

115TH CONGRESS  
1ST SESSION

# S. 2012

To amend the Internal Revenue Code of 1986 to make permanent the Indian Employment Credit and the depreciation rules for business property on Indian reservations, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 25, 2017

Mr. HOEVEN (for himself, Ms. MURKOWSKI, and Ms. HEITKAMP) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to make permanent the Indian Employment Credit and the depreciation rules for business property on Indian reservations, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tribal Economic As-  
5 sistance Act of 2017”.

1 **SEC. 2. TREATMENT OF INDIAN TRIBES AS STATES WITH**  
2 **RESPECT TO BOND ISSUANCE.**

3 (a) REPEAL OF ESSENTIAL GOVERNMENTAL FUNC-  
4 TION REQUIREMENT.—Section 7871 of the Internal Rev-  
5 enue Code of 1986 is amended by striking subsections (b)  
6 and (e).

7 (b) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to transactions after, and obliga-  
9 tions issued in calendar years beginning after, the date  
10 of the enactment of this Act.

11 **SEC. 3. MAKING PERMANENT THE INDIAN EMPLOYMENT**  
12 **CREDIT AND DEPRECIATION RULES FOR BUSI-**  
13 **NESS PROPERTY ON INDIAN RESERVATIONS.**

14 (a) INDIAN EMPLOYMENT CREDIT.—

15 (1) IN GENERAL.—Section 45A of the Internal  
16 Revenue Code of 1986 is amended by striking sub-  
17 section (f).

18 (2) EFFECTIVE DATE.—The amendment made  
19 by this subsection shall apply to taxable years begin-  
20 ning after December 31, 2016.

21 (b) ACCELERATED DEPRECIATION FOR BUSINESS  
22 PROPERTY ON AN INDIAN RESERVATION.—

23 (1) IN GENERAL.—Section 168(j) of the Inter-  
24 nal Revenue Code of 1986 is amended by striking  
25 paragraph (9).

1 (c) EFFECTIVE DATE.—The amendment made by  
 2 this subsection shall apply to property placed in service  
 3 after December 31, 2016.

4 **SEC. 4. PRIORITY UNDER NEW MARKETS TAX CREDIT FOR**  
 5 **QUALIFIED LOW-INCOME COMMUNITY IN-**  
 6 **VESTMENTS ON INDIAN RESERVATIONS.**

7 (a) IN GENERAL.—Subsection (f) of section 45D of  
 8 the Internal Revenue Code of 1986 is amended—

9 (1) in paragraph (2)—

10 (A) in subparagraph (A), by striking “or”  
 11 at the end;

12 (B) in subparagraph (B), by striking the  
 13 period and inserting “, or”; and

14 (C) by adding at the end the following new  
 15 subparagraph:

16 “(C) which intends to make qualified low-  
 17 income community investments within a res-  
 18 ervation, including any such entity established  
 19 by a tribe or an economic enterprise which in-  
 20 tends to make such investments within a res-  
 21 ervation.”; and

22 (2) by adding at the end the following new  
 23 paragraph:

24 “(4) DEFINITIONS.—For purposes of subpara-  
 25 graph (C) of paragraph (2), the terms ‘reservation’,

1 ‘tribe’, and ‘economic enterprise’ shall have the same  
 2 meanings given such terms under section 3 of the  
 3 Indian Financing Act of 1974 (25 U.S.C. 1452).”.

4 (b) EFFECTIVE DATE.—The amendments made by  
 5 this section shall apply to calendar years beginning after  
 6 December 31, 2017.

7 **SEC. 5. AUTHORIZATION TO ESTABLISH QUALIFIED INDIAN**  
 8 **SCHOOL CONSTRUCTION BOND ESCROW AC-**  
 9 **COUNT.**

10 (a) AUTHORIZATION TO ESTABLISH QUALIFIED IN-  
 11 DIAN SCHOOL CONSTRUCTION BOND ESCROW AC-  
 12 COUNT.—

13 (1) IN GENERAL.—Part B of title II of the In-  
 14 dian Self-Determination and Education Assistance  
 15 Act (25 U.S.C. 5351) is amended by adding at the  
 16 end the following:

17 **“SEC. 204A. AUTHORIZATION TO ESTABLISH QUALIFIED IN-**  
 18 **DIAN SCHOOL CONSTRUCTION BOND ES-**  
 19 **CROW ACCOUNT.**

20 “(a) DEFINITIONS.—In this section:

21 “(1) FEDERAL ESCROW ACCOUNT.—The term  
 22 ‘Federal escrow account’ means the qualified Indian  
 23 school construction bond escrow account established  
 24 under subsection (b).

1           “(2) QUALIFIED INDIAN SCHOOL CONSTRUC-  
2           TION BOND.—The term ‘qualified Indian school con-  
3           struction bond’ means a bond for which the Sec-  
4           retary of the Interior has provided an allocation pur-  
5           suant to the authority provided to the Secretary  
6           under section 54F(d)(4) of the Internal Revenue  
7           Code.

8           “(3) SECRETARY.—The term ‘Secretary’ means  
9           the Secretary of the Interior.

10          “(b) IN GENERAL.—Pursuant to the authority grant-  
11       ed under section 54F(d)(4) of the Internal Revenue Code  
12       of 1986, the Secretary shall establish a Federal qualified  
13       Indian school construction bond escrow account for the  
14       purpose of implementing such section.

15          “(c) USE OF ESCROW ACCOUNT.—The Secretary  
16       shall use amounts available under the Federal escrow ac-  
17       count to carry out a qualified Indian school construction  
18       bond program for schools funded by the Bureau of Indian  
19       Affairs, through which—

20               “(1) the Secretary shall approve qualified  
21       school construction bonds to the extent that amounts  
22       are available in the Federal escrow account to sup-  
23       port the bonds pursuant to paragraph (2);

24               “(2) upon the Secretary’s approval of a request  
25       for a qualified school construction bond, the Sec-

1       retary shall deposit, from amounts available in the  
 2       Federal escrow account, the amount described in  
 3       paragraph (4) in an individual bond escrow account  
 4       that shall be managed for such qualified school con-  
 5       struction bond;

6               “(3) the funds for the individual bond escrow  
 7       account shall be held by the Federal Government or  
 8       in an insured depository institution, as defined in  
 9       section 3 of the Federal Deposit Insurance Act (12  
 10      U.S.C. 1813), and shall be invested in appropriate  
 11      Treasury securities; and

12              “(4) the amount of the funds provided for the  
 13      individual bond escrow account shall be an amount  
 14      sufficient to repay the face value of the bond in a  
 15      15-year period, based on the investment required  
 16      under paragraph (3).

17      “(d) TRANSFER TO ESCROW ACCOUNT.—

18              “(1) IN GENERAL.—The Secretary shall deposit  
 19      in the Federal escrow account such sums as are  
 20      made available to implement this section and section  
 21      54F(d)(4) of the Internal Revenue Code of 1986.

22              “(2) OTHER FUNDS.—The Secretary may ac-  
 23      cept and deposit in the Federal escrow account  
 24      amounts received to carry out this section from any  
 25      other source, including Federal agencies, non-Fed-

1        eral public agencies, Indian Tribes, nonprofit organi-  
2        zations, and private sector entities.”.

3            (2) CONFORMING AMENDMENTS.—Section 204  
4        of the Indian Self-Determination and Education As-  
5        sistance Act (25 U.S.C. 5351) is amended by strik-  
6        ing “this part B” each place the term appears and  
7        inserting “this section”.

8            (b) USE OF BONDS FOR REASONABLE AND NEC-  
9        ESSARY PRECONSTRUCTION COSTS.—Section 54F(d)(4)  
10      of the Internal Revenue Code of 1986 is amended by strik-  
11      ing “Affairs.” and inserting “Affairs, which may include  
12      paying the reasonable and necessary predevelopment costs  
13      directly associated with such construction, rehabilitation,  
14      or repair.”.

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