

## **Memorandum of Understanding**

### Office of Indian Tribal Governments and Office of Excise Taxes

#### **Purpose of Agreement**

This agreement between the TEGE Office of Indian Tribal Governments (ITG) and the SBSE Office of Excise Taxes (OET) provides guidance for employees in those functions with regard to examination and education activities relating to the federal excise tax responsibilities for Indian Tribal Governments. Both Operating functions recognize that education of Indian Tribal Governments regarding the proper filing of excise tax returns is the desired approach for enhancing compliance with federal excise tax laws. The intent of the agreement is to clarify the responsibility for administering federal excise tax issues involving Indian Tribal Governments, and to enhance a "single point of contact" relationship between Indian Tribal Governments and the Internal Revenue Service (IRS).

#### **Operating Procedures for Both Operating Divisions**

- Effective January 1, 2001, ITG will assume responsibility for all wagering tax issues relating to Indian Tribal Governments and will serve as the IRS "single point of contact" to authorize or to make contacts with Indian Tribal Governments.
- Effective January 1, 2001, the OET, including Excise Tax Specialists in the field, will initiate no new work concerning Forms 11-C or 730 regarding an Indian Tribal Government or any entity wholly owned by an Indian Tribal Government.
- While OET will have jurisdiction over all other Excise tax issues, Excise Tax Managers will notify the applicable ITG Field Manager prior to initiating any Examination or Outreach activity with regard to these entities.
- To facilitate the notification process, as well as any joint activities, by January 1, 2001 the ITG and OET offices will jointly disseminate the name, telephone number, and geographic area covered by each Excise and ITG Field Manager to their staffs.
- An ITG Specialist will assist Excise personnel with contacting the appropriate Tribal Representative regarding any pending actions by an Excise Specialist, and/or may accompany the Excise Tax Specialist on visits to Tribe.
- By January 31, 2001, all Excise Tax managers will prepare and forward a list of existing started inventory assigned to their group that involves an Indian Tribal Government or any entity wholly owned by an Indian Tribal Government. The list will be sent to the Director, Office of Excise Taxes for coordination with the Director of the Office of Indian Tribal Governments and for sharing with ITG field managers.
- ITG Managers will refer any issues that they identify concerning Forms 637, 2290, 720, and 8849 to the designated Excise Tax managers, as identified by the Office of Excise Taxes.
- Where "new Tribal enterprises" may have potential non-wagering Excise tax responsibilities, the ITG managers will coordinate with the applicable Excise Tax group to conduct Education and Outreach sessions to Indian Tribal Governments. Similarly, the ITG managers are encouraged to coordinate with the applicable Excise

Tax group where “existing Tribal enterprises” have potential non-wagering Excise tax responsibilities.

- Upon request by the OET, ITG will provide articles for inclusion in any Excise Tax newsletter.
- ITG Specialists should contact the appropriate Excise Issue Specialist (EIS) for assistance to answer specific excise tax questions that do not involve wagering.
- Both Operating Divisions understand and recognize that Fuel Compliance Officers (FCOs) have a need to visit Indian Tribal Reservations on an unannounced basis for inspection of tanks and other tasks related to their job. Therefore, ITG is committed to developing a relationship with the Indian Tribal Governments to establish continuing working conditions for FCOs that will allow them to fully complete their tasks.

It is expressly understood that the Office of Indian Tribal Governments has jurisdiction over tribally owned entities only. All potential federal excise tax matters relating to individuals, or businesses not wholly owned by Tribal Governments, remain within the sole jurisdiction of the Office of Excise Taxes. However, the Office of Indian Tribal Governments may assist them in facilitating any resolution of issues upon request of an Excise Tax Manager.

### **Terms of this Agreement**

This agreement is effective upon signature.

This agreement may be amended at any time to accommodate unanticipated issues with both parties' concurrence.

### **Dispute Resolution**

If the immediate managers are unable to reach a mutually agreeable solution to any issues concerning excise tax cases or outreach sessions, the disputed issue will be submitted to the next higher level of management in each function for resolution.

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Signature Date  
Christie J. Jacobs  
Director, Office of Indian Tribal Governments

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Signature Date  
Ricky Stiff  
Director, Office of Excise Taxes