



CDFI Fund Announces New Native Initiatives Workshop Series

The Community Development Financial Institutions Fund (CDFI Fund) launched its new "Economic Development Strategies in Indian Country" workshop series. Co-sponsored with the Federal Reserve Bank of San Francisco, Seattle Branch, the workshops are being conducted to promote economic development in Native communities across the country. Participants will learn about resources available for Native economic development initiatives from the federal government and regional programs.

"We are excited about this opportunity to partner with the Federal Reserve Bank to build upon our Native Initiatives efforts," said CDFI Fund Director Donna Gambrell. "We are always exploring ways to help our nation's distressed communities during the current economic recovery. We must remember the unique challenges our communities face, especially in Native areas across the nation. These workshops will help participants identify new ways to stimulate and revitalize their Native economic and community development programs."

The CDFI Fund and Federal Reserve staff will facilitate day-long workshops, featuring various federal agencies and industry experts. Participants will be able to attend seminars on designing successful economic development strategies while networking with regional practitioners and local support organizations. Five cities will host the workshops - Albuquerque, Anchorage, Sacramento, Oklahoma City and Seattle.

"The "Economic Development Strategies in Indian Country" workshops are part of our overall plan to help ensure that economic opportunities are equally available throughout the nation, including Indian Country," said Scott Turner, Vice President and Community Affairs Officer of the Community Development Department, Federal Reserve Bank of San Francisco. "After holding over 100 meetings on reservations within the 12th District, we understand the many difficulties confronting tribes and their members. We are proud to join with the CDFI Fund on this initiative and look forward to learning how we can support efforts to promote community and economic development in Indian Country."

continued on page 2....



*A decade of service to
America's first nations.*

IN THIS ISSUE

CDFI Fund	1/2
Customer Survey Coming/ New Excise Tax on Tan- ning Services	2
HIRE Act	3
Tribal Economic Develop- ment Bonds	4
Filing and Furnishing Form 1042-S	4/5
Message From The Director	6
Tax News for You/ Individual Tribal Member Information	7/9
Tax Calendar for the 3rd Quarter of 2010	10/11



continued from page 1....

For more information about the series as well as to register for a specific workshop, please visit: <http://www.frbsf.org/community/resources/events.html>

2010 Economic Development Strategies in Indian Country Workshop Schedule

- July 28, 2010: Sacramento, California
- August 17, 2010: Seattle, Washington
- August 19, 2010: Anchorage, Alaska
- September 16, 2010: Albuquerque, New Mexico

About the Native Initiatives

The CDFI Fund's Native Initiatives work to increase access to credit, capital, and financial services in communities by creating and expanding CDFIs primarily serving Native communities. This is achieved through two principle initiatives: 1) a funding program – the NACA Program – targeted to increasing the number and capacity of existing or new Native CDFIs, and 2) a complementary series of training programs, called “Expanding Native Opportunities,” that seeks to foster the development of new Native CDFIs, strengthen the operational capacity of existing Native CDFIs, and guide Native CDFIs in the creation of important financial education and asset building programs for their communities.

About the CDFI Fund

Since its creation in 1994, the CDFI Fund has awarded almost \$1.2 billion to CDFIs, community development organizations and financial institutions through CDFI Program, the Bank Enterprise Award Program, and the Native Initiatives. In addition, the CDFI Fund has allocated \$26 billion in tax credit authority to Community Development Entities through the New Markets Tax Credit Program.

For more information on the CDFI Fund and its programs, please visit www.cdfifund.gov.

Customer Satisfaction Survey is Coming

As a reminder, our annual Customer Satisfaction Survey will be in the mail in the near future. The purpose of the survey is to obtain feedback from our customers that will allow us to measure customer satisfaction with our products and services, and to determine areas where we need to effect operational changes.

New Excise Tax on Tanning Services

A 10-percent excise tax on indoor UV tanning services went into effect on July 1, 2010. The tax doesn't apply to phototherapy services performed by a licensed medical professional on his or her premises. There's also an exception for certain physical fitness facilities that offer tanning as an incidental service to members without a separately identifiable fee. For additional information, please see the frequently asked questions page at <http://www.irs.gov/businesses/small/article/0,,id=224600,00.html>





NEW JOBS TAX BREAKS



Employers may qualify for **two new tax breaks** when they hire someone who has not worked for more than 40 hours in the past 60 days. These breaks are part of the **Hiring Incentives to Restore Employment (HIRE) Act**.

Here's what you should know.

6.2 percent payroll tax exemption

You may be exempt from your 6.2 percent share of social security tax on wages paid to qualified employees, effective for wages paid from March 19, 2010, through December 31, 2010. Most employers will claim it on Form 941, Employer's QUARTERLY Federal Tax Return, beginning with the second quarter of 2010. The exemption will also be claimed on annual payroll tax returns such as Form 944, Employer's ANNUAL Federal Tax Return.

Tax credit up to \$1,000 per worker

You may claim an additional new hire retention credit, up to \$1,000 for each qualified employee you keep as an employee for at least a year and whose wages are not significantly reduced in the second half of the year. You claim it on your income tax return for your business, usually in tax year 2011.

Qualified employers

You may qualify for these tax breaks if you are a small or large business, tax-exempt organization, public college or university, Indian tribal government or farmer. But household employers and federal, state and local government employers, other than public colleges and universities, do not qualify.

Qualified employees

Generally, those beginning employment with you after February 3, 2010, and before January 1, 2011, who were either unemployed or worked 40 hours or less for anyone during the previous 60 days can qualify. You must get a Form W-11, or similar signed affidavit, from new hires certifying they were not employed for more than 40 hours during the 60 days before beginning employment.

**Learn more about HIRE and new jobs
tax breaks at www.irs.gov**

Information worth knowing.





Filing and Furnishing Form 1042-S

It is not a question of “if” a tribal casino will ever need to file and furnish Form 1042-S (Foreign Person’s US Source Income Subject to Withholding), but “when”. As the international global economy has expanded and diversified, so too has the increase in tribal casino’s foreign patrons, and the use of foreign entertainers and athletes. In some instances a Tribe may be making per-capita payments to non-resident alien tribal members (members who are not U.S. citizens or resident aliens). Filing and furnishing Form 1042-S more than likely would be required in the situations described.

The withholding agent (the tribal casino or tribal entity) has identification, withholding, deposit requirements (Form 1042) and filing and furnishing Form 1042-S responsibilities associated with transactions with the parties listed in the paragraph above. The general rule is payments are subject to 30% withholding unless the payee can establish the United States has a tax treaty with the payee’s foreign country documenting a lesser amount. Publication 901 *U.S. Tax Treaties* can be referred to determine the appropriate withholding tax amount.

To ensure that your Forms 1042-S can be processed, refer to Publication 515 – *Withholding of Tax on Nonresident Aliens and Foreign Entities*

continued on page 5....

Treasury Seeks Comments Regarding Tribal Bonds

The Department of the Treasury seeks comments from Indian Tribal Governments regarding the Tribal Economic Development Bond provision of the Internal Revenue Code. The purpose of this solicitation of comments is to assist Treasury in developing recommendations regarding this bond provision for a Congressionally-directed study under the American Recovery and Reinvestment Act of 2009.

Please visit the link below for additional information.

<http://www.irs.gov/govt/tribes/index.html>

Employee Tip Income Program Questions

ITG has a full-time Tip Coordinator to assist you with any questions about tip reporting agreements. If you are interested in securing a Tip Agreement, have questions concerning your existing agreement, or have received a notice about tip reporting responsibilities that is unclear, please contact Suzanne Perry at (602) 636-9181.



continued from page 4....

Form 1042-S is due by March 15th and can be sent on paper or electronically (Tribal Casinos give the payee their copies of Form 1042-S at the time gambling winnings are won).

If you file 250 or more Forms 1042-S you are **required** to submit them electronically. Electronic returns are filed using the Filing Information Returns Electronically (FIRE) System <http://fire.irs.gov>. Even though as many as 249 Forms 1042-S may be submitted on paper, the IRS encourages filers to transmit electronically. Refer to Publication 1187 for electronic submission of forms 1042-S.

If filing less than 250 Forms 1042-S and you choose to file paper forms, file copy A of the forms along with Form 1042-T (Annual Summary and Transmittal of Forms 1042-S) and mail to:

Ogden Service Center
P.O. Box 409101
Ogden, UT 84409

Detailed instructions for completion of Forms 1042-T are included on the form itself. Detailed instructions for completion of Form 1042-S are included with the form 1042-S.

The primary errors associated with the filing and furnishing of Form 1042-S are that the forms are filed late, are inaccurate, or were transmitted via paper when required to be transmitted electronically. Penalties may be imposed for these situations.

You are encouraged to contact your ITG Specialist to answer any questions you have related to payments to Foreign Person's.

Oklahoma Indian Tribal Government Specialists

Aletha Bolt, ITG Specialist
Oklahoma City Office
Phone: 405-297-4575

Shehla Begum, ITG Specialist
Oklahoma City Office
Phone: 405-297-4984

Bob Linke, ITG Specialist
Oklahoma City Office
Phone: 405-297-4657

Laurie Brunette, ITG Specialist
Oklahoma City Office
Phone: 405-297-4496

Marc Wilson, ITG Specialist
Oklahoma City Office
Phone: 405-297-4497



Message from the Director

In the [last newsletter](#) I discussed the actions Treasury Department has taken recently to develop and implement a Tribal Consultation Policy to govern all Treasury offices, including the IRS. Treasury is continuing to work toward the goal of more open communication with the Tribes and has just published a Notice in the Federal Register asking for input related to Tribal Economic Development Bonds. The article on page 4 of this newsletter, *Treasury Seeks Comments Regarding Tribal Bonds*, points you to our website for a link to the Notice. The provision in the American Reinvestment and Recovery Act (ARRA) that created \$2 billion in expanded bonding authority for tribal governments, also required Treasury to report to Congress on the effectiveness of the provision. In our various consultation meetings this year, tribal representatives asked Treasury to utilize consultation in developing that very important report. The purpose of the Notice is to do just that. Treasury wants tribal input on specific issues related to the “essential governmental function” test and other aspects of bond financing in Indian Country. The information Tribes provide will be used to formulate the report to Congress. I would encourage you to make sure that tribal leadership and those who deal with financing at your Tribe are aware of this opportunity to have input on the report.

In addition to ARRA, several other legislative provisions have items that impact Tribal Governments. One item arises from the Hiring Incentives and Restore Employment (HIRE) Act. If the Tribe hires a qualifying individual this year, the Tribe may be eligible for a payroll tax exemption related to that individual. State and local governments are NOT eligible for this exemption but Tribal Governments are so be sure to look at this new provision to see if you might benefit. An article is in this newsletter (Page 3) to assist you.

Christie Jacobs



Tax News For You!

Individual Tribal Member Information

Haven't Filed an Income Tax Return? Here's What to Do

Filing a past due return may not be as difficult as you think. Taxpayers should file all tax returns that are due, regardless of whether or not full payment can be made with the return. Depending on an individual's circumstances, a taxpayer filing late may qualify for a payment plan. All payment plans require continued compliance with all filing and payment responsibilities after the plan is approved. However, full payment of taxes saves you money.

Payment Options

There are several different ways to make a payment on your taxes. Payments can be made by credit card, electronic funds transfer, check, money order, cashier's check, or cash.

Taxpayers can authorize an electronic funds withdrawal when using IRS e-file to file their return, use a credit or debit card, or enroll in the U.S. Treasury's Electronic Federal Tax Payment (EFTPS). The electronic funds withdrawal and EFTPS options are free.

Electronic payment options give the taxpayers an alternative to paying taxes by check or money order. Payments can be made 24 hours a day, 7 days a week. Electronic payment options are convenient, safe and secure.

Payments made by check, money order, or cashier's check should be made payable to United States Treasury and include the social security number, tax period, and related tax form number. Cash payments can only be made in person at a local IRS office. Do not send cash through the mail.

Getting Free Help

The IRS offers free assistance by computer, telephone, facsimile and in person. The IRS can assist taxpayers with obtaining forms, publications, and answers to a wide range of tax questions.

If you are a wage-earner, and have misplaced your W-2 Forms showing your income and income tax withholding, and you are unable to obtain duplicate copies from your employer, IRS can often provide you with that information. If the wage information you need pertains to the latest tax year, it is usually available after August of the filing year.

continued on page 8....



Tax News For You!

Individual Tribal Member Information

continued from page 7....

The Volunteer Income Tax Assistance (VITA) program and IRS e-file joined forces several years ago to bring electronic tax filing to VITA sites. Since then, volunteers prepare tax returns on computers and ultimately transmit them electronically to the IRS. It's free of charge for individuals of low to moderate income.

What Happens if You Don't File

It's important to understand the ramifications of not filing a past due return and the steps that the IRS will take. Taxpayers who don't file a past due return or contact the IRS are subject to the following:

- Penalties and interest will be assessed and will increase the amount of tax due.
- The IRS will file a substitute return for you. But this return is based only on information the IRS has from other sources. Thus, the substitute return will not include any additional exemptions or expenses you may be entitled to and may overstate your real tax liability.
- Once the tax is assessed the IRS will start the collection process, which can include placing a levy on wages or bank accounts or filing a federal tax lien against your property.
- Even if the IRS has already filed a substitute return, it still makes sense for you to file your own tax return to make sure you take advantage of all the exemptions, credits, and deductions you are allowed. The IRS will generally adjust your account to reflect the correct figures.

If you have additional questions you can call the IRS toll free at 1-800-829-1040, or visit the IRS at IRS.gov.

Closing Deadline Extended for Eligible Homebuyer Credit

Eligible taxpayers who contracted to buy a home, qualifying for the first-time homebuyer credit, before the end of April now have until September 30, 2010 to close the deal.

The homebuyer Assistance and Improvement Act of 2010 extended the closing deadline

continued on page 9....



Tax News For You!

Individual Tribal Member Information

continued from page 8...

from June 30 to September 30 for any eligible homebuyer who entered into a binding purchase contract on or before April 30 to close on the purchase of the home on or before June 30, 2010. The new law addresses concerns that many homebuyers might be unable to meet the original June 30 closing deadline.

The IRS reminds taxpayers that special filing and documentation requirements apply to anyone claiming the homebuyer credit. Besides filling out Form 5405, First-Time Homebuyer Credit and Repayment of the Credit, all eligible homebuyers must also include with their return one of the following documents:

- A copy of the settlement statement showing all parties' names and signatures if required by local law, property addresses, sales price, and date of purchase. Normally, this is the properly executed Form HUD-1, Settlement Statement.
- For mobile home purchasers who are unable to get a settlement statement, a copy of the executed retail sales contract showing all parties' names and signature, property address, purchase price and date of purchase.
- For a newly constructed home where a settlement statement is not available, a copy of the certificate of occupancy showing the owner's name, property address and date of the certificate.

Besides providing a tax benefit to first-time homebuyers and purchasers who haven't owned homes in recent years, the law allows a long-time resident of the same main home to claim the credit if they purchase a new principal residence.

There are three options for claiming the credit on a qualifying 2010 purchase:

- If a 2009 return has not yet been filed, claim it on Form 1040 for tax year 2009. The returns must be printed out and sent to the IRS, along with all required documentation. The IRS urges the taxpayers claiming refunds to choose direct deposit.
- If a 2009 return has already been filed, claim it on an amended return using Form 1040X.
- Whether or not a 2009 return has been filed, wait until next year and claim it on a 2010 Form 1040.

More details on claiming the credit can be found in the instructions to Form 5405, as well as on the First-Time Homebuyer Credit page on IRS.gov.



Federal Tax Calendar for Third Quarter 2010

July 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			File Form 11-C to register and pay annual tax (if you take wagers).	1	2 Make a deposit for June 26-29.*	3
4	5	6	7	8 Make a deposit for June 30—July 2.*	9 Make a deposit for July 3-6.*	10
11	12 Employees are required to report to you tips of \$20 or more earned during June.	13	14 Make a deposit for July 7-9.*	15 Make a deposit for June under monthly deposit rule.**	16 Make a deposit for July 10-13.*	17
18	19	20	21 Make a deposit for July 14-16.*	22	23 Make a deposit for July 17-20.*	24
25	26	27	28 Make a deposit for July 21-23.*	29	30 Make a deposit for July 24-27.*	31

August 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 File Form 941 the 2nd calendar quarter of 2010. File Form 730 for wagers received during June. File Form 720 the 2nd calendar quarter of 2010.		4 Make a deposit for July 28-30.*	5	6 Make a deposit for July 31—August 3.*	7
8 File Form 5500 for calendar year 2009.		10 Employees are required to report to you tips of \$20 or more earned during July.	11 Make a deposit for Aug 4-6.*	12	13 Make a deposit for Aug 7-10.*	14
15	16 Make a deposit for July under monthly deposit rule.**	17	18 Make a deposit for Aug 11-13.*	19	20 Make a deposit for Aug 14-17.*	21
22	23	24	25 Make a deposit for Aug 18-20.*	26	27 Make a deposit for Aug 21-24.*	28
29	30	31 Form 730 for wagers received during July.	* = Make a Payroll Deposit if you are under the semi-weekly deposit rule. NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.			



September 2010

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1 Make a deposit for Aug 25-27.*	2	3 Make a deposit for Aug 28-31.*	4
5	6	7	8	9 Make a deposit for Sept 1-3.*	10 Employees are re- quired to report to you tips of \$20 or more earned during August. Make a deposit for Sep 4-7.*	11
12	13	14	15 Make a deposit for Sep 8-10.* Make a deposit for August under monthly deposit rule.**	16	17 Make a deposit for Sep 11-14.*	18
19	20	21	22 Make a deposit for Sep 15-17.*	23 Form 730 for wagers received during August.	24 Make a deposit for Sep 18-21.*	25
26	27	28	29 Make a deposit for Sep 22-24.*	30		

* = Make a Payroll Deposit if you are under the semi-weekly deposit rule. NOTE: Deposits made through EFTPS must be initiated at least one day prior to the due dates listed above in order to be timely.

**= Make a Monthly Deposit if you qualify under that rule.

Did you know?

You can subscribe/download the tax calender to your Outlook or iCal. Just go to the link below and follow the instructions.

<http://www.irs.gov/businesses/small/article/0,,id=176080,00.html>

Return Filing Dates

August 2nd

- > File Form 941 for the 2nd quarter of 2010. If all deposits were paid on time and in full, file by August 10th.
- > File Form 730 and pay the tax on applicable wagers accepted during June 2010.
- > File Form 720 for 2nd quarter of 2010.
- > File Form 5500 or 5500-EZ for calendar year 2009 (if you maintain an employee benefit plan).

August 31

- > File Form 730 and pay the tax on applicable wagers accepted during July 2010.

September 30

- > File Form 730 and pay the tax on applicable wagers accepted during August 2010.