

# NOTTAWASEPPI HURON BAND OF POTAWATOMI

## TRIBAL CODE OF JUSTICE

### TAX COMPLIANCE ACT

#### I. DEFINITIONS

**1.01 DEFINITIONS.** FOR PURPOSES OF THIS TAX COMPLIANCE ACT THE FOLLOWING TERMS SHALL HAVE THE MEANING STATED IN THIS SECTION 1.01.

(A) "ACT" MEANS THIS TAX COMPLIANCE ACT CODIFIED AS TITLE X OF THE TRIBAL CODE OF JUSTICE.

(B) "AGREEMENT AREA" MEANS THE AREA DESIGNATED AS THE AGREEMENT AREA ON ATTACHED APPENDIX A.

(C) "BUSINESS INCOME" MEANS ANY INCOME THAT IS CONSIDERED BUSINESS INCOME UNDER STATE LAW, AS MODIFIED BY THE TRIBAL-STATE TAX AGREEMENT WHICH SPECIFICALLY TREATS THE TYPES OF RESIDENT TRIBAL MEMBER INCOME DESCRIBED AT SECTION 1.01(G) BELOW AS NON-BUSINESS INCOME.

(D) "COVERED TAXES" MEANS THE STATE'S SALES TAX, USE TAX, MOTOR FUEL TAX, INCOME TAX, TOBACCO PRODUCTS TAX, AND SINGLE BUSINESS TAX, AS MODIFIED BY THE TRIBAL-STATE TAX AGREEMENT.

(E) "GOVERNMENTAL FUNCTIONS" MEANS THOSE GOVERNMENTAL FUNCTIONS AND ACTIVITIES SPECIFICALLY LISTED IN SECTION III.A.1.B. OF THE TRIBAL-STATE TAX AGREEMENT AS GOVERNMENTAL FUNCTIONS.

(F) "INDIAN COUNTRY" MEANS THOSE LANDS OF THE TRIBE CONSIDERED INDIAN COUNTRY UNDER FEDERAL LAW.

(G) "NON-BUSINESS INCOME" MEANS ALL INCOME OF A RESIDENT TRIBAL MEMBER FROM (1) WAGES WHEREVER EARNED, (2) INTEREST AND PASSIVE DIVIDENDS, (3) RENTS AND ROYALTIES FROM REAL PROPERTY LOCATED OR PERSONAL PROPERTY UTILIZED IN THE AGREEMENT AREA, (4) CAPITAL GAIN FROM REAL OR PERSONAL PROPERTY LOCATED IN THE AGREEMENT AREA OR INTANGIBLE PROPERTY, (5) PENSION INCOME AND BENEFITS, (6) PER CAPITA PAYMENTS FROM THE TRIBE, AND (7) GAMING WINNINGS, AND ANY OTHER INCOME THAT IS NOT CONSIDERED BUSINESS INCOME UNDER STATE LAW.

(H) "NON-TRIBAL MEMBER" MEANS AN INDIVIDUAL WHO IS NOT AN ENROLLED MEMBER OF THE TRIBE.

(I) "RESIDENT TRIBAL MEMBER" MEANS A TRIBAL MEMBER WHOSE PRINCIPAL PLACE OF RESIDENCE IS LOCATED WITHIN THE AGREEMENT AREA.

(J) "STATE" MEANS THE STATE OF MICHIGAN ACTING THROUGH ITS OFFICIALS, EMPLOYEES AND AGENTS DULY EXERCISING AUTHORITY OF THE STATE WITH RESPECT TO THE COVERED TAXES AND THE TRIBAL-STATE TAX AGREEMENT.

(K) "STATE LAW" MEANS THE STATE'S LAW PERTAINING TO THE APPLICATION AND ADMINISTRATION OF THE COVERED TAXES, WHETHER AS CURRENTLY IN EFFECT OR SUBSEQUENTLY AMENDED, AS MODIFIED BY THE TERMS OF THE

## TRIBAL-STATE TAX AGREEMENT.

(L) "TRIBE" MEANS NOTTAWASEPPI HURON BAND OF POTAWATOMI, A SOVEREIGN, FEDERALLY RECOGNIZED TRIBE. THE TERM TRIBE SHALL INCLUDE ENTITIES WHOLLY OWNED BY THE TRIBE.

(M) "TRIBAL CHAIRPERSON" MEANS THE DULY ELECTED CHAIRPERSON OF THE TRIBAL COUNCIL.

(N) "TRIBAL COUNCIL" MEANS THE DULY ELECTED TRIBAL COUNCIL OF THE TRIBE.

(O) "TRIBAL COURT" MEANS THE PERSON OR BODY DESIGNATED BY THE TRIBAL COUNCIL TO EXERCISE THE ADJUDICATORY JURISDICTION DELEGATED TO THE TRIBAL COURT BY THIS ACT.

(P) "TRIBAL ENTERPRISE" MEANS ANY BUSINESS ENTERPRISE OWNED AND WHOLLY OPERATED BY THE TRIBE, WHETHER INCORPORATED OR NOT.

(Q) "TRIBAL ENTITY" MEANS AN ENTITY, OTHER THAN AN ENTITY WHOLLY OWNED BY THE TRIBE THAT IS WHOLLY OWNED BY RESIDENT TRIBAL MEMBERS OR BY A COMBINATION OF SUCH RESIDENT TRIBAL MEMBERS AND THE TRIBE.

(R) "TRIBAL MEMBER" MEANS A DULY ENROLLED MEMBER OF THE TRIBE.

(S) "TRIBAL OFFICIAL" MEANS ANY INDIVIDUAL OFFICER, EMPLOYEE OR AGENT OF TRIBAL GOVERNMENT OR A TRIBAL ENTERPRISE WITH AUTHORITY AND RESPONSIBILITY TO ACT OR REFRAIN FROM ACTING WITH RESPECT TO A PARTICULAR MATTER ADDRESSED BY THIS ACT.

(T) "TRIBAL POLICE" MEANS THE PERSON OR PERSONS DESIGNATED TO ACT AS THE TRIBE'S OFFICE OF PUBLIC SAFETY BY THE TRIBAL COUNCIL, AND TO CARRY OUT THE DUTIES AND EXERCISE THE AUTHORITY OF TRIBAL POLICE PURSUANT TO THIS ACT AND THE TRIBAL-STATE TAX AGREEMENT.

(U) "TRIBAL-STATE TAX AGREEMENT" MEANS THE TAX AGREEMENT BETWEEN THE TRIBE AND THE STATE OF MICHIGAN DATED DECEMBER 20, 2002. WITHIN THIS ACT, CROSS REFERENCES TO SECTIONS OF THE TRIBAL-STATE TAX AGREEMENT APPEAR AS "T-STA §".

(V) "TRIBAL TREASURER" MEANS THE PERSON DULY ACTING AS THE TRIBAL TREASURER UNDER THE CONSTITUTION AND LAWS OF THE TRIBE OR SUCH OTHER PERSON AS THE TRIBAL COUNCIL SHALL DESIGNATE TO PERFORM THE DUTIES OF THE TRIBAL TREASURER UNDER THIS ACT.

(W) "TRIBAL AND TRUST LANDS" MEANS THOSE LANDS LISTED ON APPENDIX A AS TRIBAL AND TRUST LANDS.

## II. APPLICATION OF TRIBAL-STATE TAX AGREEMENT

**2.01. BINDING EFFECT OF TRIBAL-STATE TAX AGREEMENT.** THE TRIBAL-STATE TAX AGREEMENT IS BINDING ON THE TRIBE, ALL TRIBAL MEMBERS AND TRIBAL ENTITIES WITH RESPECT TO THE COVERED TAXES. ALL TRIBAL OFFICIALS, TRIBAL MEMBERS AND TRIBAL ENTITIES SHALL COMPLY WITH THE TERMS OF THIS

**2.02. SALES AND USE TAX.** SUBJECT TO COMPLIANCE WITH CERTAIN ADMINISTRATIVE, TERMS AND CONDITIONS, THE TRIBAL-STATE TAX AGREEMENT (T-STA §III.A.) PROVIDES THAT THE FOLLOWING TRANSACTIONS ARE EXEMPT FROM STATE SALES AND USE TAX:

(A) PURCHASES OF TANGIBLE PERSONAL PROPERTY BY THE TRIBE, A TRIBAL ENTITY OR RESIDENT TRIBAL MEMBER IF THE PURCHASE TAKES PLACE AND THE PROPERTY IS USED BY IT, HIM OR HER EXCLUSIVELY WITHIN THE TRIBAL AND TRUST LANDS ("TT&L PURCHASES") T-STA §III.A.1.A;

(B) PURCHASES BY THE TRIBE OF TANGIBLE PERSONAL PROPERTY THAT IS PRIMARILY USED (95% OR MORE) IN PERFORMING A GOVERNMENTAL FUNCTION IF THE PURCHASE TAKES PLACE WITHIN THE AGREEMENT AREA, REGARDLESS OF WHERE THE TANGIBLE PERSONAL PROPERTY IS USED ("GOVERNMENTAL FUNCTION PURCHASES") T-STA §III.A.1.B;

(C) PURCHASES OF VANS AND BUSES BY THE TRIBE FOR USE IN TRANSPORTING PASSENGERS TO AND FROM A TRIBAL GAMING FACILITY IF USED EXCLUSIVELY WITHIN THE AGREEMENT AREA OR WITHIN A 25 MILE RADIUS OF A TRIBAL GAMING FACILITY, PROVIDED THAT OCCASIONAL USE (5% OR LESS) FOR OTHER GOVERNMENTAL FUNCTIONS IS PERMITTED ("GAMING VAN AND BUS PURCHASES") T-STA §III.A.1.D;

(D) PURCHASES BY A RESIDENT TRIBAL MEMBER OF TANGIBLE PERSONAL PROPERTY FOR PERSONAL USE IF THE PURCHASE TAKES PLACE AND THE PROPERTY IS USED EXCLUSIVELY WITHIN THE AGREEMENT AREA ("MISCELLANEOUS RTM PERSONAL USE PURCHASES"); PROVIDED THAT RESIDENT TRIBAL MEMBERS MAY CLAIM THE BENEFIT OF THIS EXEMPTION, (OTHER THAN FOR PURCHASES ALSO DESCRIBED IN SUBSECTIONS (E) THROUGH (H) BELOW), ONLY THROUGH (I) PURCHASE WITHIN THE AGREEMENT AREA FROM A TRIBAL ENTERPRISE, TRIBAL MEMBER OR TRIBAL ENTITY RETAILER (T-STA §XII.A.1.) OR (II) THROUGH THE REFUND TABLE PRESCRIBED BY THE STATE (T-STA §XII.C.3) [THE REFUND TABLE ESTIMATES THE TAX AND MISCELLANEOUS PERSONAL USE PURCHASES AND MAY NOT PROVIDE TO THE RESIDENT TRIBAL MEMBER THE FULL TAX REFUND THEORETICALLY DUE ON SUCH PURCHASES DURING ANY TAX YEAR] T-STA §III.A.2.B;

(E) PURCHASES OF THE FOLLOWING ITEMS BY RESIDENT TRIBAL MEMBERS, REGARDLESS OF WHERE PURCHASED OR USED, FOR NON-COMMERCIAL, PERSONAL USE, IF PRINCIPALLY GARAGED, BERTHED, OR STORED WITHIN THE AGREEMENT AREA:

- (i) PASSENGER VEHICLES INCLUDING AUTOMOBILES, PICK-UP TRUCKS, RECREATIONAL VEHICLES AND MOTORCYCLES;
- (ii) RECREATIONAL WATERCRAFT;
- (iii) SNOWMOBILES; AND
- (iv) OFF ROAD VEHICLES ("RTM VEHICLE PURCHASES") T-STA §III.A.2.C;

(F) PURCHASES BY RESIDENT TRIBAL MEMBERS OF MODULAR HOMES AND MOBILE HOMES USED AS THEIR PRINCIPAL RESIDENCE ("RTM MODULAR & MOBILE HOME PURCHASES") T-STA §II.A.2.D;

(G) MATERIALS PURCHASED BY A CONTRACTOR IN THE PERFORMANCE OF A CONTRACT WITH THE RESIDENT TRIBAL MEMBER, TRIBE, OR TRIBAL ENTITY FOR CONSTRUCTION, RENOVATION OR IMPROVEMENT OF REAL PROPERTY LOCATED WITHIN THE TRIBAL AND TRUST LANDS IF THERE IS NO CONTRACTUAL ENTITLEMENT FOR A NON-RESIDENT TRIBAL MEMBER OR NON-TRIBAL ENTITY TO REMOVE THE IMPROVEMENT ("TTL CONTRACTOR MATERIAL PURCHASES") T-STA §A.3.A;

(h) MATERIALS PURCHASED BY A CONTRACTOR IN THE PERFORMANCE OF A CONTRACT FOR CONSTRUCTION, RENOVATION OR IMPROVEMENT TO THE PRINCIPAL RESIDENCE OF A RESIDENT TRIBAL MEMBER ("RTM PERSONAL RESIDENCE CONTRACTOR MATERIALS") T-STA §111.A.6;

(i) RENTAL ROOMS OWNED BY THE TRIBE (I) WITHIN TRIBAL AND TRUST LANDS AND (II) WITHIN A ONE-QUARTER MILE RADIUS OF A TRIBAL GAMING FACILITY ARE EXEMPT FROM THE LODGING USE TAX T-STA §III.A.5;

(j) RESTAURANT FOOD AND BEVERAGE SALES AT CASINO OPERATIONS WITHIN THE TRIBAL AND TRUST LANDS ARE EXEMPT FROM BOTH THE SALES TAX AND USE TAX T-STA §III.A.6;

(K) SALES OF ELECTRICITY, NATURAL GAS OR ARTIFICIAL GAS, HOME HEATING FUEL ARE EXEMPT FROM BOTH THE SALES AND USE TAX IF DELIVERED TO: (I) TRIBAL AND TRUST LANDS OCCUPIED BY THE TRIBE, A TRIBAL ENTITY OR A TRIBAL MEMBER; (II) LAND OCCUPIED BY THE TRIBE WITHIN THE AGREEMENT AREA TO PERFORM A GOVERNMENTAL FUNCTION; OR (II) A RESIDENT TRIBAL MEMBER'S PRINCIPAL RESIDENCE T-STA §III.A.7;

(1) TELEPHONE (INTRASTATE AND INTERSTATE), TELEGRAPH LEASED WIRE, INTERNET, CABLE, AND OTHER SIMILAR COMMUNICATIONS PAID FOR BY THE TRIBE, A TRIBAL ENTITY, OR. RESIDENT TRIBAL MEMBER ARE EXEMPT FROM BOTH THE SALES AND USE TAX IF RENDERED TO: (I) TRIBAL AND TRUST LANDS OCCUPIED BY THE TRIBE, A TRIBAL ENTITY OR A TRIBAL MEMBER; (II) LAND OCCUPIED BY THE TRIBE WITHIN THE AGREEMENT AREA TO PERFORM A GOVERNMENTAL FUNCTION; OR (III) A RESIDENT TRIBAL MEMBER'S PRINCIPAL RESIDENCE. T-STA §III.A.7.

FOR PURPOSES OF APPLYING THE FOREGOING SALES AND USE TAX EXEMPTIONS, THE LOCATION OF THE PURCHASE IS DETERMINED BY THE STREAMLINE SALES TAX PROJECT RULES FOLLOWED BY THE STATE. T-STA §III.A.8. THOSE RULES GENERALLY PROVIDE:

(i) WHEN A PRODUCT IS RECEIVED TO THE PURCHASER AT A BUSINESS LOCATION OF THE SELLER, THE PURCHASE IS DEEMED TO OCCUR AT THAT LOCATION; AND

(ii) WHEN A PRODUCT IS DELIVERED TO THE PURCHASER BY THE SELLER OR COMMON CARRIER CONTRACTED BY SELLER, AT THE POINT OF DELIVERY TO PURCHASER.

THE EXEMPTIONS IN SUBSECTIONS (E), (F) AND (H) SHALL APPLY IN FULL TO PURCHASES BY A RESIDENT TRIBAL MEMBER EVEN IF THE ITEMS ARE JOINTLY TITLED IN THE NAME OF THE RESIDENT TRIBAL MEMBER AND HIS OR HER SPOUSE. T-STA §111.A.2.E.

**2.03 SALES TAX SHARING.** STATE SALES TAX OR USE TAX COLLECTED AND REMITTED TO THE STATE BY THE TRIBE,. TRIBAL MEMBER AND TRIBAL ENTITY RETAILERS ON ALL TAXABLE SALES WITHIN THE TRIBAL AND TRUST LANDS, IN ACCORDANCE WITH THIS ACT AND THE TRIBAL-STATE TAX AGREEMENT, SHALL BE SHARED BETWEEN THE TRIBE AND STATE AS FOLLOWS:

(A) ON THE FIRST \$5,000,000 OF ANNUAL GROSS RECEIPTS FROM TAXABLE SALES TO NON-RESIDENT TRIBAL MEMBERS, 2/3 OF THE TAX COLLECTED SHALL BE PAID TO THE TRIBE AND 1/3 TO THE STATE.

(b) ON ANNUAL GROSS RECEIPTS FROM TAXABLE SALES TO NON-RESIDENT TRIBAL MEMBERS IN EXCESS OF \$5,000,000, 1/2 OF THE TAX COLLECTED SHALL BE PAID TO THE TRIBE AND 1/2 TO THE STATE. T-STA §III.B.

**2.04. INDIVIDUAL INCOME TAX.** RESIDENT TRIBAL MEMBERS ARE EXEMPT FROM STATE INCOME TAX ON (A) ALL NON BUSINESS INCOME, AND (B) ON BUSINESS INCOME APPORTIONED TO TRIBAL AND TRUST LAND UNDER T-STA §IV.B. SPOUSES WHO ARE NOT RESIDENT TRIBAL MEMBERS ARE SUBJECT TO THE STATE INCOME TAX. T-STA §IV.D.

**2.05. SINGLE BUSINESS TAX.** BUSINESS ENTITIES WHICH ARE PARTIALLY OR WHOLLY OWNED BY ANY COMBINATION OF THE TRIBE, TRIBAL MEMBERS OR TRIBAL ENTITIES, ARE EXEMPT FROM SINGLE BUSINESS TAX, TO THE EXTENT OF THE PERCENTAGE OWNERSHIP OF SUCH PERSONS AND ENTITIES, ON THE BUSINESS ENTITY'S TAX BASE APPORTIONED TO THE AGREEMENT AREA OF THE TRIBE AND OF ANY OTHER TRIBES HAVING AN AGREEMENT WITH THE STATE SIMILAR TO THE TRIBAL-STATE TAX AGREEMENT. T-STA §VII. THIS EXEMPTION DOES NOT APPLY TO PUBLICLY TRADED BUSINESS ENTITIES. T-STA §VII.B.

**2.06. MOTOR FUELS TAX.** THE TRIBE MAY PURCHASE A QUANTITY OF TAX-EXEMPT MOTOR FUEL PURSUANT TO THE TRIBAL-STATE TAX AGREEMENT FOR USE BY IT AND ITS TRIBAL MEMBERS AND TRIBAL ENTITIES, T-STA §V. THE TRIBAL COUNCIL SHALL DETERMINE HOW TO ALLOCATE THE RIGHT TO PURCHASE TAX FREE MOTOR FUELS AMONG THE TRIBE, TRIBAL MEMBERS AND TRIBAL ENTITIES IN ACCORDANCE WITH THIS ACT.

**2.07. TOBACCO PRODUCTS.** THE TRIBE MAY PURCHASE A QUANTITY OF TAX-EXEMPT TOBACCO PRODUCTS PURSUANT TO THE TRIBAL-STATE TAX AGREEMENT T-STA §VI. THE TRIBAL COUNCIL SHALL DETERMINE HOW TO ALLOCATE THE RIGHT TO PURCHASE TAX FREE TOBACCO PRODUCTS AMONG THE TRIBE, TRIBAL MEMBERS AND TRIBAL ENTITIES IN ACCORDANCE WITH THIS ACT.

### **III. RESTRICTIONS AND PROHIBITIONS ON TRIBAL MEMBERS AND ENTITIES**

**3.01. MOTOR FUELS TAX.** THE FOLLOWING RESTRICTIONS AND

PROHIBITIONS SHALL APPLY TO TRIBAL MEMBERS AND TRIBAL ENTITIES WITH RESPECT TO MOTOR FUELS TAX:

(A) *RETAILER PURCHASES EXCLUSIVELY FROM STATE LICENSED WHOLESALER.* IF ACTING AS RETAILERS, THEY SHALL (I) ONLY PURCHASE MOTOR FUEL FROM STATE LICENSED WHOLESALERS AND (II) PREPAY ALL TAXES ON MOTOR FUEL PURCHASES, EXCEPT FOR QUOTA EXEMPT PURCHASES AUTHORIZED BY THE TRIBE T-STA §V.D;

(B) *TAX ON NON-MEMBER SALES.* ALL SALES OF MOTOR FUEL TO NON-TRIBAL MEMBERS SHALL BE WITH ALL TAXES PAID AND INCLUDED IN THE PRICE T-STA §V.E;

(c) *STATE LICENSURE.* THEY SHALL NOT ACT AS IMPORTERS, WHOLESALERS, OR SUPPLIERS OF MOTOR FUEL UNLESS LICENSED BY THE STATE T-STA §V.F; AND

(d) *MCFTA/IFTA COMPLIANCE.* IF ENGAGING IN ACTIVITY THAT IS COVERED BY THE MOTOR CARRIER FUEL TAX ACT OR THE INTERNATIONAL FUEL TAX AGREEMENT, THEY SHALL FULLY COMPLY WITH ALL OF THE PROVISIONS OF THAT ACT OR AGREEMENT, INCLUDING REGISTRATION AND LICENSING REQUIREMENTS T-STA §XIII.F.

**3.02. TOBACCO PRODUCTS TAX.** THE FOLLOWING RESTRICTIONS AND PROHIBITIONS SHALL APPLY TO TRIBAL MEMBERS AND TRIBAL ENTITIES WITH RESPECT TO TOBACCO PRODUCTS TAX:

(a) *RETAILER PURCHASE OF STAMPED PRODUCT EXCLUSIVELY FROM STATE LICENSED WHOLESALER.* IF ACTING AS RETAILERS, THEY SHALL (1) ONLY PURCHASE TOBACCO PRODUCTS BEARING THE STATE TRIBAL STAMP FROM STATE LICENSED WHOLESALERS, AND (II) PREPAY ALL TAXES ON TOBACCO PRODUCT PURCHASES, EXCEPT FOR QUOTA EXEMPT PURCHASES AUTHORIZED BY THE TRIBE. T-STA §VI.D;

(b) *TAX ON NON-MEMBER SALES.* ALL SALES OF TOBACCO PRODUCTS TO NON-TRIBAL MEMBERS SHALL BE WITH ALL TAXES PAID AND INCLUDED IN THE PRICE. T-STA §VI.E; AND

(c) *STATE LICENSURE.* THEY SHALL NOT ACT AS WHOLESALERS, SECONDARY WHOLESALERS, OR UNCLASSIFIED ACQUIRERS OF TOBACCO PRODUCTS UNLESS LICENSED BY THE STATE. T-STA §VI.F.

**3.03. TRIBAL CERTIFICATE OF EXEMPTION USE.** IF THE TRIBE AT ANY TIME ALLOWS TRIBAL MEMBERS AND TRIBAL ENTITIES TO USE *TRIBAL CERTIFICATES OF EXEMPTION*, IN NO EVENT SHALL A TRIBAL MEMBER OR TRIBAL ENTITY USE SUCH CERTIFICATE AFTER THE TERMINATION OF THE TRIBAL-STATE TAX AGREEMENT. T-STA §XII.B.C.

## **IV TRIBAL MEMBER AND TRIBAL ENTITY DUTIES AND OBLIGATIONS**

**4.01. SALES AND USE TAX.** TRIBAL MEMBERS AND TRIBAL ENTITIES SHALL BE SUBJECT TO AND SHALL COMPLY WITH THE FOLLOWING DUTIES AND

OBLIGATIONS WITH RESPECT TO SALES AND USE TAXES:

(A) *USE STATE FORMS TO CLAIM NON-T-STA EXEMPTIONS.* TO OBTAIN THE BENEFIT OF STATUTORY SALES AND USE TAX EXEMPTIONS OTHER THAN THOSE SPECIFICALLY PROVIDED BY THE TRIBAL-STATE TAX AGREEMENT, A TRIBAL MEMBER OR TRIBAL ENTITY SHALL USE THE STANDARD PROCEDURES AND FORMS USED BY ALL TAXPAYERS CLAIMING EXEMPTION. SEE REVENUE ADMINISTRATIVE BULLETIN 2002-15. T-STA §XII.A.2.

(B) *USE OF TRIBAL CERTIFICATE OF EXEMPTION FOR QUALIFIED PURCHASER IF AUTHORIZED BY TRIBE.* IF THE TRIBE ELECTS TO AUTHORIZE RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES TO USE A *TRIBAL CERTIFICATE OF EXEMPTION* FOR RTM VEHICLE PURCHASES, RTM MODULAR & MOBILE HOME PURCHASES, TT&L CONSTRUCTION CONTRACTOR PURCHASES, AND RTM PERSONAL RESIDENCE CONTRACTOR PURCHASES, AND FOR PURCHASE OF MATERIALS FOR SELF-PERFORMED CONSTRUCTION, RENOVATION OR IMPROVEMENT OF REAL PROPERTY IN THE TRIBAL AND TRUST LANDS ("TT&L DO-IT-YOURSELF PURCHASES"), OR FOR A PRINCIPAL RESIDENCE OF A RESIDENT TRIBAL MEMBER ("RTM DO-IT-YOURSELF PURCHASES"), RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES SHALL FOR EACH SUCH PURCHASE:

(i) USE A *TRIBAL CERTIFICATE OF EXEMPTION* FOR SUCH PURCHASES AND NOT SEEK A REFUND OF ANY SALES TAX PAID;

(ii) SUBMIT TO THE TRIBE A SIGNED *RESIDENT TRIBAL MEMBER/TRIBAL ENTITY CLAIM* CONTAINING ALL REQUIRED INFORMATION TO OBTAIN A CERTIFICATE; AND

(iii) PRESENT THE CERTIFICATE (TOGETHER WITH THE *LETTER OF AUTHORIZATION*) TO THE VENDOR OR CONTRACTOR AT THE POINT OF PURCHASE.

NOTWITHSTANDING TRIBAL AUTHORIZATION OF RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES TO USE A *TRIBAL CERTIFICATE OF EXEMPTION*, RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES MAY ONLY OBTAIN THE BENEFIT OF THE TT&L PURCHASE EXEMPTION UNDER SECTION 2.02(A) OF THIS ACT, OTHER THAN FOR A TT&L DO-IT-YOUR-SELF PURCHASE, BY FILING A *RESIDENT TRIBAL MEMBER/TRIBAL ENTITY SALES TAX AND USE TAX REFUND REQUEST* FORM WITH THE STATE. T-STA §XII.C.1.

(C) *USE REFUND METHOD IF TRIBE DOES NOT AUTHORIZE USE OF TRIBAL CERTIFICATE OF EXEMPTION.* IF THE TRIBE DOES NOT AUTHORIZE ITS RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES TO USE *TRIBAL CERTIFICATES OF EXEMPTION*, RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES SHALL PAY SALES TAX ON ALL RTM VEHICLE PURCHASES, RTM MODULAR & MOBILE HOME PURCHASES, TT&L CONSTRUCTION CONTRACTOR PURCHASE, RTM PERSONAL RESIDENCE CONSTRUCTION CONTRACTOR PURCHASES, TT&L DO-IT-YOURSELF PURCHASES AND RTM DO-IT-YOURSELF PURCHASES AND FILE A *RESIDENT TRIBAL MEMBER/TRIBAL ENTITY SALES TAX AND USE TAX REFUND REQUEST*, WITH ANY INFORMATION AND BACK-UP DOCUMENTATION REQUIRED BY THE INSTRUCTIONS TO THE FORM, TO APPLY FOR REFUND OF THE TAX. *RESIDENT TRIBAL MEMBER/TRIBAL ENTITY SALES TAX AND USE TAX REFUND REQUEST* FORMS MAY BE FILED WITH THE STATE IN APRIL, JULY, OCTOBER,

(D) *REFUND TABLE CLAIM FOR MISCELLANEOUS RTM PERSONAL PURCHASES.* IN ORDER TO CLAIM AN ANNUAL REFUND REPRESENTING SALE TAX AND USE TAX PAID ON MISCELLANEOUS RTM PERSONAL PURCHASES, OTHER THAN RTM DO-IT YOURSELF PURCHASES, THE RESIDENT TRIBAL MEMBER MUST SUBMIT A REFUND TABLE CLAIM ON SUCH FORM AS THE STATE SHALL PRESCRIBE. T-STA §XII.C.3.

(E) *RECORD KEEPING FOR TTL PURCHASES.* RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES SHALL MAINTAIN RECORDS FOR ITEMS THAT ARE CLAIMED EXEMPT ON THE BASIS THAT THE PURCHASE OCCURRED IN, AND THE USE IS EXCLUSIVELY IN, TRIBAL AND TRUST LANDS. T-STA §XII.E.1.

(F) *COLLECT STATE TAX WHEN ACTING AS RETAILERS.* TRIBAL MEMBER AND TRIBAL ENTITY RETAILERS SHALL COLLECT AND REMIT STATE SALES TAX OR USE TAX ON ALL SALES TO NON-TRIBAL MEMBERS, AND ANY SALE TO THE TRIBE, TRIBAL MEMBERS OR TRIBAL ENTITIES THAT ARE NOT EXEMPT UNDER THE TRIBAL-STATE TAX AGREEMENT, IN ACCORDANCE WITH STATE PROCEDURES GENERALLY APPLICABLE TO RETAIL SELLERS. T-STA §III.B. AND XII.D.

(G) *RETAILER RECORDS FOR EXEMPT SALES.* TRIBAL MEMBER AND TRIBAL ENTITY RETAILERS SHALL MAINTAIN RECORDS REGARDING SALES THAT ARE NOT TAXABLE UNDER THE TRIBAL-STATE AGREEMENT. WITH RESPECT TO SALES WITHIN THE AGREEMENT AREA TO THE TRIBE, TRIBAL MEMBERS AND TRIBAL ENTITIES ON WHICH NO TAX WAS COLLECTED, RETAILERS SHALL MAINTAIN A RECORD INCLUDING THE DATE, THE NAME AND TRIBAL IDENTIFICATION NUMBER OF THE PURCHASER, THE AMOUNT, AND FOR ANY ITEM OF MORE THAN \$50.00 OR SALES OF MORE THAN \$200.00 IN THE AGGREGATE, THE IDENTIFICATION OF THE ITEMS PURCHASED AND ANY OTHER DATA SUFFICIENT TO DOCUMENT THE EXEMPTION. T-STA §XII.E.1.

(h) *ROOM TAX.* RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES OPERATING A HOTEL OR MOTEL SHALL REMIT, IN ACCORDANCE WITH REGULAR STATE LAW PROCEDURES, USE TAX ON ROOMS SUBJECT TO TAX UNDER STATE LAW. T-STA §XII.H.

**4.02. RESPONSIBILITY FOR PROPER USE OF THE *TRIBAL CERTIFICATES OF EXEMPTION.*** IF THE TRIBE ELECTS TO ALLOW RESIDENT TRIBAL MEMBERS AND TRIBAL ENTITIES TO USE *TRIBAL CERTIFICATES OF EXEMPTION* FOR QUALIFIED PURCHASES, THE USER OF THE CERTIFICATE SHALL BE SOLELY RESPONSIBLE FOR ASSURING THAT THE PURCHASE TRANSACTION FOR WHICH IT IS USED IS QUALIFIED FOR THE EXEMPTION CLAIMED PURSUANT TO THE TRIBAL-STATE TAX AGREEMENT. IF NOTIFIED BY THE STATE THAT THEIR USE OF A *TRIBAL CERTIFICATE OF EXEMPTION* IS ALLEGED TO BE IMPROPER OR INEFFECTIVE AND THE STATE CLAIMS THAT TAX IS DUE, THE TRIBAL MEMBER OR ENTITY SHALL PROMPTLY PAY THE ASSESSMENT OR DILIGENTLY CONTEST IT THROUGH AVAILABLE MEANS PROVIDED BY STATE LAW AND THE TRIBAL-STATE TAX AGREEMENT, AND SHALL SAVE AND HOLD THE TRIBE HARMLESS FROM SUCH ASSESSMENT. IF THE TRIBE IS ASSESSED ANY AMOUNT OF TAX OR INTEREST ON ANY PURCHASE OF THE TRIBAL MEMBER OR TRIBAL ENTITY UPON DISALLOWANCE OF AN EXEMPTION CLAIMED BY *TRIBAL CERTIFICATE OF EXEMPTION*, THE TRIBAL

MEMBER OR TRIBAL ENTITY SHALL REIMBURSE THE TRIBE ON DEMAND. THE TRIBE SHALL BE ENTITLED TO RECOVER THE ENTIRE AMOUNT ASSESSED AND ALL COSTS OF COLLECTION, INCLUDING ATTORNEYS' FEES. THE TRIBE MAY RECOVER AMOUNTS OWED TO IT HEREUNDER BY OFFSET AGAINST ANY AMOUNTS OWED BY THE TRIBE TO THE. TRIBAL MEMBER OR ENTITY, INCLUDING ANY PER CAPITA PAYMENT, AND THROUGH SUIT IN THE TRIBAL COURT OR ANY OTHER FORUM.

**4.03. PERSONAL INCOME TAX.** TRIBAL MEMBERS AND TRIBAL ENTITIES SHALL HAVE THE FOLLOWING DUTIES AND OBLIGATIONS WITH RESPECT TO PERSONAL INCOME TAX:

(a) *EMPLOYEE WITHHOLDING.* TRIBAL MEMBER AND TRIBAL ENTITY EMPLOYERS WILL WITHHOLD AND REMIT TO THE STATE INCOME TAX FROM ALL EMPLOYEES IN ACCORDANCE WITH REGULATIONS/INSTRUCTIONS GENERALLY APPLICABLE, EXCEPT THAT WITHHOLDING IS NOT REQUIRED ON RESIDENT TRIBAL MEMBERS. TSTA §IV.E.I. AND IX.B.

(b) *FILE RETURN.* ALL RESIDENT TRIBAL MEMBERS SHALL FILE A STATE TAX RETURN (I) IF THEY OWE A MICHIGAN INCOME TAX, (II) ARE DUE A REFUND, (III) THEIR FEDERAL ADJUSTED GROSS INCOME EXCEEDS THEIR EXEMPTION ALLOWANCE, OR (IV) THEY ARE REQUIRED TO FILE A FEDERAL RETURN (IN ORDER TO ELIMINATE UNNECESSARY CORRESPONDENCE WITH THE DEPARTMENT). A TAXPAYER WHO IS ENTITLED TO EXEMPTION BASED ON THE TRIBAL-STATE TAX AGREEMENT SHALL COMPLETE A SCHEDULE IN ACCORDANCE WITH STATE INSTRUCTIONS TO CLAIM THE EXEMPTION. T-STA

**4.04. SINGLE BUSINESS TAX.** A TAXPAYER CLAIMING ENTITLEMENT TO EXEMPTIONS FROM THE SINGLE BUSINESS TAX PROVIDED IN THE TRIBAL-STATE TAX AGREEMENT SHALL PREPARE AND FILE THE SBT ANNUAL RETURN FORM C-8000 IN ACCORDANCE WITH SPECIAL INSTRUCTIONS FOR A TAXPAYER CLAIMING EXEMPTIONS UNDER THE TRIBAL-STATE TAX AGREEMENT. T-STA §IX.C.

**4.05. MOTOR FUELS TAX.** TRIBAL MEMBER AND TRIBAL ENTITY RETAILERS SHALL HAVE THE FOLLOWING DUTIES AND OBLIGATIONS WITH RESPECT TO MOTOR FUELS TAX:

(a) *QUOTA SYSTEM COMPLIANCE BY RETAILERS.* IF THE TRIBE ELECTS TO USE THE QUOTA SYSTEM, (I) TRIBAL MEMBER AND TRIBAL ENTITY RETAILERS SHALL COMPLY WITH THE SYSTEM ESTABLISHED BY THE TRIBE FOR PRE-APPROVAL OF ALL PURCHASES OF TAX FREE FUEL, AND (II) IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, ALL RETAILERS AUTHORIZED BY THE TRIBE TO PURCHASE TAX FREE FUEL SHALL MAINTAIN A LOG OF THEIR TAX FREE PURCHASES SHOWING THE DELIVERY DATE, TYPE (GASOLINE OR DIESEL) AND QUANTITY OF FUEL PURCHASED. T-STA §X.A.

(b) *FUEL PURCHASES BY RETAILERS UNDER REFUND SYSTEM.* IF THE TRIBE ELECTS TO USE THE REFUND SYSTEM, EACH TRIBAL MEMBER AND TRIBAL ENTITY RETAILER SHALL PURCHASE ALL MOTOR FUEL FOR RESALE IN ACCORDANCE WITH STATE LAW FROM ANY STATE LICENSED WHOLESALER, TAX PREPAID, AND TAXABLE SALES WILL INCLUDE TAX IN THE PRICE. T-STA §V.B.2.

(c) *REFUND SYSTEM COMPLIANCE BY RETAILERS.* IF THE TRIBE ELECTS TO USE

THE REFUND SYSTEM, EACH TRIBAL MEMBER AND TRIBAL. ENTITY RETAILER AUTHORIZED BY THE TRIBE TO RECEIVE REFUNDS SHALL SUBMIT THEIR CLAIMS TO THE TRIBE WHICH WILL COMPILE THEM AS A SINGLE REQUEST TO BE FILED WITH THE STATE ON A MONTHLY OR QUARTERLY BASIS. THE STATE SHALL ISSUE A SINGLE REFUND CHECK TO THE TRIBE, AND THE TRIBE SHALL ALLOCATE THE REFUND AMONG RETAILERS. IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, ALL AUTHORIZED RETAILERS SHALL MAINTAIN A LOG OF THEIR SALES OF TAX FREE MOTOR FUEL SHOWING THE DATE, THE PURCHASER'S NAME, THE PURCHASER'S TRIBAL IDENTIFICATION NUMBER, THE PURCHASER'S SIGNATURE (OR APPROVED SWIPE CARD RECORD), AND THE AMOUNT AND TYPE (GASOLINE OR DIESEL) OF FUEL PURCHASED. T-STA §X.B.

**4.06. TOBACCO PRODUCTS TAX.** TRIBAL MEMBERS AND TRIBAL ENTITY RETAILERS SHALL HAVE THE FOLLOWING DUTIES AND OBLIGATIONS WITH RESPECT TO TOBACCO PRODUCTS TAX:

*(a) QUOTA SYSTEM COMPLIANCE BY RETAILERS.* IF THE TRIBE ELECTS TO USE THE QUOTA SYSTEM, TRIBAL MEMBER AND TRIBAL ENTITY RETAILERS SHALL COMPLY WITH THE SYSTEM ESTABLISHED BY THE TRIBE FOR PRE-APPROVAL OF ALL PURCHASES OF TAX FREE PRODUCT. IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, ALL AUTHORIZED RETAILERS SHALL MAINTAIN A LOG OF THEIR PURCHASES OF TAX FREE QUOTA TOBACCO PRODUCTS SHOWING THE DATE, TYPE (CIGARETTES, CIGAR, CHEW, ETC.), QUANTITY, AND BRAND. T-STA §XI.A.

*(b) TOBACCO PRODUCTS PURCHASES OF RETAILERS UNDER REFUND SYSTEM.* IF THE TRIBE ELECTS TO USE THE REFUND SYSTEMS, EACH TRIBAL MEMBER AND TRIBAL ENTITY RETAILER SHALL PURCHASE ALL TOBACCO PRODUCTS FOR RESALE IN ACCORDANCE WITH STATE LAW FROM ANY STATE LICENSED WHOLESALER, TAX PREPAID, AND TAXABLE SALES WILL INCLUDE TAX IN THE PRICES. T-STA §VI.B.1.

*(c) REFUND SYSTEM COMPLIANCE BY RETAILERS.* IF THE TRIBE ELECTS TO USE THE REFUND SYSTEM, EACH TRIBAL MEMBER OR TRIBAL ENTITY RETAILER AUTHORIZED BY THE TRIBE TO RECEIVE REFUNDS SHALL SUBMIT THEIR CLAIMS TO THE TRIBE WHICH WILL COMPILE THEM AS A SINGLE REQUEST TO BE FILED WITH THE STATE ON A MONTHLY OR QUARTERLY BASIS. THE STATE WILL THEN ISSUE A SINGLE REFUND CHECK TO THE TRIBE, AND THE TRIBE SHALL ALLOCATE THE REFUND AMONG RETAILERS IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, ALL AUTHORIZED RETAILERS SHALL MAINTAIN A LOG OF THEIR SALES OF TAX FREE TOBACCO PRODUCTS SHOWING THE DATE, TYPE, QUANTITY, AND BRAND OF PRODUCT SOLD WITH THE NAME, TRIBAL IDENTIFICATION NUMBER, AND SIGNATURE OF THE PURCHASER (OR APPROVED SWIPE CARD RECORD). TSTA §XL.B.

**4.07. GENERAL ADMINISTRATIVE DUTIES AND OBLIGATIONS.** WITH RESPECT TO COVERED TAXES GENERALLY, TRIBAL MEMBERS AND TRIBAL ENTITIES SHALL:

*(A) MAINTAIN RECORDS FOR EXEMPTION CLAIMS.* CONSISTENT WITH STATE

LAW, MAINTAIN RECORDS (INCLUDING RETENTION OF ORIGINAL RECEIPTS OTHER THAN THOSE FOR PURCHASES CLAIMED ON THE *SALES TAX TABLE RETURN*) SUFFICIENT TO SUBSTANTIATE CLAIMS FOR EXEMPTION FROM COVERED TAXES UNDER THE TRIBAL-STATE TAX AGREEMENT, AND COPIES OF ANY TRIBAL EXEMPTION CERTIFICATES USED. T-STA §§VIII.A. AND XII.E.3.

(B) *AUDIT COOPERATION*. COOPERATE WITH AUDITS BY THE STATE WITH RESPECT TO COVERED TAXES, TSTA §XIII.D.2; AND

(C) *LICENSURE CONCERNING COVERED TAXES*. COMPLY WITH ALL APPLICABLE STATE LICENSURE PROVISIONS FOR THE COVERED TAXES. T-STA §XIII.E.

## V. RESTRICTIONS AND PROHIBITIONS ON THE TRIBE

EACH RESPONSIBLE TRIBAL OFFICIAL SHALL CAUSE THE TRIBE TO COMPLY WITH THE FOLLOWING RESTRICTIONS AND PROHIBITIONS:

### **5.01. MOTOR FUELS TAX.**

(a) *COMPLIANCE WITH MCFTA JIFTA*. IF THE TRIBE ENGAGES IN ACTIVITY THAT IS COVERED BY THE MOTOR CARRIER FUEL TAX ACT OR THE INTERNATIONAL FUEL TAX AGREEMENT ("IFTA"), IT SHALL FULLY COMPLY WITH ALL OF THE PROVISIONS OF THAT ACT OR AGREEMENT, INCLUDING REGISTRATION AND LICENSING REQUIREMENTS. NO REFUND UNDER THE TRIBAL-STATE TAX AGREEMENT SHALL BE REQUESTED BY THE TRIBE AND NO TAX EXEMPT FUEL SHALL BE USED FOR INTERSTATE ACTIVITIES SUBJECT TO IFTA. T-STA §§V.B.5. AND XIII.F.

(b) *COMMERCIAL TRANSPORTATION WITH EXEMPT FUEL PROHIBITED*. THE TRIBE SHALL NOT ENGAGE IN COMMERCIAL INTRASTATE TRANSPORTATION ACTIVITIES, OTHER THAN THOSE ASSOCIATED WITH ITS CASINO GAMING OPERATIONS AS DESCRIBED AT SECTION 2.02(c) OF THIS ACT, WITH FUEL THAT IS NOT TAXED. T-STA §V.C.7.

(c) *PURCHASES IN EXCESS OF QUOTA*. IF THE TRIBE ELECTS TO ACQUIRE TAX FREE MOTOR FUEL UNDER THE QUOTA METHOD, ALL MOTOR FUEL ACQUIRED FOR RESALE IN EXCESS OF THE QUOTA SHALL BE PURCHASED WITH TAXES PREPAID IN ACCORDANCE WITH STATE LAW FROM A STATE LICENSED WHOLESALER. ALL RETAIL SALES OF NON-QUOTA MOTOR FUEL SHALL INCLUDE THE TAX IN THE RETAIL PRICE. T-STA §V.D.

(d) *TAX ON NON-MEMBER SALES*. ALL SALES OF MOTOR FUEL BY THE TRIBE TO NON-TRIBAL MEMBERS SHALL BE WITH ALL TAXES PAID AND INCLUDED IN THE PRICE. T-STA §V.E.

(e) *STATE LICENSURE*. TRIBE SHALL NOT ACT AS AN IMPORTER, WHOLESALER, OR SUPPLIER OF MOTOR FUEL UNLESS LICENSED BY THE STATE. T-STA §V.F.

(f) *CLEAR QUOTA DIESEL*. ALL TAX FREE DIESEL FUEL ACQUIRED UNDER THE QUOTA METHOD WILL BE CLEAR DIESEL FUEL. T-STA §V.C.5.

**5.02. TOBACCO PRODUCTS TAX.** EACH RESPONSIBLE TRIBAL OFFICIAL SHALL CAUSE THE TRIBE TO COMPLY WITH THE FOLLOWING RESTRICTIONS AND

PROHIBITIONS:

(a) *PURCHASES IN EXCESS OF QUOTA.* IF THE TRIBE ELECTS TO ACQUIRE TAX-FREE TOBACCO PRODUCTS UNDER THE QUOTA METHOD, ALL TOBACCO PRODUCTS ACQUIRED FOR RESALE IN EXCESS OF THE QUOTA SHALL BE PURCHASED WITH TAX PREPAID IN ACCORDANCE WITH STATE LAW FROM A STATE LICENSED WHOLESALER. ALL RETAIL SALES OF NON-QUOTA TOBACCO PRODUCTS SHALL INCLUDE THE TAX IN THE RETAIL PRICE. T-STA §V.D.

(b) *TAX ON NON-MEMBER SALES.* ALL SALES OF TOBACCO PRODUCTS BY THE TRIBE TO NON-TRIBAL MEMBERS SHALL BE WITH ALL TAXES PAID AND INCLUDED IN THE PRICE. T-STA §V.E.

(c) *STATE LICENSURE.* THE TRIBE SHALL NOT ACT AS A WHOLESALER, SECONDARY WHOLESALER, OR UNCLASSIFIED ACQUIRER OF TOBACCO PRODUCTS UNLESS LICENSED BY THE STATE. T-STA §VI.F.

(d) *STATE TRIBAL STAMP.* ALL TOBACCO PRODUCTS PURCHASED BY THE TRIBE SHALL BEAR THE STATE TRIBAL STAMP, IF THE TRIBE ELECTS THE QUOTA METHOD. T-STA §VI.C.5.

**5.03. TRIBAL CERTIFICATE OF EXEMPTION.**

THE TRIBE SHALL NOT USE OR AUTHORIZE THE USE OF ANY *TRIBAL CERTIFICATE OF EXEMPTION* AFTER TERMINATION OF THE TRIBAL-STATE AGREEMENT. T-STA

**VI. TRIBAL DUTIES AND OBLIGATIONS**

**6.01. TRIBAL COUNCIL DUTIES AND OBLIGATIONS.** THE TRIBAL COUNCIL SHALL PERFORM, OR CAUSE TO BE PERFORMED THE FOLLOWING DUTIES AND OBLIGATIONS IN ACCORDANCE WITH THE TRIBAL-STATE TAX AGREEMENT:

(A) *MEETING TO DISCUSS POSSIBLE STATE LAW AMENDMENTS.* UPON RECEIPT OF NOTIFICATION FROM THE STATE OF ANY ENROLLED BILLS(S) THAT AMEND COVERED TAXES PURSUANT TO SECTION I.C. OF THE TRIBAL-STATE TAX AGREEMENT, OR NOTICE OF A MEETING TO DISCUSS THAT MATTER FROM ANOTHER TRIBE, THE TRIBAL COUNCIL SHALL DETERMINE WHETHER TO REQUEST OR PARTICIPATE IN A MEETING WITH THE STATE TO DISCUSS THE LEGISLATIVE PROPOSAL AND ITS IMPACT. T-STA §I.C.

(B) *ANNUAL SUMMIT.* THE TRIBAL COUNCIL SHALL DETERMINE AND DESIGNATE WHICH TRIBAL OFFICIAL(S), STAFF AND/OR REPRESENTATIVE(S) ARE TO ATTEND THE ANNUAL SUMMIT OF STATE AND TRIBES CALLED FOR BY SECTION I.F. OF THE TRIBAL-STATE TAX AGREEMENT. T-STA §I.F.

(C) *MEETING WITH STATE CONCERNING CLAIMS REGARDING TRIBAL CERTIFICATES OF EXEMPTION.* THE TRIBAL COUNCIL SHALL DETERMINE AND DESIGNATE WHICH TRIBAL OFFICIAL(S), STAFF AND/OR REPRESENTATIVE(S) ARE TO ATTEND ANY MEETING WITH STATE REPRESENTATIVES PURSUANT TO SECTION I.G.1.C. OF THE TRIBAL-STATE TAX AGREEMENT REGARDING STATE CLAIMS AGAINST THE TRIBE CONCERNING *TRIBAL CERTIFICATES OF EXEMPTION*, AND

SHALL PROVIDE SUCH TRIBAL OFFICIAL(S), STAFF AND/OR REPRESENTATIVE(S) WITH APPROPRIATE INSTRUCTIONS AND AUTHORITY WITH RESPECT TO THE RESOLUTION OF THE MATTER. T-STA §I.G.I.E.

(D) *EXEMPT MOTOR FUELS PURCHASE POLICY.* WITH RESPECT TO EXEMPT MOTOR FUELS PURCHASES, THE TRIBAL COUNCIL SHALL:

(i) ELECT WHETHER THE TRIBE SHALL *USE* THE QUOTA OR REIMBURSEMENT METHOD, AND NOTIFY THE STATE OF ITS ELECTION;

(ii) MONITOR THE RESULTS OF THE ELECTION AND DETERMINE ANNUALLY, AT LEAST 60 DAYS PRIOR TO THE END OF THE CALENDAR YEAR, WHETHER TO CHANGE METHODS FOR THE FOLLOWING YEAR;

(iii) MONITOR THE ADEQUACY OF THE QUOTA OR CEILING IMPOSED ON THE TRIBE AND, IF APPROPRIATE, ENGAGE THE STATE IN NEGOTIATIONS FOR MODIFICATION OF SAID QUOTA OR CEILING;

(iv) IF THE QUOTA METHOD IS IN EFFECT: (A) SELECT A SINGLE STATE LICENSED WHOLESALER FROM WHICH TO PURCHASE TAX FREE MOTOR FUEL AND NOTIFY THE STATE OF THAT SELECTION, AND ANY CHANGE, AS REQUIRED BY SECTION X.A.2. OF THE TRIBAL-STATE TAX AGREEMENT; (B) DETERMINE WHICH RETAILERS WITHIN THE AGREEMENT AREA WILL BE AUTHORIZED TO PURCHASE AND SELL TAX FREE MOTOR FUEL AND THE QUANTITIES THAT EACH RETAILER MAY ACQUIRE, AND (C) ESTABLISH A SYSTEM WHEREBY THE TRIBE SHALL PRE-APPROVE, AND CLEARLY DESIGNATE, ALL PURCHASES OF TAX FREE FUEL PRIOR TO SUBMISSION TO THE WHOLESALER;

(v) IF THE REFUND METHOD IS IN EFFECT: (A) DETERMINE WHICH RETAILERS WITHIN THE AGREEMENT AREA WILL BE ENTITLED TO SEEK A REFUND FOR SALES OF MOTOR FUEL AND DIVIDE THE CEILING AMOUNT AMONG THE RETAILERS; AND (B) DESIGNATE A TRIBAL OFFICIAL TO COMPILE THE REFUND REQUESTS FROM AUTHORIZED RETAILERS INTO A SINGLE REQUEST TO BE FILED WITH THE STATE AND ALLOCATE THE REFUND AMONG RETAILERS. T-STA §X.

(E) *EXEMPT TOBACCO PRODUCTS PURCHASE POLICY.* WITH RESPECT TO EXEMPT TOBACCO PRODUCTS PURCHASES, THE TRIBAL COUNCIL SHALL:

(i) ELECT WHETHER THE TRIBE SHALL USE THE QUOTA OR REIMBURSEMENT METHOD, AND NOTIFY THE STATE OF ITS ELECTION;

(ii) MONITOR THE RESULTS OF THE ELECTION AND DETERMINE ANNUALLY, AT LEAST 60 DAYS PRIOR TO THE END OF THE CALENDAR YEAR, WHETHER TO CHANGE METHODS FOR THE

FOLLOWING YEAR;

(iii) MONITOR THE ADEQUACY OF THE QUOTA OR CEILING IMPOSED ON THE TRIBE, AND IF APPROPRIATE, ENGAGE THE STATE IN NEGOTIATIONS FOR MODIFICATION OF SAID QUOTA OR CEILING;

(iv) IF THE QUOTA METHOD IS IN EFFECT: (A) SELECT A SINGLE STATE LICENSED WHOLESALER FROM WHICH TO PURCHASE TAX FREE TOBACCO PRODUCTS AND NOTIFY THE STATE OF THE SELECTION, AND ANY CHANGE, AS REQUIRED BY SECTION X.A.2. OF THE TRIBAL-STATE TAX AGREEMENT; (B) DETERMINE WHICH RETAILERS WITHIN THE AGREEMENT AREA WILL BE AUTHORIZED TO PURCHASE AND SELL TAX FREE TOBACCO PRODUCTS AND THE QUANTITIES THAT EACH RETAILER MAY ACQUIRE, AND (C) ESTABLISH A SYSTEM WHEREBY THE TRIBE SHALL PRE-APPROVE, AND CLEARLY DESIGNATE, ALL PURCHASES OF TAX FREE TOBACCO PRODUCTS PRIOR TO SUBMISSION TO THE WHOLESALER;

(v) IF THE REFUND METHOD IS IN EFFECT: (A) DETERMINE WHICH RETAILERS WITHIN THE AGREEMENT AREA WILL BE ENTITLED TO SEEK A REFUND FOR SALES OF TOBACCO PRODUCTS AND DIVIDE THE CEILING AMOUNT AMONG THE RETAILERS; AND (B) DESIGNATE A TRIBAL OFFICIAL TO COMPILE THE REFUND REQUESTS FROM AUTHORIZED RETAILERS INTO A SINGLE REQUEST TO BE FILED WITH THE STATE AND ALLOCATE THE REFUND AMONG RETAILERS. T-STA §XI.

(f) *ALLOCATION OF RIGHT TO PURCHASE EXEMPT MOTOR FUEL AND TOBACCO PRODUCTS.* WITH RESPECT TO BOTH MOTOR FUELS TAX AND TOBACCO PRODUCTS TAX, ESTABLISH A PROGRAM FOR ALLOCATING THE RIGHT TO PURCHASE TAX FREE MOTOR FUELS AND TOBACCO PRODUCTS, IN EXCESS OF TRIBAL NEEDS, AMONG TRIBAL MEMBERS.

(g) *ANNUAL NOTICE TO STATE.* DIRECT THE TRIBAL CHAIRMAN OR OTHER APPROPRIATE TRIBAL OFFICIAL TO PREPARE AND DELIVER TO THE STATE BY DECEMBER 15 OF EACH YEAR THE NOTICE REQUIRED BY SECTION VIII.B. OF THE TRIBAL-STATE TAX AGREEMENT IDENTIFYING (I) RESIDENT TRIBAL MEMBERS, (II) TRIBAL, TRIBAL MEMBER AND TRIBAL ENTITY BUSINESSES OPERATING WITHIN THE AGREEMENT AREA, (III) NON-TRIBAL BUSINESSES OPERATING IN THE AGREEMENT AREA THAT ARE AUTHORIZED TO SELL TAX EXEMPT MOTOR FUEL AND/OR TOBACCO PRODUCTS, AND (IV) THE TRIBAL OFFICIAL(S) AUTHORIZED TO SIGN *TRIBAL CERTIFICATES OF EXEMPTION* OR REFUND REQUESTS ON BEHALF OF THE TRIBE, WITH SUCH FURTHER INFORMATION AND DETAIL AS REQUIRED BY SECTION VIII.B OF THE TRIBAL-STATE TAX AGREEMENT INCLUDING TAX IDENTIFICATION NUMBERS. T-STA §VIII.B.

(h) *NOTICE TO STATE OF LAND ACQUISITION.* DIRECT THE TRIBAL CHAIRMAN OR OTHER APPROPRIATE TRIBAL OFFICIAL TO NOTIFY THE STATE IN WRITING OF ALL LAND ACQUIRED IN FEE OR IN FEDERAL TRUST BY OR FOR THE TRIBE AFTER EXECUTION OF THIS AGREEMENT THAT IS WITHIN THE AGREEMENT AREA OR CLAIMED AS TRIBAL AND TRUST LANDS UNDER THE TRIBAL-STATE TAX AGREEMENT. APPENDIX A TO THIS ACT SHALL BE AMENDED BY ACTION OF THE TRIBAL COUNCIL AT THE TIME ANY AMENDMENT IS MADE TO APPENDIX A TO THE TRIBAL-STATE TAX AGREEMENT. T-STA §VIII.C.

(z) *TRIBAL USE OF TRIBAL CERTIFICATE.* DETERMINE WHETHER THE TRIBE WILL USE THE *TRIBAL CERTIFICATES OF EXEMPTION* FOR THE TRIBE'S SALES AND USE TAX EXEMPT PURCHASES, OR PAY THE TAX AND CLAIM REFUNDS, AND DIRECT THAT THE TRIBAL CHAIRPERSON OR ANOTHER APPROPRIATE TRIBAL OFFICIAL EITHER (I) PREPARE AND SUBMIT AN APPLICATION TO USE *TRIBAL CERTIFICATES OF EXEMPTION* TO THE STATE, AND USE SUCH *TRIBAL CERTIFICATES OF EXEMPTION* TO MAKE EXEMPT PURCHASES, OR (II) PREPARE AND SUBMIT REFUND REQUESTS WITH REQUIRED BACKUP DOCUMENTATION ON A MONTHLY OR QUARTERLY BASIS, IN ACCORDANCE WITH THE TERMS OF THE TRIBAL-STATE TAX AGREEMENT. T-STA §XII.B.

(j) *MEMBER USE OF TRIBAL CERTIFICATES OF EXEMPTION.* IF THE TRIBAL COUNCIL ELECTS THAT THE TRIBE USE THE *TRIBAL CERTIFICATES OF EXEMPTION*, IT SHALL DETERMINE WHETHER TO ALLOW TRIBAL MEMBERS AND TRIBAL ENTITIES TO USE THEM IN ACCORDANCE WITH THE TRIBAL-STATE TAX AGREEMENT, AND IF SO, THE TRIBAL COUNCIL SHALL DESIGNATE THE TRIBAL CHAIRMAN AND/OR (AN) OTHER APPROPRIATE TRIBAL OFFICIAL(S) TO PROCESS AND APPROVE TRIBAL MEMBER AND TRIBAL ENTITY APPLICATIONS FOR USE OF SUCH *TRIBAL CERTIFICATES OF EXEMPTION* IN ACCORDANCE WITH SAID TRIBAL-STATE TAX AGREEMENT. TSTA §XII.C.1.

**6.02. DUTIES AND OBLIGATIONS OF THE TRIBAL COURT AND TRIBAL POLICE.** THE TRIBAL COURT AND TRIBAL POLICE SHALL PERFORM OR CAUSE THE FOLLOWING DUTIES AND OBLIGATIONS TO BE PERFORMED IN ACCORDANCE WITH THE TRIBAL-STATE TAX AGREEMENT:

(a) *PETITION TO COMPEL ARBITRATION OR ENFORCE AWARD.* IF THE STATE FILES A PETITION WITH THE TRIBAL COURT TO COMPEL ARBITRATION OR ENFORCE ANY ARBITRATION AWARD UNDER THE TRIBAL-STATE TAX AGREEMENT, THE TRIBAL COURT SHALL ISSUE A DECISION AND ORDER ON SUCH PETITION WITHIN 14 BUSINESS DAYS OF FILING. T-STA §I.G.B.

(b) *POLICE ASSISTANCE REGARDING ENFORCEMENT ACTION IN INDIAN COUNTRY AGAINST NON-MEMBER.* UPON RECEIPT OF NOTICE FROM THE STATE THAT THE STATE INTENDS TO TAKE ENFORCEMENT ACTION AGAINST A NON-TRIBAL MEMBER OR ENTITY LOCATED OR DOING BUSINESS ON THE TRIBE'S INDIAN COUNTRY, THE TRIBAL POLICE MAY DIRECT ONE OR MORE OFFICERS TO

ACCOMPANY THE STATE OFFICERS, OR IF THE TRIBAL POLICE DETERMINE THAT IT IS NOT FEASIBLE OR APPROPRIATE TO ACCOMPANY STATE OFFICERS, TRIBAL POLICE SHALL INFORM THE REPRESENTATIVE OF THE STATE OF THAT DECISION. T-STA §XIII B.

(c) *TRIBAL COURT/POLICE ACTION ON STATE APPLICATION FOR SEARCH WARRANT.* IF THE STATE HAS REASON TO BELIEVE THAT TOBACCO OR MOTOR FUEL PRODUCTS MAY BE TRANSPORTED OR STORED BY THE TRIBE WITHIN ITS INDIAN COUNTRY CONTRARY TO THE TERMS OF THE TRIBAL-STATE TAX AGREEMENT, AND THE STATE APPLIES TO THE TRIBAL COURT FOR A SEARCH WARRANT AUTHORIZING INSPECTION OF SUCH LOCATIONS, THE TRIBAL COURT SHALL RULE ON THE SEARCH WARRANT REQUEST WITHIN TWENTY-FOUR HOURS OF RECEIPT AND SHALL ISSUE THE WARRANT IF THE COURT FINDS THAT THE STATE HAS DEMONSTRATED REASONABLE CAUSE THAT A VIOLATION HAS OCCURRED. IF THE STATE IS CONCERNED THAT UNLAWFUL PRODUCT MAY BE REMOVED DURING THE PENDENCY OF SUCH AN APPLICATION FOR A WARRANT FROM THE TRIBAL COURT, THE TRIBAL POLICE SHALL, UPON THE REQUEST OF THE STATE, SECURE THE LOCATION OR VEHICLE UNTIL THE TRIBAL COURT MAKES ITS DETERMINATION. T-STA §XIII.C.4.B.I.

(d) *TRIBAL COURT/POLICE ENFORCEMENT OF STATE JUDGMENTS.* IN ANY CASE WHERE THE STATE HAS OBTAINED A STATE COURT JUDGMENT OR ORDER AFFECTING THE PERSON OR PROPERTY OF A TRIBAL MEMBER OR TRIBAL ENTITY LOCATED WITHIN INDIAN COUNTRY, THE STATE MAY PETITION THE TRIBAL COURT TO GRANT RECOGNITION AND ENFORCEMENT OF THE STATE COURT ORDER OR JUDGMENT. THE TRIBAL COURT SHALL WITHIN 14 BUSINESS DAYS RULE ON THE PETITION USING THE SAME STANDARDS AS CONTAINED IN MICHIGAN COURT RULE 2.615. IF THE TRIBAL COURT GRANTS THE PETITION, THE TRIBAL COURT, UPON REQUEST OF THE STATE, SHALL PROMPTLY DIRECT ONE OR MORE TRIBAL POLICE OFFICERS TO ENFORCE THE JUDGMENT OR ORDER IN THE PRESENCE OF AND WITH THE ASSISTANCE OF ONE OR MORE STATE ENFORCEMENT OFFICERS. T-STA §XIII.D.4.

(e) *TRIBAL COURT/POLICE ACTION ON STATE PETITION TO COMPEL AUDIT, ETC.* IF THE STATE PETITIONS THE TRIBAL COURT FOR AN ORDER TO COMPEL THE PRODUCTION OF BOOKS AND RECORDS, TO COMPEL THE APPEARANCE OR TESTIMONY OF AN INDIVIDUAL, OR TO UNDERTAKE AN AUDIT AFFECTING A TRIBAL MEMBER OR TRIBAL ENTITY WHOSE PERSON OR PROPERTY IS LOCATED WITHIN INDIAN COUNTRY, THE TRIBAL COURT SHALL CONDUCT A HEARING ON THE PETITION WITHIN 10 BUSINESS DAYS AND ISSUE A DECISION WITHIN 14 BUSINESS DAYS OF SERVICE ON THE TAXPAYER. IF THE TRIBAL COURT DETERMINES THAT (I) THE TAXPAYER IS A TRIBAL MEMBER OR TRIBAL ENTITY, (II) THE TAXPAYER AND/OR PROPERTY IS LOCATED WITHIN THE TRIBE'S INDIAN COUNTRY, (III) THE PROPOSED STATE TAX ENFORCEMENT ACTION PERTAINS TO ONE OR MORE COVERED TAXES, AND (IV) THE PROPOSED STATE TAX ENFORCEMENT ACTION IS CONSISTENT WITH RELEVANT STATE LAW AND PROCEDURES AND WITH THE TRIBAL-STATE TAX AGREEMENT, THE TRIBAL COURT SHALL GRANT THE PETITION AND ORDER THE TAXPAYER TO COMPLY. IN THE EVENT THAT THE TRIBAL MEMBER OR TRIBAL ENTITY FAILS OR REFUSES TO COMPLY WITH THE TRIBAL

COURT ORDER, THE TRIBAL COURT SHALL PROMPTLY DIRECT ONE OR MORE TRIBAL POLICE OFFICERS TO ENFORCE THE ORDER WITH THE ASSISTANCE OF ONE OR MORE STATE ENFORCEMENT OFFICERS. T-STA §XIII.D.6.

(f) *TRIBAL COURT/POLICE ACTION ON STATE PETITION TO COMPEL AUDIT, ETC. — INDIAN COUNTRY IN DISPUTE.* IF THE STATE PETITIONS THE TRIBAL COURT, FOR AN ORDER TO COMPEL THE PRODUCTION OF BOOKS AND RECORDS, TO COMPEL THE APPEARANCE OR TESTIMONY OF AN INDIVIDUAL, OR TO UNDERTAKE AN AUDIT AFFECTING A TRIBAL MEMBER OR TRIBAL ENTITY WHOSE PERSON OR PROPERTY IS LOCATED WITHIN AN AREA THAT THE TRIBE AND STATE STIPULATE IS IN DISPUTE AS TO ITS STATUS AS INDIAN COUNTRY, THE TRIBAL COURT, SHALL TREAT THE LOCATION OF THE TAXPAYER OR PROPERTY AS BEING WITHIN INDIAN COUNTRY AND SHALL FOLLOW THE STANDARDS AND PROCEDURES SET FORTH IN SECTION 6.02 (E) ABOVE. IN THE EVENT THAT THE TRIBAL MEMBER OR TRIBAL ENTITY FAILS OR REFUSES TO COMPLY WITH THE TRIBAL COURT ORDER, THE TRIBAL COURT SHALL PROMPTLY DIRECT ONE OR MORE TRIBAL POLICE OFFICERS TO ENFORCE THE ORDER WITH THE ASSISTANCE OF ONE OR MORE STATE ENFORCEMENT OFFICERS. T-STA §XIII.D.7.

(g) *POLICE ASSISTANCE CONCERNING STATE PROPERTY SEIZURE/TRIBAL COURT REVIEW.* UPON RECEIPT OF NOTICE THE STATE INTENDS TO SEIZE OR INSPECT PROPERTY OF A TRIBAL MEMBER OR TRIBAL ENTITY IN INDIAN COUNTRY IN ACCORDANCE WITH STATE LAW, THE TRIBAL POLICE SHALL PROMPTLY DIRECT ONE OR MORE TRIBAL POLICE OFFICERS TO EXECUTE THE ENFORCEMENT ACTION JOINTLY WITH ONE OR MORE STATE ENFORCEMENT OFFICERS. THE AFFECTED TRIBAL MEMBER OR TRIBAL ENTITY MAY, WITHIN SEVEN DAYS FOLLOWING THE ENFORCEMENT ACTION, FILE A PETITION IN TRIBAL COURT SEEKING A REVIEW OF THE ENFORCEMENT ACTION. IF THE TRIBAL COURT DETERMINES THAT (I) THE TAXPAYER IS A TRIBAL MEMBER OR TRIBAL ENTITY, (II) THE TAXPAYER AND/OR PROPERTY IS LOCATED WITHIN INDIAN COUNTRY, (III) THE STATE TAX ENFORCEMENT ACTION PERTAINS TO ONE OR MORE COVERED TAXES, AND (IV) THE STATE ACTION IS IN COMPLIANCE WITH RELEVANT STATE LAW PROCEDURES AND THE TRIBAL-STATE TAX AGREEMENT, THE TRIBAL COURT SHALL AFFIRM THE ENFORCEMENT ACTION. T-STA §XIII.D.9.

(h) *POLICE ASSISTANCE CONCERNING STATE PROPERTY SEIZURE — INDIAN COUNTRY IN DISPUTE.* UPON RECEIPT OF NOTICE THAT THE STATE INTENDS TO SEIZE OR INSPECT PROPERTY OF A TRIBAL MEMBER OR TRIBAL ENTITY IN ACCORDANCE WITH STATE LAW AT A LOCATION CONCERNING WHICH THERE IS DISAGREEMENT BETWEEN THE TRIBE AND STATE REGARDING ITS STATUS AS INDIAN COUNTRY, THE TRIBAL POLICE SHALL PROMPTLY DIRECT ONE OR MORE TRIBAL POLICE OFFICERS TO EXECUTE THE ENFORCEMENT ACTION JOINTLY WITH ONE OR MORE STATE ENFORCEMENT OFFICERS. T-STA §XIII.D.10.A.

(i) *TRIBAL COURT REVIEW OF PROPERTY SEIZURE — INDIAN COUNTRY IN DISPUTE.* IF A TAXPAYER PETITIONS THE TRIBAL COURT TO REVIEW A STATE PROPERTY SEIZURE OR INSPECTION ENFORCEMENT ACTION IN AN AREA THAT THE TRIBE AND STATE STIPULATE IS IN DISPUTE CONCERNING ITS STATUS AS INDIAN COUNTRY, TRIBAL COURT SHALL TREAT THE LOCATION OF THE PERSON OR PROPERTY AS BEING WITHIN INDIAN COUNTRY AND SHALL FOLLOW THE

STANDARDS AND PROCEDURES SET FORTH IN SUBSECTION (G) ABOVE. IF THE TRIBAL COURT DETERMINES THAT THE AFFECTED PERSON OR PROPERTY IS NOT LOCATED WITHIN INDIAN COUNTRY OR IS NOT WITHIN THE STIPULATED DISPUTED AREA, THE TRIBAL COURT SHALL PROMPTLY DISMISS THE ACTION. T-STA §XIII.D.10.B.

*(J) APPEAL OF STATE ASSESSMENT TO TRIBAL COURT.* A TRIBAL MEMBER OR TRIBAL ENTITY MAY APPEAL THE ASSESSMENT OR DENIAL OF REFUND OF A COVERED TAX IMPOSED UPON INCOME, BUSINESS ACTIVITY, TRANSACTIONS, OR PRIVILEGES WHICH THE TRIBAL MEMBER OR TRIBAL ENTITY ASSERT WERE REALIZED, OCCURRED, OR EXERCISED WHOLLY WITHIN INDIAN COUNTRY, TO TRIBAL COURT, WITHIN 35 DAYS OF THE ISSUANCE OF THE FINAL ASSESSMENT OR DENIAL OF REFUND, ON THE GROUNDS THAT IT IS UNLAWFUL UNDER (I) STATE LAW INCLUDING ANY MODIFICATION TO STATE LAW MADE UNDER THE TRIBAL-STATE TAX AGREEMENT, OR (II) THE MICHIGAN CONSTITUTION, THE U.S. CONSTITUTION, OR FEDERAL LAW, PROVIDED THAT SUCH CLAIMS SHALL BE LIMITED TO THOSE THAT ARE NOT PREDICATED ON INDIAN TRIBAL MEMBERSHIP. IF THE TRIBAL COURT DETERMINES THAT ANY OF THE TAXES ASSESSED OR REFUNDS DENIED WERE FOR A TAX UPON INCOME, BUSINESS ACTIVITY, TRANSACTIONS, OR PRIVILEGES WHICH WERE REALIZED, OCCURRED, OR EXERCISED WITHIN THE STATE BUT OUTSIDE OF EITHER INDIAN COUNTRY OR ANY STIPULATED DISPUTED AREA, THE TRIBAL COURT SHALL PROMPTLY DISMISS THE ACTION. OTHERWISE, THE TRIBAL COURT SHALL RETAIN JURISDICTION OF THE APPEAL AND FOLLOW STATE LAW RELATIVE TO THE PRACTICES AND PROCEDURES OF A CASE IN THE MICHIGAN COURT OF CLAIMS; PROVIDED HOWEVER, THAT THE TAXPAYER SHALL NOT BE REQUIRED TO PREPAY THE CONTESTED PORTION OF THE TAX, PENALTY, OR INTEREST PRIOR TO FILING THE APPEAL. THE TRIBAL COURT SHALL MAKE ITS RULING WITHIN ONE YEAR OF THE FILING OF THE APPEAL. T-STA §XIII.D.11 AND 12.

**6.03. DUTIES AND OBLIGATIONS OF TRIBAL OFFICIALS.** TRIBAL OFFICIALS SHALL PERFORM OR CAUSE THE FOLLOWING DUTIES AND OBLIGATIONS TO BE PERFORMED WITH RESPECT TO MATTERS OVER WHICH THEY HAVE RESPONSIBILITY AND AUTHORITY IN ACCORDANCE WITH THE TRIBAL-STATE TAX AGREEMENT:

*(a) CONFIDENTIALITY.* IN THE COURSE OF THE ADMINISTRATION AND ENFORCEMENT OF COVERED TAXES, THE STATE MAY MAKE CERTAIN TAXPAYER INFORMATION RELATING TO TRIBAL MEMBERS OR TRIBAL ENTITIES AVAILABLE TO TRIBAL OFFICIALS. ALL SUCH INFORMATION SHALL BE RETAINED IN THE STRICTEST CONFIDENCE AND SHALL ONLY BE REVEALED TO PERSONS OTHER THAN THE TAXPAYER AS REQUIRED FOR THE PROPER ADMINISTRATION AND ENFORCEMENT OF THE TERMS OF THE TRIBAL-STATE TAX AGREEMENT. THE OBLIGATION OF TRIBAL OFFICIALS TO KEEP INFORMATION RECEIVED CONFIDENTIAL SHALL BE A CONTINUING OBLIGATION AND SHALL SURVIVE THE TERMINATION OF THE TRIBAL-STATE TAX AGREEMENT. T-STA §I.E3.

*(b) TRIBAL ENTERPRISE COLLECTION AND REMITTANCE OF SALES TAX ON TAXABLE SALES.* TRIBAL OFFICIAL(S) WITH SUPERVISORY AUTHORITY OVER A

TRIBAL ENTERPRISE RETAILER SHALL CAUSE IT TO COLLECT AND REMIT THE STATE SALES OR USE TAX ON ALL SALES THAT ARE NOT EXEMPT UNDER THE TRIBAL-STATE TAX AGREEMENT IN ACCORDANCE WITH STATE PROCEDURES GENERALLY APPLICABLE TO RETAIL SELLERS. T-STA §§III.B. AND XII.A.1. AND D.

(c) *TRIBAL TREASURER TAX SHARING OVERSIGHT.* THE TRIBAL TREASURER OR HIS OR HER DESIGNEE SHALL MONITOR AND CONFIRM STATE COMPLIANCE WITH THE SALES TAX SHARING PROVISIONS PURSUANT TO THE TRIBAL-STATE TAX AGREEMENT, AND SHALL PROMPTLY REPORT ANY APPARENT NON-COMPLIANCE TO THE TRIBAL COUNCIL. T-STA §III.B.2.

(d) *INCOME TAX WITHHOLDING AND REPORTING.* THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL ENSURE THAT:

(i) TRIBAL AND TRIBAL ENTERPRISE UNITS AND OPERATIONS WITHHOLD AND REMIT TO THE STATE INCOME TAX FROM ALL EMPLOYEES WHO ARE NOT RESIDENT TRIBAL MEMBERS IN ACCORDANCE WITH REGULATIONS/INSTRUCTIONS GENERALLY APPLICABLE;

(ii) THE TRIBE OR ITS CASINO OPERATOR WILL REPORT TO THE STATE GAMING WINNINGS IN THE SAME MANNER AS REPORTED TO THE FEDERAL GOVERNMENT; AND

(iii) THE TRIBE OR ITS CASINO OPERATOR AND/OR ENTERTAINMENT FACILITY OPERATOR WILL REPORT GROSS RECEIPTS AND CONTACT INFORMATION REGARDING EACH PROFESSIONAL PERFORMER IN A MANNER CONSISTENT WITH REPORTING PRACTICES REQUIRED BY THE STATE FOR NON-TRIBAL CASINO OPERATORS AND/OR ENTERTAINMENT FACILITIES. T-STA §IV.E.

(e) *MAINTENANCE OF RECORDS TO SUPPORT EXEMPTION CLAIMS.* THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE THE TRIBE, CONSISTENT WITH STATE LAW, TO MAINTAIN RECORDS SUFFICIENT TO SUBSTANTIATE CLAIMS FOR EXEMPTION FROM TAX UNDER THE TRIBAL-STATE TAX AGREEMENT T-STA §VIII.A. RECORDS SHALL BE SEPARATELY MAINTAINED FOR ITEMS THAT ARE CLAIMED EXEMPT ON THE BASIS THAT THE PURCHASE OCCURRED IN, AND THE USE IS EXCLUSIVELY IN THE TRIBAL AND TRUST LANDS. T-STA §XII.E.1.A.

(f) *TAX FREE MOTOR FUELS QUOTA PURCHASES.* IF THE TRIBE ELECTS THE QUOTA METHOD FOR ITS TAX FREE MOTOR FUELS PURCHASES, (A) THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL ENSURE THAT IN EACH MONTH THE TOTAL AMOUNT OF TAX FREE QUOTA MOTOR FUEL DELIVERED TO THE TRIBE AND THOSE AUTHORIZED BY THE TRIBE TO STORE OR SELL TAX FREE MOTOR FUEL SHALL NOT EXCEED 15% OF THE TOTAL QUOTA AMOUNT CALCULATED ON A TWELVE MONTH BASIS, AND (B) IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE ANY TRIBAL ENTERPRISE RETAILER TO MAINTAIN A LOG OF THEIR PURCHASES OF TAX FREE QUOTA MOTOR FUEL SHOWING THE DELIVERY DATE AND THE TYPE (GASOLINE OR DIESEL) AND QUANTITY OF FUEL PURCHASED. T-STA §X.A.

(g) *TAX REFUNDABLE MOTOR FUELS PURCHASES/REFUNDABLE FUEL SALES RECORDS.* IF THE TRIBE ELECTS TO USE THE REFUND SYSTEM FOR TAX FREE MOTOR FUELS SALES, (A) THE TRIBE SHALL PURCHASE ALL MOTOR FUEL FOR USE OR

RESALE IN ACCORDANCE WITH STATE LAW FROM ANY LICENSED WHOLESALER, TAX PREPAID AND TAXABLE SALES WILL INCLUDE TAX IN THE PRICE, AND (B) IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE ANY TRIBAL ENTERPRISE RETAILER TO MAINTAIN A LOG OF THEIR SALES OF TAX FREE MOTOR FUEL SHOWING THE DATE, THE PURCHASER'S NAME, THE PURCHASER'S TRIBAL IDENTIFICATION NUMBER, THE PURCHASER'S SIGNATURE (OR AN APPROVED SWIPE CARD RECORD), AND THE AMOUNT AND TYPE (GASOLINE OR DIESEL) OF FUEL PURCHASED. TSTA §§ VI.B.1. AND 2. AND X.B.3.

*(b) TRIBAL USE OF TAX FREE MOTOR FUEL.* THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL MAINTAIN A RECORD OF THE TRIBE'S TAX FREE MOTOR FUEL ACQUIRED UNDER THE QUOTA OR REFUND METHOD; THIS RECORD SHALL INDICATE THE VEHICLE(S) IN WHICH MOTOR FUEL IS USED, THE NUMBER OF GALLONS USED BY EACH VEHICLE (OR EACH CATEGORY OF VEHICLES), AND A GENERAL DESCRIPTION OF THE USE OF THE VEHICLES. TSTA §X.A.4 AND B.5.

*(I) TAX FREE TOBACCO PRODUCT QUOTA PURCHASES.* IF THE TRIBE ELECTS THE QUOTA METHOD FOR ITS TAX FREE TOBACCO PRODUCTS PURCHASES, (A) THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL ENSURE THAT IN EACH MONTH THE TOTAL AMOUNT OF TAX FREE QUOTA TOBACCO PRODUCTS DELIVERED TO THE TRIBE AND THOSE AUTHORIZED BY THE TRIBE TO STORE OR SELL TAX FREE TOBACCO PRODUCTS SHALL NOT EXCEED 15% OF THE TOTAL QUOTA AMOUNT CALCULATED ON A TWELVE MONTH BASIS, AND (B) IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE EACH TRIBAL ENTERPRISE RETAILER TO MAINTAIN A LOG OF THEIR PURCHASES OF TAX FREE QUOTA TOBACCO PRODUCTS SHOWING THE DELIVERY DATE AND THE TYPE (CIGARETTE, CIGAR, CHEW, ETC.), QUANTITY AND BRAND. T-STA §XI.A.

*(J) TAX REFUNDABLE TOBACCO PRODUCTS PURCHASES/REFUNDABLE TOBACCO SALES RECORDS.* IF THE TRIBE ELECTS TO USE THE REFUND SYSTEM FOR TAX FREE TOBACCO PRODUCTS SALES, (A) THE TRIBE SHALL PURCHASE ALL TOBACCO PRODUCTS FOR RESALE IN ACCORDANCE WITH STATE LAW FROM ANY LICENSED WHOLESALER, TAX PREPAID, AND TAXABLE SALES WILL INCLUDE TAX IN THE PRICE, AND (B) IN ADDITION TO MAINTAINING THE BOOKS AND RECORDS REQUIRED BY STATE LAW, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE ANY TRIBAL ENTERPRISE RETAILER TO MAINTAIN A LOG OF THEIR SALES OF TAX FREE SHOWING THE DATE, THE PURCHASER'S NAME, THE PURCHASER'S TRIBAL IDENTIFICATION NUMBER, THE PURCHASER'S SIGNATURE (OR APPROVED SWIPE CARD RECORD). T-STA §§VB.2 AND XI.B.3.

*(K) USE OF STATE SALES TAX EXEMPTION CERTIFICATES FOR NON-T-STA EXEMPTION CLAIMS.* TO OBTAIN THE BENEFIT OF STATUTORY SALES AND USE TAX EXEMPTIONS OTHER THAN THOSE SPECIFICALLY IDENTIFIED IN THE TRIBAL-STATE TAX AGREEMENT, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE THE TRIBE AND TRIBAL ENTERPRISES TO USE THE STANDARD PROCEDURES AND FORMS USED BY ALL TAXPAYERS CLAIMING EXEMPTION. SEE REVENUE ADMINISTRATIVE BULLETIN 2002-15. T-STA §XII.A.2.

*(I) TRIBAL ENTERPRISE RETAILER RECORDS REGARDING SALES TAX EXEMPT SALES.* THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE: (I) TRIBAL

ENTERPRISE RETAILERS TO MAINTAIN RECORDS REGARDING SALES THAT ARE NOT TAXABLE SALES UNDER THE TRIBAL-STATE TAX AGREEMENT, AND (II) WITH RESPECT TO SALES WITHIN THE AGREEMENT AREA TO THE TRIBE, TRIBAL MEMBERS AND TRIBAL ENTITIES ON WHICH NO TAX WAS COLLECTED, TRIBAL ENTERPRISE RETAILERS TO MAINTAIN A RECORD OF SUCH SALES INCLUDING THE DATE, THE NAME AND TRIBAL IDENTIFICATION NUMBER OF THE PURCHASER, THE AMOUNT, AND FOR ANY ITEM OF MORE THAN \$50.00 OR SALES OF MORE THAN \$200.00 IN THE AGGREGATE, THE IDENTIFICATION OF THE ITEMS PURCHASED AND ANY OTHER DATA SUFFICIENT TO DOCUMENT THE EXEMPTION. T-STA §XII.E.1.

(m) *TRIBAL RECORDS REGARDING GOVERNMENTAL FUNCTION PURCHASES.* FOR EACH ITEM CLAIMED EXEMPT AS GOVERNMENTAL FUNCTION PURCHASES UNDER SECTION III(A)(1)(B) OF THE TRIBAL-STATE TAX AGREEMENT THAT IS NOT USED EXCLUSIVELY FOR A GOVERNMENTAL FUNCTION, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE THE TRIBE TO MAINTAIN A LOG SETTING FORTH ALL USES OF THE ITEM AND THE AMOUNT OF EACH USE. T-STA §XII.E.2.A.

(n) *MAINTAIN COPIES OF TRIBAL CERTIFICATE OF EXEMPTION.* IF THE TRIBE ELECTS TO USE *TRIBAL CERTIFICATES OF EXEMPTION* FOR ITS SALES TAX EXEMPT PURCHASES, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE THE TRIBE TO SEPARATELY MAINTAIN A COPY OF ALL *TRIBAL CERTIFICATES OF EXEMPTION* USED. T-STA §XII.E.2.B.

(o) *UTILITIES PROVIDER LIST.* THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL PROVIDE THE STATE WITH A LIST OF UTILITY, TELECOMMUNICATIONS, CABLE, AND INTERNET PROVIDERS SERVING THE AGREEMENT AREA, SO THAT THE STATE MAY ADVISE THE PROVIDERS THAT SALES TO NAMED INDIVIDUALS AND BUSINESSES SHALL BE MADE WITHOUT THE IMPOSITION OF SALES TAX OR USE TAX. T-STA §XII.G.

(p) *TRIBAL ENTERPRISE COLLECTION OF ROOM TAX ON NON-EXEMPT RENTALS.* EXCEPT AS DESCRIBED AT SECTION 2:02 (I) OF THIS ACT, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE ANY TRIBAL ENTERPRISE OPERATING A HOTEL OR MOTEL TO REMIT, IN ACCORDANCE WITH REGULAR STATE LAW PROCEDURES, *USE TAX ON ROOMS SUBJECT TO TAX UNDER STATE LAW.* T-STA §XII.H.

(q) *COOPERATION WITH STATE AUDIT.* THE TRIBAL TREASURER AND ANY OTHER APPROPRIATE TRIBAL OFFICIAL SHALL COOPERATE WITH ANY PROPERLY NOTICED STATE AUDIT OF TRIBAL RECORDS REGARDING COVERED TAXES. T-STA §XIII.C.2.

(r) *COOPERATION WITH STATE INSPECTION.* THE APPROPRIATE TRIBAL OFFICIAL(S) AND TRIBAL POLICE SHALL COOPERATE WITH ANY PROPERLY CONDUCTED STATE INSPECTION OF TRIBAL FACILITIES REGARDING COMPLIANCE WITH MOTOR FUELS AND TOBACCO PRODUCTS TAXES, AS MODIFIED BY THE TRIBAL-STATE TAX AGREEMENT. T-STA

(s) *TRIBAL COMPLIANCE WITH STATE LICENSURE REQUIREMENTS.* THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL CAUSE THE TRIBE TO COMPLY WITH STATE LICENSURE AND REGISTRATION REQUIREMENTS FOR COVERED TAXES. T-STA §E.1.

(t) *TRIBAL ASSISTANCE TO STATE REGARDING TRIBAL MEMBER AND TRIBAL ENTITY COMPLIANCE.* THE APPROPRIATE TRIBAL OFFICIALS SHALL ASSIST THE STATE IN ASCERTAINING THAT TRIBAL MEMBERS AND TRIBAL ENTITIES ARE FULLY COMPLYING WITH THE TERMS OF THE TRIBAL-STATE TAX AGREEMENT. UPON REQUEST OF THE STATE, THE APPROPRIATE TRIBAL OFFICIALS SHALL ASSIST THE STATE IN THE ASSESSMENT AND COLLECTION OF TAXES OWED UNDER THE TERMS OF THE TRIBAL-STATE TAX AGREEMENT. IN THOSE INSTANCES WHERE A QUESTION OF JURISDICTION ARISES BETWEEN THE STATE AND A TRIBAL MEMBER OR TRIBAL ENTITY, AND THE APPROPRIATE TRIBAL OFFICIAL(S) AGREE WITH THE STATE'S POSITION, SUCH TRIBAL OFFICIAL(S) SHALL ASSIST THE COURT OR TRIBUNAL HEARING THE MATTER BY PROVIDING AFFIDAVITS AND/OR TESTIMONY. T-STA §XIII.G.2.

(u) *TRIBAL RESPONSE TO NOTICE OF MOTOR FUELS OR TOBACCO PRODUCTS OFFENSES.* LITHE STATE NOTIFIES THE TRIBE THAT ONE OF THE MOTOR FUELS AND TOBACCO PRODUCTS OFFENSES LISTED AT SECTION XM.G.3 OF THE TRIBAL-STATE TAX AGREEMENT HAS OCCURRED WITHIN THE TRIBE'S JURISDICTION, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL, WITHIN 10 BUSINESS DAYS AFTER NOTICE BY THE STATE OF THE VIOLATION, TAKE THE FOLLOWING ACTION: FOR A FIRST OFFENSE, GIVE A WRITTEN WARNING TO THE OFFENDING PARTY THAT FURTHER NONCOMPLIANCE WILL RESULT IN TERMINATION OF ANY TRIBALLY ISSUED LICENSE OR AUTHORIZATION TO OPERATE; FOR ANY SUBSEQUENT OFFENSE, COMMENCE PROCEEDINGS TO TERMINATE ANY TRIBALLY ISSUED LICENSE OR AUTHORIZATION TO OPERATE. T-STA §XM.G.3.

(v) *TRIBAL ENFORCEMENT ACTIVITY.* IN ADDITION TO ASSISTING THE STATE, THE APPROPRIATE TRIBAL OFFICIAL(S) SHALL ENFORCE THE TRIBAL-STATE TAX AGREEMENT INDEPENDENTLY THROUGH:

(i) SEIZURE FROM TRIBAL MEMBERS AND TRIBAL ENTITIES OF TOBACCO PRODUCTS AND MOTOR FUEL-NOT ACQUIRED OR POSSESSED IN ACCORDANCE WITH THE TERMS OF THE TRIBAL-STATE TAX AGREEMENT, AND TRANSFER OF THE SEIZED PRODUCT TO THE STATE, CONSISTENT WITH APPLICABLE PROVISIONS OF STATE LAW;

(ii) ESTABLISHMENT OF TRIBAL MECHANISMS TO MONITOR AND ENFORCE TRIBAL MEMBER AND TRIBAL ENTITY COMPLIANCE WITH THE TERMS OF THIS AGREEMENT; AND

(iii) NOTIFICATION TO THE STATE OF ANY VIOLATIONS OF THIS AGREEMENT THAT A TRIBAL OFFICIAL MAY DISCOVER. T-STA §X111.0.4.

## **VII ENFORCEMENT AND MISCELLANEOUS**

**7.01. ENFORCEMENT.** ANY PERSON AWARE OF ANY ALLEGED VIOLATION OF THIS ACT BY ANY TRIBAL MEMBER, TRIBAL ENTITY, TRIBAL OFFICIAL OR OTHER PERSON WITHIN THE ADJUDICATORY JURISDICTION OF THE TRIBE SHALL NOTIFY THE TRIBAL COUNCIL OF THE ALLEGED VIOLATION. IF THE TRIBAL

COUNCIL DETERMINES THAT THERE IS REASONABLE CAUSE TO BELIEVE A VIOLATION OCCURRED, IT WILL NOTIFY THE ALLEGED VIOLATOR AND, IF IT INTENDS TO TAKE ANY ENFORCEMENT ACTION, WILL PROVIDE THE ALLEGED VIOLATOR WITH AN OPPORTUNITY FOR A HEARING. IF THE TRIBAL COUNCIL FINDS THAT A VIOLATION HAS OCCURRED, IT (I) MAY ISSUE AN ORDER MANDATING COMPLIANCE WITH THE STATUTE, (II) MAY ORDER THE RESTITUTION AND RECOVERY OF ANY DAMAGES THAT HAVE BEEN INCURRED BY THE TRIBE AS A RESULT OF SAID VIOLATION AND (III) MAY IMPOSE A PENALTY NOT EXCEEDING \$500 PER VIOLATION OF THIS ACT. IF ANY PERSON SUBJECT TO THE TRIBE'S JURISDICTION FAILS TO COMPLY WITH ANY ORDER OF THE TRIBAL COUNCIL ENFORCING THIS ACT, THEY SHALL BE SUBJECT TO A FINE FOR CONTEMPT IN AN AMOUNT NOT TO EXCEED \$100 PER DAY FOR EACH DAY SUCH FAILURE TO COMPLY CONTINUES. THE TRIBAL COUNCIL MAY DELEGATE ITS ENFORCEMENT AUTHORITY PURSUANT TO THE SECTION 7.01 TO THE TRIBAL COURT OR ANY OTHER PERSON OR BODY AS IT MAY DETERMINE BY RESOLUTION OR ORDINANCE.

**7.02. SEVERABILITY.** IF ANY COURT OF COMPETENT JURISDICTION DETERMINES THAT ANY PORTION OF THIS ACT IS INVALID UNDER THE CONSTITUTION OF THE TRIBE OR ANY OTHER APPLICABLE AND BINDING LAW, SAID PROVISION SHALL BE SEVERED FROM THE ACT AND THE REMAINDER THEREOF SHALL BE ENFORCEABLE IN ACCORDANCE WITH ITS TERMS.

**7.03. NO IMPAIRMENT OF TRIBAL PRIVILEGES AND IMMUNITIES.** NOTHING HEREIN CONTAINED, SHALL IN ANY WAY BE CONSTRUED TO IMPOSE ANY LIABILITY ON THE TRIBE OR TO CONSTITUTE ANY LIMITATION OR WAIVER OF THE TRIBE'S SOVEREIGN IMMUNITY FROM SUIT. NOTWITHSTANDING THIS SECTION 7.03, NOTHING HEREIN SHALL LIMIT THE TRIBE'S ABILITY TO ENFORCE THIS ACT AGAINST ANY TRIBAL OFFICIAL, EMPLOYEE OR AGENT, NOTWITHSTANDING THE FACT THAT ANY ACTION TAKEN BY SUCH PERSON IS ARGUABLY WITHIN THE SCOPE OF THEIR DUTIES AND AUTHORITY ON BEHALF OF THE TRIBE.

**7.04. NO PRIVATE RIGHT OF ENFORCEMENT.** THIS ACT SHALL BE ENFORCEABLE ONLY BY ACTION OF THE TRIBE AND DOES NOT CONFER ANY RIGHT OF ENFORCEMENT ON ANY OTHER PERSON WHETHER A TRIBAL MEMBER OR OTHERWISE.

**7.05. SCOPE OF ACT.** NOTHING HEREIN CONTAINED SHALL AFFECT, LIMIT OR BIND THE TRIBE, TRIBAL MEMBERS OR TRIBAL ENTITIES WITH RESPECT TO ANY MATTER OTHER THAN THOSE AFFECTING THE TRIBAL-STATE TAX AGREEMENT AND COVERED TAXES.