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**Hearing Statement of Senator Max Baucus (D-Mont.)  
Regarding Indian Tax Issues**

The Teton Sioux Lone Man once said: "I have seen that in any great undertaking, it is not enough for a man to depend simply upon himself."

He was right. In economic policy, as in any great undertaking, we need to work together. And for American Indians, that can mean working with family, working with the Tribe, and working with the United States.

Times are tough in Indian Country. Even before the current economic downturn, the Census Bureau reported that a third of American Indians or Alaskan Natives who were available for work were unemployed.

The median American Indian or Alaska Native household earns \$15,000 less than the median U.S. household.

And more than one in four American Indians and Alaska Natives lives in poverty. At more than 26 percent, that's the highest poverty rate of any American ethnic category.

Economic development in Indian Country requires a great undertaking. We need to work together. Families, Tribes, and the Federal Government each need to play a part.

Indian Nations often suffer from high unemployment rates because there are no businesses on or near the reservation. There's often simply nowhere to go to find a job.

Indian reservations in our country often suffer from economies and conditions that one might expect to find in the developing world. Many reservations are in rural areas where transportation, infrastructure, and communications are minimal at best.

Today, we will hear about three strategies for economic development in Indian Country. We will discuss tax-exempt bonds. We will discuss accelerated depreciation. And we will discuss the Indian Employment Tax Credit. These will not solve all of our problems, but they will help.

All three of these tax policies affect tribal entities and reservations. Today we will discuss the effect that these tools are having on the economic development of the tribes and reservations. And we will discuss how we might make them work better.

We will hear from two witnesses who work as legal counsels on two different reservations. And we will hear from a member of the oldest Indian organization in the United States, the National Congress of American Indians.

These days, many tribes are focusing on energy issues. Some tribes hope that revenues from energy production may give them the ability to provide needed services for their tribal members.

Tribes are working to find new revenue sources even though laws and treaties often make these services the responsibility of the Federal Government. All too often, the Federal Government is failing to provide the services that it is obliged to provide.

My own tribes in Montana tell me that if they can raise the needed capital, they can expand energy resource development, and reduce their reliance on the Federal Government. They tell me that with tax initiatives of the sort that we discuss today, they can provide medical care and housing for their populations.

In this regard, the tribes in Montana are not alone. Energy resources mean that many tribes live on the edge of great potential wealth. If they can get the needed capital to explore and develop their opportunities, many tribes hope to tap that wealth. They hope to benefit their people.

And many tribes may benefit from the economic development that tax-exempt bonds, accelerated depreciation, and the Indian Employment Tax Credit can help to provide.

Issuing tax-exempt bonds is a viable way for tribes to raise the needed capital to build much-needed infrastructure, like roads and bridges.

And accelerated depreciation and the Indian Employment Tax Credit are mechanisms that can encourage non-Indian businesses to locate on or near reservations. These tools can help provide much-needed jobs for areas with the highest unemployment rates. And these tools can also help companies to find lucrative business opportunities in the process.

Today, we will examine how tribes are able to utilize these tools to promote jobs, build infrastructure, and enhance the quality of life for the first citizens of this country.

I suspect that these tools have not yet provided all the benefit that they might. If that's true, I will want to hear why. And I will want to hear what we can do to help.

So let us get to work on the great undertaking of economic development in Indian Country. Let us find new ways to work together. And let us find ways to improve life for Native American families, for the Tribes, and for the Country of which we are all part.

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