased for non-commercial use, used primarily by the Resident Tribal Member and principally garaged, berthed, or stored within the Agreement Area:

- i. Passenger vehicles including automobiles, pick-up trucks, recreational vehicles and motorcycles;
- ii. Recreational watercraft;
- iii. Snowmobiles; and
- iv. Off road vehicles.

Where an item is purchased under this subsection and **subsequently** transferred within 5 years of purchase to a non-Resident Tribal Member relative and the transfer would be exempt under MCL 205.93(3)(a), or MCL 205.94bb, the Resident Tribal Member shall reimburse the State an amount equal to the current sales or use tax rate times the retail dollar value of the item at the time of the transfer. The reimbursement shall be paid to the Department within 30 days of the date of transfer. Such reimbursement will not be required where the retail dollar value at the time of transfer is below ~~\$2,000~~ \$3,200 (CPI Adjusted to 2024) for a passenger vehicle or is below ~~\$1,000~~ \$1,600 (CPI Adjusted to 2024) for other enumerated items.

d. Resident Tribal Members are exempt from both the sales tax and use tax on modular homes and mobile homes used as their principal residence. Where a mobile home purchased under this subsection is **subsequently** transferred within 10 years of purchase to a non-Resident Tribal Member relative and the transfer would be exempt under MCL 205.93(3)(a), the Resident Tribal Member shall reimburse the State an amount equal to the current sales or use tax rate times the retail dollar value of the mobile home at the time of the

transfer. The reimbursement shall be paid to the Department within 30 days of the date of transfer. Such reimbursement shall not be required where the retail dollar value of the mobile home at the time of transfer is below ~~\$2,000~~ \$3,200 (CPI Adjusted to 2024).

Tribal members are exempt from both the sales tax and use tax on modular homes and mobile homes purchased to be used as their principal residence within the Agreement Area within 12 months of the date of purchase. If the Tribal Member does not establish the home as their principal residence within the Agreement Area within 12 months of the date of purchase or acquisition of the modular or mobile home, the Tribal Member must reimburse the State for the amount of the tax that was exempted. The requirement that Tribal Members establish the mobile home as their principal residence within 12 months of the date of purchase shall be extended to the extent that the delay is caused by a disaster or other event that results in a presidentially declared federal state of emergency or a governor declared state of Michigan state of emergency; such an extension shall end when the state of emergency ends. The Tribe issuing the Tribal Exemption Certificate for a Tribal Member must make a reasonable attempt to determine if the Tribal Member has established the modular or mobile home as their principal residence within the Agreement Area within 12 months of the date of purchase of the materials. If the Tribe determines that the Tribal Member has not established that the modular or mobile home is their principal residence, the Tribe must notify the Tribal Member of their obligation to reimburse the State the amount of tax that was exempted. The Tribe must also notify the Department that the Tribal Member has a tax liability and provide the Department with the Tribal Member's identifying information. The Tribe itself has no obligation to reimburse the State for the amount of the tax that was exempted.

e. [Not amended herein]

3. Affixation to Real Estate

a. [Not amended herein]

b. Materials that are purchased, used or acquired in the performance of a contract for construction, renovation or improvement to the principal residence of a Resident Tribal Member are exempt from both the sales tax and use tax.

Materials purchased, used, or acquired for the construction, renovation, or improvement of property that is intended to become a Tribal Member's principal residence within 18 months of the date of purchase of the materials are exempt from both sales and use tax. If a Tribal Member does not establish the constructed, renovated, or improved property as their principal residence within 18 months of the date of purchase of the materials, they must reimburse the State for the amount of the tax that was exempted. The requirement that

Tribal Members establish the mobile home as their principal residence within 18 months of the date of purchase shall be extended to the extent that the delay is caused by a disaster or other event that results in a presidentially declared federal state of emergency or a governor declared state of Michigan state of emergency; such an extension shall end when the state of emergency ends. The Tribe issuing the Tribal Exemption Certificate for a Tribal Member must make a reasonable attempt to determine if the Tribal Member has established the constructed, renovated, or improved property as their principal residence within the Agreement Area within 18 months of the date of purchase of the materials. If the Tribe determines that the Tribal Member has not established that the constructed, renovated, or improved property as their principal residence, the Tribe must notify the Tribal Member of their obligation to reimburse the State the amount of tax that was exempted. The Tribe must also notify the Department that the Tribal Member has a tax liability and provide the Department with the Tribal Member's identifying information. The Tribe itself has no obligation to reimburse the State for the amount of the tax that was exempted.

Where a Resident Tribal Member seeks exemption claimed under either § III(A)(2)(b), § III(A)(2)(d) or § III(A)(3)(b), for the purchase, construction, renovation, or improvement of a new principal residence, the Resident Tribal Member or Tribal Member shall repay to the Department any previously received exemption claimed under § III(A)(2)(b), § III(A)(2)(d) or § III(A)(3)(b), for the purchase, construction, renovation, or improvement of his or her previous principal residence(s) for a period of two years immediately preceding the purchase of the item(s) on which the exemption is to be claimed. Repayment will not be required where the cumulative cost of the previously purchased items for which exemption was received does not exceed ~~\$2,000~~ **\$3,200 (CPI Adjusted to 2024)** for the two-year period.

A Resident Tribal Member cannot have more than one principal residence at a time. For purposes of § III(A)(3)(b), where the Resident Tribal Member has not yet relocated into the new residence, a Resident Tribal Member's Principal Residence changes from the old residence to the new residence as of the date of the purchase for which exemption is sought regarding the new residence.

4. through 8. [Not amended herein]

B. Tax Sharing

Sales tax and use tax will be collected, remitted, and shared between the State and the Tribe as provided in this section.

1. [Not amended herein]

2. Inside the Tribal and Trust Lands. Tribal, Tribal Member, and Tribal Entity retailers shall collect and remit to the State the State sales tax or use tax, as applicable, on all sales to Non-Tribal Members and non-Resident Tribal Members and on all other Taxable Sales that occur within the Tribal and Trust Lands. The State shall share the tax collected and remitted as follows:
 - a. On the first ~~\$5,000,000~~ \$8,000,000 of annual gross receipts from Non-Tribal Members, non-Resident Tribal Members and all other Taxable Sales, 2/3 of the tax collected shall be paid to the Tribe and 1/3 to the State.
 - b. On annual gross receipts from Non- Tribal Members, non-Resident Tribal Members and all other Taxable Sales in excess of ~~\$5,000,000~~ \$8,000,000, 1/2 of the tax collected shall be paid to the Tribe and 1/2 to the State.

3. If the Tribe enacts a sales tax on transactions occurring within its Tribal and Trust Lands on sales made by the Tribe, Tribal Members, or Tribal Entities which (i) utilizes a base at least as inclusive as that provided under State law, and (ii) applies a rate at least as high as that imposed by State law, § III(B)(2) above shall not apply. Rather, the State agrees to exempt those transactions from the State use tax and the Tribe agrees to collect its sales tax from all Tribal, Tribal Member, and Tribal Entity retailers engaging in Taxable Sales within the Tribal and Trust Lands. The Tribe shall share the tax collected as follows:
 - a. On the first ~~\$5,000,000~~ \$8,000,000 of annual gross receipts from Taxable Sales, 2/3 of the tax collected shall be retained by the Tribe and 1/3 paid to the State (but not to exceed the amount payable to the State if the State tax rate were applied).
 - b. On annual gross receipts from Taxable Sales in excess of ~~\$5,000,000~~ \$8,000,000, 1/2 of the tax collected shall be retained by the Tribe and 1/2 paid to the State (but not to exceed the amount payable to the State if the State tax rate were applied).

C. [Not amended herein]

XII. ADMINISTRATION: SALES TAX AND USE TAX

A. and B. [Not amended herein]

C. Resident Tribal Member and Tribal Entity Purchases

1. and 2. [Not amended herein]

3. Refund Table – Resident Tribal Members

A Resident Tribal Member shall be entitled to an annual refund representing sales tax and use tax paid on tangible personal property acquired under § III(A)(2)(b) (except for the purchase and affixation by the Resident Tribal Member of materials for construction, renovation, or improvement of his or her principal residence within the Agreement Area). This refund shall apply under both the *Tribal Certificate of Exemption* method described in § XII(C)(1), above and Refund Method described in § XII(C)(2) above. This refund shall be determined by use of the following table:

Resident Tribal Member's federal Adjusted Gross Income modified to include Social Security benefits, Social Security disability benefits, Railroad Retirement benefits, Veteran Disability Pay, 50% of the Combat Zone Compensation for Enlisted Members of the Armed Forces, fishing income under section 7873 of the Internal Revenue Code, Public Assistance payments made directly to a Resident Tribal Member pursuant to a Tribal supplemental assistance program qualifying for exemption under the Tribal General Welfare Exclusion Act of 2014, and disability income to the extent they are specifically exempt from or excluded from the computation of federal Adjusted Gross Income (AGI) (but not to exceed ~~an AGI limit for tax year 2023 of \$113,000 (CPI Adjusted for 2023)~~ $\times 15\% \times 6\%$. ~~The AGI limit may increase annually, according to changes in the calendar year average of the Consumer Price Index (CPI). If the 2023 CPI is greater than the 2022 CPI, then the AGI limit for tax year 2024 shall be calculated by multiplying the AGI limit for tax year 2023 by the ratio of the 2023 CPI to the 2022 CPI and rounding that product to the nearest \$1,000; otherwise, the AGI limit for tax year 2024 shall be the same as the AGI limit for tax year 2023. The calculation shall be repeated each tax year after 2024 in the same manner as described for tax year 2024 above. Each year, by February 28, the State will notify the Tribe of the present tax year's AGI limit and the CPI values used to calculate that limit.~~

The Table shall be reviewed upon the written request of either party with notice to all other tribes that have agreements that are substantially similar to this Agreement but not more frequently than once every three years. It is the intent of the parties that any revision to the Table shall be uniformly applied to all tribes that have agreements that are substantially similar to this Agreement.

For purposes of this sub-section (C)(3) only, "Public Assistance" means government aid to low income individuals.

D. [Not amended herein]

E. Record Retention

1. General

a. and b. [Not amended herein]


c. With respect to sales on which no tax was collected as provided in § XII(A)(1), Tribal, Tribal Member and Tribal Entity retailers shall maintain a record of such sales including the date, the name and Tribal identification number of the purchaser, the amount, and for any item of more than \$50.00 (CPI Adjusted for 2003) or sales of more than \$200.00 (CPI Adjusted for 2003) in the aggregate, the identification of the items purchased and any other data sufficient to document the exemption. This § XII(E)(1)(c) shall not apply to sales of motor fuel.

2. and 3. [Not amended herein]

F. through H. [Not amended herein]

STATE OF MICHIGAN

**MATCH-E-BE-NASH-SHE-WISH BAND
OF POTTAWATOMI INDIANS**



Rachael Eubanks
Michigan State Treasurer



Robert Peters
Tribal Chairman

Date: 10/17/24

Date: 8-20-24

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