



Little River Band of Ottawa Indians

Tax Department
375 River St
Manistee MI 49660
(231) 723 - 8288

Approved by:

Date:

Interpretation Letter 2009-1

December 24, 2009

Dear _____ :

You represent the _____, a Tribal Enterprise of the Little River Band of Ottawa Indians, which is located on Tribal and trust land. You are promoting a Psychic Fair hosting approximately 8 psychics and 4 massage therapists who will be selling their personal services to attendees. You are also providing space at your facility, at no charge, to approximately 20 additional vendors who will be selling their services/wares to the public. An inquiry has been made regarding the Tribal Tax licensing requirement for the vendors and service providers participating in this event.

A Tribal Tax License is required of any Tribal business, Tribal member, non-member or any combination thereof, making any sales at retail within Tribal or Trust Lands (Article VIII of the Tax and Revenue Administration Ordinance #05-100-08).

Article VI of the Tax and Revenue Administration Ordinance imposes a retail sales tax, at the rate of 6% of gross receipts, for the privilege of engaging in the business of making sales at retail within Tribal and trust lands. Section 6.04(p) allows a deduction for sales at retail on which the taxpayer owes a tax under the Michigan general sales tax act under the terms of the Tax Agreement.

The Tax Agreement between the Little River Band of Ottawa Indians and the State of Michigan, at **§ III©(1)** says, *“The State will impose a sales tax on all non-Tribal retailers, non-Tribal Member retailers, and non-Tribal Entity Retailers within the Agreement Area including Tribal and Trust Lands on all sales including those to the Tribe, Tribal Member or Tribal Entities unless a valid exemption certificate is presented at the time of sale.”*

Psychics, massage therapists and vendors choosing to sell merchandise at the Psychic Fair must obtain a Tribal Tax License. Since neither the Tribe, nor the State of Michigan currently imposes a tax on services, those who are only selling services are not required to be licensed.

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To insure compliance with Tribal and State tax reporting requirements, please forward all "Concessionaire's Tribal Tax Registration" forms you receive from vendors to the Tax Office. I will issue licenses to all vendors that indicate they will be selling merchandise. I will retain a copy of all forms that say "no retail sales" for my files. Two days before the event, I will forward copies to you of all licenses issued and a list of all participants that report they are providing services only.

Sincerely,

Barbara Czarnecki
Tax Officer
Little River Band of Ottawa Indians
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