



Little River Band of Ottawa Indians

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

Interpretation Letter 2010-1

May 5, 2010

Dear :

You represent the Department of the Little River Band of Ottawa Indians. Your department produces Anishinaabemowin CD roms that are sold to citizens and to taxable and tax-exempt entities. Your department has a Tribal Tax License and remits Retail Sales Tax on a quarterly basis on all taxable sales. You inquire about the taxability of Anishinaabemowin CD roms that are donated by the Tribe for outside fundraising events.

Article VI of the Tax and Revenue Administration Ordinance (#05-100-08) imposes a 6% Retail Sales Tax for the privilege of engaging in the business of making sales at retail within Tribal and trust lands. Subsection 6.01(a) states that a, "sale at retail" under this ordinance shall have the same meaning as that term has under the State General Sales Tax Act of 1965, as amended, MCL205.51 et seq." P.A. 2004, No. 173, rewrote Section 1(b) of the State General Sales Tax Act to read, "Sale at retail means a transaction by which the ownership of tangible personal property is transferred for consideration, if the transfer is made in the ordinary course of the transferor's business . . ."

Since no consideration is being given for the donated CD roms, there is no "sale at retail" and, therefore, no retail sales tax liability on this transaction for the Department. Once the outside fundraising organization takes possession of the donated merchandise, they are responsible for any tax incurred on its subsequent use.

Sincerely,

Barbara Czarnecki
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Little River Band of Ottawa Indians
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