Dear:

I am responding to a letter you wrote to President Donald Trump. We received your letter at the IRS on March 14, 2019, because it involves a tax issue, specifically the taxation of Indian tribal members.

Generally, Indian tribes are not taxable entities under the income tax provisions of the Internal Revenue Code (IRC). However, as discussed below, members of an Indian tribe are subject to federal income tax the same as other citizens of the United States.

Section 61 of the IRC provides that, except as otherwise provided by law, gross income means all income from whatever source derived. This includes all gains and undeniable accessions to wealth, including payments received from selling property, performing services, or under a contract. See Commissioner v. Glenshaw Glass Co., 348 U.S. 426, 431 (1955). All U.S. citizens are taxed on income unless the income is specifically excluded by law.

Only the Congress can change tax laws. Members of an Indian tribe are U.S. citizens required to pay income taxes pursuant to the IRC. See Squire v. Capoeman, 351 U.S. 1 (1956). An exemption from the requirement to pay income taxes for individual members of specific Indian tribes must be explicitly provided for by treaty with the Indian tribe concerned or an act of Congress. Absent a provision in a treaty or statute to the contrary, income received by a member of an Indian tribe is subject to federal income tax.
I realize this is not the response you desired, but I hope you have a better understanding of the tax laws as they relate to your concerns. If you have other questions or concerns on this matter, please contact

Sincerely,

Ronald Goldstein
Senior Technician Reviewer, Branch 4
Office of Associate Chief Counsel (Income Tax and Accounting)