To amend the Internal Revenue Code of 1986 to make permanent the Indian Employment Credit and the depreciation rules for business property on Indian reservations, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. Hoeven (for himself, Ms. Murkowski, and Ms. Heitkamp) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to make permanent the Indian Employment Credit and the depreciation rules for business property on Indian reservations, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

3 SECTION 1. SHORT TITLE.

4 This Act may be cited as the “Tribal Economic As-
5 sistance Act of 2017”.
SEC. 2. TREATMENT OF INDIAN TRIBES AS STATES WITH RESPECT TO BOND ISSUANCE.

(a) Repeal of Essential Governmental Function Requirement.—Section 7871 of the Internal Revenue Code of 1986 is amended by striking subsections (b) and (e).

(b) Effective Date.—The amendments made by this section shall apply to transactions after, and obligations issued in calendar years beginning after, the date of the enactment of this Act.

SEC. 3. MAKING PERMANENT THE INDIAN EMPLOYMENT CREDIT AND DEPRECIATION RULES FOR BUSINESS PROPERTY ON INDIAN RESERVATIONS.

(a) Indian Employment Credit.—

(1) In General.—Section 45A of the Internal Revenue Code of 1986 is amended by striking subsection (f).

(2) Effective Date.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2016.

(b) Accelerated Depreciation for Business Property on an Indian Reservation.—

(1) In General.—Section 168(j) of the Internal Revenue Code of 1986 is amended by striking paragraph (9).
(c) Effective Date.—The amendment made by this subsection shall apply to property placed in service after December 31, 2016.

SEC. 4. PRIORITY UNDER NEW MARKETS TAX CREDIT FOR QUALIFIED LOW-INCOME COMMUNITY INVESTMENTS ON INDIAN RESERVATIONS.

(a) In General.—Subsection (f) of section 45D of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking “or” at the end,

(B) in subparagraph (B), by striking the period and inserting “, or”, and

(C) by adding at the end the following new subparagraph:

“(C) which intends to make qualified low-income community investments within a reservation, including any such entity established by a tribe or an economic enterprise which intends to make such investments within a reservation.”, and

(2) by adding at the end the following new paragraph:

“(4) Definitions.—For purposes of subparagraph (C) of paragraph (2), the terms ‘reservation’,
‘tribe’, and ‘economic enterprise’ shall have the same meanings given such terms under section 3 of the Indian Financing Act of 1974 (25 U.S.C. 1452).”.

(b) Effective Date.—The amendments made by this section shall apply to calendar years beginning after December 31, 2017.

SEC. 5. AUTHORIZATION TO ESTABLISH QUALIFIED INDIAN SCHOOL CONSTRUCTION BOND ESCROW ACCOUNT.

(a) Authorization to Establish Qualified Indian School Construction Bond Escrow Account.—

(1) In general.—Part B of title II of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5351) is amended by adding at the end the following:

“SEC. 204A. AUTHORIZATION TO ESTABLISH QUALIFIED INDIAN SCHOOL CONSTRUCTION BOND ESCROW ACCOUNT.

“(a) Definitions.—In this section:

“(1) Federal escrow account.—The term ‘Federal escrow account’ means the qualified Indian school construction bond escrow account established under subsection (b).
“(2) Qualified Indian School Construction Bond.—The term ‘qualified Indian school construction bond’ means a bond for which the Secretary of the Interior has provided an allocation pursuant to the authority provided to the Secretary under section 54F(d)(4) of the Internal Revenue Code.

“(3) Secretary.—The term ‘Secretary’ means the Secretary of the Interior.

“(b) In General.—Pursuant to the authority granted under section 54F(d)(4) of the Internal Revenue Code of 1986, the Secretary shall establish a Federal qualified Indian school construction bond escrow account for the purpose of implementing such section.

“(c) Use of Escrow Account.—The Secretary shall use amounts available under the Federal escrow account to carry out a qualified Indian school construction bond program for schools funded by the Bureau of Indian Affairs, through which—

“(1) the Secretary shall approve qualified school construction bonds to the extent that amounts are available in the Federal escrow account to support the bonds pursuant to paragraph (2);

“(2) upon the Secretary’s approval of a request for a qualified school construction bond, the Sec-
retary shall deposit, from amounts available in the
Federal escrow account, the amount described in
paragraph (4) in an individual bond escrow account
that shall be managed for such qualified school con-
struction bond;

“(3) the funds for the individual bond escrow
account shall be held by the Federal Government or
in an insured depository institution, as defined in
section 3 of the Federal Deposit Insurance Act (12
U.S.C. 1813), and shall be invested in appropriate
Treasury securities; and

“(4) the amount of the funds provided for the
individual bond escrow account shall be an amount
sufficient to repay the face value of the bond in a
15-year period, based on the investment required
under paragraph (3).

“(d) TRANSFER TO ESCROW ACCOUNT.—

“(1) IN GENERAL.—The Secretary shall deposit
in the Federal escrow account such sums as are
made available to implement this section and section

“(2) OTHER FUNDS.—The Secretary may ac-
cept and deposit in the Federal escrow account
amounts received to carry out this section from any
other source, including Federal agencies, non-Fed-
eral public agencies, Indian Tribes, nonprofit organizations, and private sector entities.”

(2) Conforming amendments.—Section 204 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5351) is amended by striking “this part B” each place the term appears and inserting “this section”.

(b) Use of bonds for reasonable and necessary preconstruction costs.—Section 54F(d)(4) of the Internal Revenue Code of 1986 is amended by striking “Affairs.” and inserting “Affairs, which may include paying the reasonable and necessary predevelopment costs directly associated with such construction, rehabilitation, or repair.”
