

Stand Up For California!

“Citizens making a difference”

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Cheryl Schmit, Director
P. O. Box 355, Penryn

September 3, 2002

Honorable Gray Davis
Governor of California
Office of the Governor
State Capitol
Sacramento, CA. 95814

RE: Requesting a Veto on AB 2701: An act to amend Sections 6011 and 6012 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy. Authored by Assembly Member Wyman.

Dear Governor Davis:

Stand Up For California views this legislation as reasonable on its face, however there are long-term thought-provoking considerations that must be carefully planned and which this legislation fails to identify. While this legislation appears to only address whether or not the tribe must pay taxes on the gross receipts it also indirectly acknowledges the states approval of tribes collecting tax on non-Indian businesses and not remitting state retail sales tax to the State. This legislation has not accurately portrayed its full financial impacts on private citizens, businesses and local government or the State of California.

This legislation may have a serious impact on communities such as Palm Springs where the Agua Caliente tribal lands checkerboard the city. Consider the potential impact to the businesses within the City of Palm Springs sited on tribal lands, if a tribe such as Agua Caliente begins collecting tribal tax from local non-Indian businesses. The potential tax implications to non-Indian businesses and depleted revenues to local government are significant considerations in a metropolitan or urban city of California. This is not a radical idea.

A current case before the U. S. Supreme Court is Navajo Nation and the Cameron Trading Post and hotel, a non-native business that lies with in the countries largest reservation with borders in Arizona, New Mexico and Utah. In 1992 the Navajo Tax Commission imposed an 8 percent hotel occupancy tax on the Cameron Arizona hotel near the Grand Canyon. The Navajo Commission is collecting hotel occupancy tax from 19 hotels within their boundaries owned by non-tribal members amounting to more than a million dollars a year. There have been amicus briefs from across the nation filed by non-Indian businesses similarly affected.

Stand Up For California respectfully requests you veto this legislation because of the potential impacts to non-Indian businesses and local government due to complex and unsettled federal Indian law and changing federal Indian policy with regards to tribal government taxation.

Sincerely,

Cheryl A. Schmit, Director
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