

# Tribal Fuel Tax Agreements

Sunshine Committee

September 28, 2011



# Tribal Fuel Tax Agreements

- ▶ Requires purchase of fuel from licensed distributor or supplier
- ▶ Retailers only purchase fuel on which tax has been paid
- ▶ Fuel tax used on transportation construction/planning, road maintenance, transit services and facilities, police services and other highway-related purposes
- ▶ Comparable pricing
- ▶ Annual audit

# Three Types of Agreements:

## 75% Refund and 25% State Tax Agreement

- Tribes purchase fuel, state tax included
- Tribe receives 75% of state fuel tax revenue collected as refund and state retains 25% as state tax
- Requires annual audit
- 16 agreements

## Per-Capita Agreement (Based upon formula)

Annual amount of fuel tax refunded to tribe:

- Average per capita consumption of gasoline
- Number of enrolled tribal members in service area
- Current state fuel tax rate
- 6 agreements

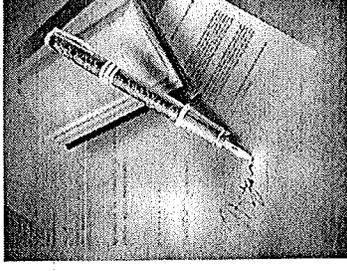
## Consent Decree

- A judicial decree
- Court's approval of agreement between parties to resolve dispute
- 1 consent decree

# Accountability

## Refunds

- Fuel is delivered with 100% tax attached
- Tribe submits invoices for refund that contain the amount of fuel purchased and the price
- DOL reviews the documents to ensure accuracy



## Use of the funds

- Tribes submit an annual audit ensuring compliance
- The audit is performed by an independent, third party audit firm
- The audit firm attests to the findings