**TRIBAL TAX APPLICATION FOR BONA FIDE SALES OR LEASE AGREEMENTS MADE BEFORE DECEMBER 14, 2005.**

**TDAR-06-2.** This rule explains when Tribal taxes apply to certain bona fide sales and lease agreements, pursuant to the provisions of the Tax and Revenue Administration Ordinance (#05-100-08). This ordinance implemented Tribal taxes of 6% on receipts from lodging and occupancy, food and beverage sales, retail sales and admissions charges effective January 1, 2006. Resolution #05-1221-715 extended the implementation date for Lodging & Occupancy Tax, Food & Beverage Tax and Admissions Tax to February 1, 2006.

**DISCUSSION**

The Tax and Revenue Administration Ordinance, after required posting for public comment, was adopted by the Tribal Council on December 14, 2005. The Tribal Enterprise, Director of Finance, received immediate email notification. A copy of the adopting Resolution (#05-1214-687) and a Certification of Execution was mailed to the Enterprise General Manager.

**APPLICATION TO BONA FIDE SALES OR LEASE AGREEMENTS**

Sales agreements or lease agreements of any kind made before December 14, 2005, which cannot be withdrawn or altered, are exempt from Tribal taxes. Sales agreements or lease agreements of any kind made before December 14, 2005, which contain a fixed price not subject to change or modification of greater than 10%, are also exempt from Tribal taxes.

These agreements would include but not be limited to conference sales, trade shows, and tour groups. In all instances, the agreements must be in writing and meet the limiting provisions discussed above to qualify for this exemption.

**FOR ADDITIONAL INFORMATION:**

Questions concerning the application of this exemption can be addressed by calling (231) 398-6874, or writing:
Little River Band of Ottawa Indians
Tax Department
375 River Street
Manistee, MI 49660
Email: bczarnecki@lrboi.com

All pertinent facts must accompany any request for a ruling.