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**Enterprise Zones:** There are now 148 House and 39 Senate sponsors of the Administration's Enterprise Zone legislation (HR 1955 and S 863). On Wednesday, June 15, the Senate is expected to begin consideration of S 863 as part of a Senate Finance Committee floor amendment in the nature of a substitute to HR 2973 (House withholding legislation). Final passage is expected June 16 or Friday, June 17. We are aware of no amendments of great significance thus far.

As of 11:00 a.m.  
June 9, 1983

House Sponsors of the Enterprise Zone  
Employment and Development Act of 1983, HR 1955

1. Conable (NY)
2. Fish (NY)
3. Wylie (OH)
4. Horton (NY)
5. McDade (PA)
6. Latta (OH)
7. Bliley (VA)
8. Bateman (VA)
9. Hyde (IL)
10. Lungren (CA)
11. Madigan (IL)
12. Martin (NY)
13. Martin (IL)
14. O'Brien (IL)
15. Porter (IL)
16. Siljander (MI)
17. Solomon (NY)
18. Stangeland (MN)
19. Whitehurst (VA)
20. Gradison (OH)
21. Boehlert (NY)
22. Vander Jagt (MI)
23. Lent (NY)
24. Schulze (PA)
25. DeWine (OH)
26. McEwen (OH)
27. Daub (NB)
28. Regula (OH)
29. Ratchford (CT)
30. Watkins (OK)
31. Michel (IL)
32. Bereuter (NB)
33. Wortley (NY)
34. Gilman (NY)
35. McGrath (NY)
36. Pursell (MI)
37. Wolf (VA)
38. Parris (VA)
39. Lagomarsino (CA)
40. McKinney (CT)
41. Evans, C. (IA)
42. Biaggi (NY)
43. Sawyer (MI)
44. Coughlin (PA)
45. Moorhead (CA)
46. Bartlett (TX)
47. Price (IL)
48. Holt (MD)
49. Mazzoli (KY)
50. Spence (SC)
51. Applegate (OH)
52. Davis, B. (MI)
53. Eckart (OH)
54. Miller, C. (OH)
55. McCain (AZ)
56. Lujan (NM)
57. Edwards (AL)
58. Ottinger (NY)
59. Tauke (IA)
60. Lowery, B. (CA)
61. Smith, C. (NJ)
62. Shumway (CA)
63. Gingrich (GA)
64. Livingston (LA)
65. Dreier (CA)
66. Schneider (RI)
67. Corrada (PR)
68. Weber (MN)
69. Crane, D. (IL)
70. Kasich (OH)
71. Guarini (NJ)
72. Johnson (CT)
73. Shaw (FL)
74. Garcia (NY)
75. Kemp (NY)
76. Sundquist (TN)
77. Mineta (CA)
78. Oxley (OH)
79. Lott (MS)
80. Badham (CA)
81. Burton, D. (IN)
82. Fiedler (CA)
83. Corcoran (IL)
84. Coats (IN)
85. Courter (NJ)
86. Martin (NC)
87. Campbell (SC)
88. Thomas (CA)
89. Duncan (TN)
90. Broomfield (MI)
91. Hughes (NJ)
92. Young (AK)
93. Kennelly (CT)
94. Walker (PA)
95. Chappie (CA)
96. Roe (NJ)
97. Nowak (NY)
98. Hubbard (KY)
99. Chappell (FL)
100. Stratton (NY)
101. Crane, P. (IL)
102. Ritter (PA)
103. McCollum (FL)
104. Byron (MD)
105. Bilirakis (FL)
106. Hartnett (SC)
107. Minish (NJ)
108. Williams (OH)
109. Oakar (OH)
110. Ridge (PA)
111. Pashayan (CA)
112. Jenkins (GA)
113. Kazen (TX)
114. Zschau (CA)
115. Goodling (PA)
116. Hiler (IN)
117. Sisisky (VA)
118. Gekas (PA)
119. Ackerman (NY)
120. Cheney (WY)
121. Rahall (WV)
122. Morrison (WA)
123. Nielson (UT)
124. Williams (MT)
125. Bevill (AL)
126. Fuqua (FL)
127. Brown (CA)
128. Forsythe (NJ)
129. Kramer (CO)
130. Clinger (PA)
131. Conte (MA)
132. Heftel (HI)
133. Richardson (NM)
134. Bethune (AR)
135. Murtha (PA)
136. Packard (CA)
137. Taylor (MO)
138. Coleman, T. (MO)
139. Hammerschmidt (AR)
140. Simon (IL)
141. Leach (IA)
142. Edwards, M. (OK)
143. McCandless (CA)
144. Dannemeyer (CA)
145. Marriott (UT)
146. Jeffords (VT)
147. Franklin (MS)
148. Hansen (UT)

As of 11:00 a.m.  
June 9, 1983

Senate Sponsors of the Enterprise Zone Employment and  
Development Act of 1983, S 863

1. Boschwitz (MN)
2. Chafee (RI)
3. Chiles (FL)
4. Matsunaga (HI)
5. Andrews (ND)
6. Pressler (SD)
7. Heflin (AL)
8. Warner (VA)
9. D'Amato (NY)
10. Specter (PA)
11. Danforth (MO)
12. Hawkins (FL)
13. Gorton (WA)
14. Roth (DE)
15. Garn (UT)
16. Mattingly (GA)
17. Heinz (PA)
18. Kasten (WI)
19. Hatch (UT)
20. Denton (AL)
21. Tower (TX)
22. Grassley (IA)
23. Jepsen (IA)
24. Percy (IL)
25. Durenberger (MN)
26. Tribble (VA)
27. Rudman (NH)
28. Inouye (HI)
29. Bradley (NJ)
30. Wilson (CA)
31. Abdnor (SD)
32. Simpson (WY)
33. Domenici (NM)
34. Dole (KS)
35. Baker (TN)
36. Laxalt (NV)
37. Murkowski (AK)
38. Thurmond (SC)
39. Quayle (IN)

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

January 13, 1982

TO: TONY DOLAN  
FROM: MORTON BLACKWELL  
RE: ENTERPRISE ZONES

I was requested to get together information for you regarding enterprise zones. Attached are a letter and attachments from Ron Andrade, Executive Director of the National Congress of American Indians, relating to the enterprise zone concept on tribal reservations and a letter from Denny Daugherty, Director of Federal Relations, Office of the Governor of Louisiana.

Per Denny Daugherty's suggestion, I contacted my old friend State Senator Dan Richey (D) of Ferriday, Louisiana. He gave me the following information:

In the summer of 1981, the state legislature passed, unanimously at every level, an Enterprise Zone Act which was co-sponsored by Senator Richey (who endorsed Reagan for President in 1980) and by State Senator William Jefferson (D), a black leader from New Orleans.

The process is this: The state is divided into about one thousand U.S. census enumeration districts. Those enumeration districts in the lowest 25% are declared eligible for enterprise zones. The standards for determining the lowest 25% are unemployment rates, out migration, public welfare rolls, and other factors.

In order to qualify for setting up enterprise zones in enumeration districts in their jurisdictions, local governments must promise not to reduce services in the enterprise zones.

The enterprise zones are divided into two categories - urban area and rural area. Urban areas are defined as parishes with more than 50,000 population.

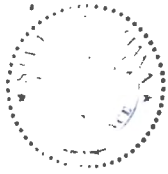
In rural areas employers are granted a state corporate or personal income tax credit of \$2500.00 for each new job created. Employers may spread this tax credit out over a period of up to three years.

For enterprise zones in urban areas, employers are granted exemption from all state sales taxes for purchases of construction materials for employment sites.

Page 2.

The state government will determine the approximately 250 census enumeration districts eligible for enterprise zones by February of 1982.

If you want further information on enterprise zones, I suggest you phone State Senator Dan Richey at 318-757-4351 or 318-757-8991.



State of Louisiana  
EXECUTIVE DEPARTMENT  
Baton Rouge

DAVID C. TREEN  
GOVERNOR

ROBERT L. DEVINEY, JR.  
EXECUTIVE ASSISTANT  
OFFICE OF INTERGOVERNMENTAL AFFAIRS

January 8, 1982

Mr. Morton C. Blackwell  
Special Assistant to the President  
Office of Public Liaison  
Old Executive Office Building  
Washington, D. C. 20500

Dear Morton:

Thank you for your call asking for information on Louisiana's Enterprise Zone Act of 1981, the first state enterprise zone legislation adopted in the nation. I believe that the persons best able to provide the President an overview of this program are the two men who led it to passage in our legislature, Senator Dan Richey and Senator William Jefferson.

The Louisiana Enterprise Zone Act of 1981 is based on the premise that the forces of the free market can more effectively deal with the problems of urban deterioration and rural underdevelopment than can any catalogue of government programs.

The idea for an enterprise zone program in Louisiana evolved from two bills introduced in the 1981 session of the Louisiana legislature. Senator Richey of Ferriday introduced a bill aimed at solving the problems of rural underdevelopment caused by the mechanization of the agribusiness industry and displacement of thousands of farm workers. Senator Jefferson of New Orleans had introduced a bill that would strive to revitalize the economically depressed central cities of our state and to stem the tide of business flight from these inner cities. The result of this merger was a bill that will assist both the rural and urban areas with appropriate incentives designed for their particular needs.

This program does not pretend to address or solve all of the problems of our economically depressed areas. Rather, it is a beginning. It provides those areas of the state most unlikely to be chosen in a site selection process with added inducements which will enable them to compete for private capital investment. It directs our public resources to those areas of the state

with the greatest need. It attempts to address those needs without committing massive public funds to programs of dubious merit. In short, the Louisiana Enterprise Zone Act of 1981 gives temporary tax relief to businesses that are willing to participate in providing permanent solutions to the problems of urban decay and rural underdevelopment.

We hope to be able to begin accepting applications from local governments to have areas designated as enterprise zones by the end of February 1982. Viable criteria have been selected and a model using them has been tested against the 1970 census information (1980 economic data will not be available until late summer 1982). We will be processing and cleaning up the computer printout of potential enterprise zones within the next two weeks. We will be notifying each local government that has a potential enterprise zone within their community by the middle of next month.

I would strongly recommend that both Senators Jefferson and Richey provide President Reagan with the background and current status of our program. They have been involved and kept current regarding the activities of the staff of the Louisiana Department of Commerce, Office of Commerce and Industry, which is coordinating this program.

Sincerely,



Dennis Daugherty  
Director of Federal Relations

DD:sr





**NATIONAL  
CONGRESS  
OF  
AMERICAN  
INDIANS**

202 E STREET, N.E., WASHINGTON, D.C. 20002 (202) 546-1168

January 7, 1982

**EXECUTIVE DIRECTOR**

Ronald P. Andrade  
*Luiseno-Diegueno*

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**PRESIDENT**

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*Aleut*

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**JUNEAU AREA**

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*Eskimo*

**MINNEAPOLIS AREA**

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*Lac Courte Oreilles/Ojibway*

**MUSKOGEE AREA**

Perry Wheeler  
*Cherokee*

**NORTHEASTERN AREA**

Elmer John  
*Seneca*

**PHOENIX AREA**

Anthony Drennan  
*Colorado River Indian Tribes*

**PORTLAND AREA**

Russell Jim  
*Yakima*

**SACRAMENTO AREA**

Juanita Dixon  
*Luiseno*

**SOUTHEASTERN AREA**

Eddie Tullis  
*Poarch Band of Creeks*

Mr. Morton Blackwell  
Special Assistant to the  
President for Public  
Liaison  
Old Executive Office Building  
Washington, D.C. 20005

Dear Morton:

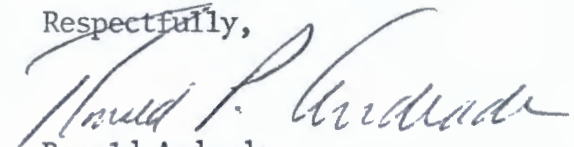
Enclosed are materials I have compiled for your review regarding the Tribal Tax Status Act. The Tribal Tax Status Act is very similar to the Enterprise Zones Act that is being endorsed by the Administration.

Many Indian Tribes have been active in economic development enterprises similar to those proposed in the Enterprise Zones Act. I recommend the following people for further discussions regarding the Enterprise Zones or the Tribal Tax Status Act:

Joe De La Cruz, Quinault Nation  
Delfin Lovato, All Indian Pueblo Council

I hope the information I have provided will be helpful. Please let me know if you need any further information.

Respectfully,

  
Ronald Andrade  
Executive Director

RPA:ror

Enclosure

"Some thoughts on the 'Indian Tribal Governmental Tax Status Act'."

The basic intent of S.1298, "The Indian Tribal Government Tax Status Act of 1981" is to amend the Internal Revenue Code of 1954 to extend certain tax provisions to Indian tribal governments on the same basis as such provisions apply to States. Whether by coincidence or intent, the Act coincides with the recommendation contained in a report issued this year by the U.S. Commission on Civil Rights, ("Indian Tribes; A Continuing Quest for Survival") that Congress, in order to "encourage the opportunity for self-determination, viability and effective functioning of tribal governments... should recognize Indian tribes on the same basis as it recognizes States and their subdivisions for purposes of general funding."

The Tribal Tax Status Act is an explicit recognition of the role the Federal Government's taxing power plays in the viability of state and local governments and would permit Tribal governments to engage in the types of activities which state and local governments now carry out, free of the onerous effects of the Federal Tax Code.

The principal benefits the Act offers to Tribes include a deduction from Federal income tax for taxes paid to a tribe. This would allow the tribes greater taxing leverage on the reservation, making their taxing scheme less burdensome to a business or individual which pays the tax and deducts the expense from its or his federal tax return. Under the Act, tribal government would be exempt from a number of excise taxes and gifts made to a tribe would be treated as deductible for Federal income tax purposes. These benefits would basically place tribes on a par with state and local governments and would enable them to more effectively carry out their self-governing functions. With respect to these provisions of the Act, then, there arises no real problem with the bill and this portion should be advocated by the tribes and passed intact.

However, another portion of the Act, perhaps the most important in terms of its capacity to functionally rearrange and alter the way tribal governments carry out their self-governing responsibilities, concerns the income tax exemption for certain tribal governmental obligations. In effect, under this portion of the Act, Indian governments could enter the municipal bond market to finance their activities.

2.

Municipals, Tax-Exempt Financing and §103 of the Code.

Under the Tribal Government Tax Status Act, Indian tribes could engage in tax-exempt financing of on-reservation activities, just as states and their subdivisions do within their geographical borders.

Tax-exempt financing has had a long and tangled history in this country, and the future of the tax-exempt market is now, more clouded, than at any other time during that turbulent history.

Basically, interest on state and local obligations has been excluded from taxable income, at least since 1913. Originally based upon the constitutional restriction contained in the theory of intergovernmental immunity (no governmental unit can tax the activities of another), that justification has passed by the wayside, and most commentators generally concede that other than the threatened outcry from the States, there is no real obstacle to the inclusion of such interest in taxable income. Simply stated, interest from government obligations is not taxed because the IRS has chosen not to test the issue. Section 103 of the Code makes that choice law.

The interest exemption on local government borrowing has positive ramifications for the fiscal viability of those entities. Investors in high brackets, seeking to earn tax-free interest, readily (or so the theory goes) put their money into municipal bonds at yields much lower than other types of securities. For instance, a 50% tax bracket taxpayer would pay no income tax on interest earned on a government obligation of \$1000 paying 10% yearly. He would pocket \$100 yearly on his investment. To earn the same amount of income on a taxable investment, he would have to earn \$200 on that same \$1000 because even though he would get \$200, the Federal government would take \$50 of it. So by virtue of the IRS' acquiescence in allowing states to issue such bonds, states and local governments have been able to enter the money markets and borrow at below market rates to finance their infrastructure; schools, sewers, roads, fire stations, etc. The Tribal Tax Status Act would allow tribes to do the same.

### The Narrow Base of the Municipal Markets

The problem with the Act, however, is that it puts Indian tribes in the municipals market at perhaps the worst time in its history. Literally, the market has collapsed, and state and local governments are finding that borrowing costs are becoming so oppressive, that many are reconsidering their capital acquisition schedules for the future. Some are contemplating leasing, rather than buying, as one way around the municipals dilemma. Because of problems of "attractability" of Indian government securities in an already overcrowded and depressed market (discussed below), the Act does not go far enough in considering the unique status of Indian tribes and their liquidity position which makes it impossible for Tribes to effectively compete for the municipal security investor's dollar. Without a Federal guarantee backing up the Tribal security, Tribal governmental bonds will offer only a nominally attractive investment in a field overflowing with nominally attractive investments.

The basic problem which the municipals market has always been subject to results from its narrow base. By base is meant the range of investors willing to consider a particular type of investment. Because only investors who need tax-sheltered income seek out municipals, only high bracket taxpayers consider municipals as investments. Unfortunately, the range, or base of high bracket taxpayers is relatively small, compared to the rest of the money market. Basically, the markets base includes those in brackets 32-40% or higher. This cuts out many of the large institutional investors, such as pension-funds, who don't need this "bracket protection." The problem for the issuers of municipals has always been making the yield on their securities attractive enough to lure that narrow base of investors.

A problem compounding the narrow base dilemma is the crowding of the tax-exempt market of all types of new issues in the past few years. Basically, the amount of tax-exempt securities issued today far exceeds the amount issued just ten years ago. This basically results in a greater number of borrowers competing for the same narrow base. Hence, yields, and the expense of borrowing, must rise, not only to attract the limited number of investors, but to even broaden the appeal of such bonds; say, for example, to the 33% tax bracket taxpayer.

Finally, the municipals market has always been subject, in a near whiplash fashion, to the vagaries of the private credit market. As inflation and interest rates rise, investors are willing to sink their dollars into taxable investments because the after tax yields are even more attractive than the non-taxable yields offered by the municipals. In effect, the municipal market follows the wider based market and is always in competition with it.

High interest rates, inflation; increased offerings and other factors have all coalesced today to create a municipal bond market which is totally depressed. For example, New Jersey, on October 28, 1981, offered its triple-A rated bonds at a record yield of 12.7% for bonds due in 2000 A.D. This highest offer ever for a municipal bond of a state was necessitated because investors have been unwilling to buy up lower yielding bonds and consequently, many states, such as Illinois, have had to drop their previous bond prices (that is; increase the interest rate) in order to move unsold bonds. Coupled with the crippling effects of heavy Federal Treasury borrowing (Treasury predicts it will need to borrow at least \$30 billion in the first quarter of 1982), further siphoning off investment in municipals, the tax-exempt market is in a state of shambles.

It is this same, heavily oversold municipal market which the Tribal Tax Status Act places Indian Tribal governments in, to compete on an "equal footing" with other traditional tax-exempt borrowers. Yet, on closer examination, and considering the liquidity position of the average reservation government, the idea of equal footing is a mere facade. It is highly unlikely that tribal governments will be able to pledge the type of security that municipal bond investors typically expect when investing their money in long term instruments. Tribal securities are likely to receive weaker ratings, and hence will have to increase their yield in order to compete in the market. Without some type of guarantee or "back-stop" by the Federal government, it will not only be impossible for tribal governments to enter the municipals market on an equal footing- they may not be able to enter at all.

## Liquidity, Yield, and Security

The average municipal bond investor will usually consider three factors in weighing an investment decision. These factors are liquidity, yield, and security. Liquidity is the term used by financial analysts to express how quickly the investor can convert his investment into cash. One aspect of liquidity, then, is the term of the bond. A short term note, say for six months, "ties up" the investor's cash for a much shorter time than a thirty year security. Another, more important aspect of liquidity is the resalability of the bond in the open market. In other words, is there a ready market of buyers willing to take my security off my hands for a reasonably advantageous price. From the standpoint of liquidity then, stocks are considered the most liquid types of investment because of the volume of trade in common stock issues. At present, however, municipal bonds, especially long term notes, are considered horrible investments from a liquidity standpoint. Most economists feel that the reason for this poor situation is investor uncertainty about long term interest rates. Most investors are reluctant to buy bonds in the secondary market because of this fear. The fear is easy to understand when one thinks of all the investors who are holding on to instruments bought when interest rates for municipals were relatively low. Investors who hold these low interest long term notes and wish to get rid of them for cash must sell them off at values less than par.

Indian tribes would be entering the market at a time when its liquidity situation is at an all time low. There is no reason to think that Tribal Tax-Exempts would be any more marketable than other tax-exempts. Unless some provision is made in the Act which could improve the marketability of tribal securities, the promise the act offers is essentially an empty one. Its passage in the present form, would only permit Indian tribes to enter and compete in the market after investor fears about long term interest rates have subsided. Whether one agrees with some economists that that date is far off, or even a few years in the offing, the essential facts are that Indian tribes need the ability to finance their operations now, at this crucial juncture in history when so many tribes realize the potential for economic development on the reservation; a potential that can only be realized by the ability to leverage large sums of capital through the bond market.

The second factor that an investor in municipal bonds considers is the security of the investment. In other words, what assurance does the bonholder have, that the principal and interest owed to him will be repayed. Principally, the municipal bond market has come up with two individualized types of security instruments which guarantee the obligation of the bond and assure the investor that his money is safe.

The first type of device, and perhaps the most prominent in the municipals market, is the General Obligation Bond. The state, or local government offering the bond pledges its "full faith and credit" behind the bonds. What the pledge means to the investor is that the governmental unit will do everything in its power to honor its obligation. Basically, the pledge is backed up by the power of the issuer to raise taxes in order to pay off the bond. The buyer of a General Obligation bond, then, has security in the fact that the tax base of the issuer backs up the instrument.

The second type of device is called the Revenue Bond. The security for this type of obligation is contained within the pledge of specified revenues by the issuer to pay off the obligation. Toll bridges, airports, roads and other sorts of profit making, revenue generating activities are usually financed by this method. For the state or municipality, the advantage of such a device lies in its not having to pledge its tax raising ability to back up the bond. Rather, the investor relies solely on the revenues generated by the project as the security for this instrument.

For each of these types of instruments, an investor would normally have to compile a large amount of information in order to assess the security of a particular type of issue. Because it would be too burdensome for each investor to consider the stability of the tax base of a municipallity, or the profitability of an airport, for example, ratings services exist which perform these investment analysis functions. The two principal services are Moody's and Standard and Poors. They collect information on various governments and types of projects, assess the relative security of the instrument, and issue a rating (Triple-A bonds are considered the most secure type of investment, Triple-b, less secure, for example). Typically, a bond investor will look at the rating of a particular security and use that as his guide. The services which do the rating play a powerful role in the bond rating game. When Boston's rating was completely withdrawn because of doubts about the effects of Proposition 2 and 1/2, Mayor Kevin White made a personal visit to New York to plead his case before the services.

Tribal Government municipals will be subject to this same ratings procedure, and the marketability of their bonds will be affected by the ratings they receive. Under either type of financing device, General Obligation or Revenue Bond, serious problems confront the tribes.

With regard to General Obligation Bonds, the Tribe must have something to pledge its full faith and credit with. Many reservations don't tax at all. And because of the nature of tribal trust ownership of reservation land, it is even difficult to conceptualize a property tax on the reservation. In effect, the tax base which exists for the tribe to pledge behind an issue would be very small. Because of the general lack of a diverse and dynamic economy on the reservation, the ratings agencies would view with skepticism, any tribal G.O.-type bond. Furthermore, investor action to sue to recover on their securities would perhaps also be constrained by the nature of tribal title. What would happen, for example, if a tribe was forced to default on its bonds. Could it declare bankruptcy, and what would be the consequences.

With regard to revenue financing, tribes face obstacles there also. Most revenue bonds are devoted to financing money-making activities, such as a toll bridge, or airport. Such enterprises are usually built to respond to a felt demand, and revenue is usually assured to the investor. Tribes, however, would probably hope to finance more speculative endeavours, perhaps resource development for example. Again, the ratings services would probably be skeptical. One type of revenue bonding device which has been used with a degree of success by some states is the Tax Increment Finance Bond. It basically pledges anticipated increased tax revenues from a development project. Where development does lead to higher tax assessments, then the bonds are easily paid off. Latent resource potential, adequately documented by geological surveys, serves as an analogy to latent tax revenues, waiting to be "mined", as it were, and such a tax exempt financing device should definitely be considered where appropriate.

The Act, as presently constructed, however, does not address these basic issues. It purports to treat tribes on an equal footing with the states, but it ignores the fundamental distinction between states and reservations. A state has a highly diversified, dynamic economy which provides a relatively stable tax base upon which to borrow upon for capital investment. States can also finance activities through borrowing which offer a rather steady stream of income. Tribes are fundamentally different from the states. They have no stable tax base, and the activities which offer revenues are a bit more speculative than the traditional types of



The final factor an investor will consider before putting his money into a municipal instrument is yield. That is, what will be the return on my money. Yield is a function of prevailing market conditions (the prime rate, narrow or broad base, strength of stocks, etc.) but is also determined by the previous two factors discussed, liquidity and security. For instance, an investor may be willing to take a greater risk on security where his potential yield is greater. Or, he may give up his ability to easily liquidate assets if the yield is satisfactory to him. Although it is not technically correct to say that yield is a function of security and liquidity, both play an important part. Consequently, an issuer which offers a less secure, less liquid bond relative to the rest of the market has to pay a higher rate of interest, or offer a greater yield, in order to sell his bonds. We have seen how Indian tribes will likely be considered less secure issuers than States, from the standpoint of the market ( and especially given their newness and inexperience in the market) and that it is therefore likely that tribes will have to offer higher yielding instruments to capitalize their governmental activities.

In effect, the Indian Tribal Tax Status Act, while purporting to treat tribes as equals with the states, fails to do so, because of its failure to recognize the unique situation tribes will be placed in, when they enter an extremely competitive and oversold market. Tribes borrowing expenses will always be more expensive than the states. Even should the markets' liquidity position improve, tribes are a long way off from expanding their tax base adequately enough (even if they would want to), to offer the added security a traditionally cautious market has always demanded.

## The Answer

There may well be no answer to the dilemma posed by the Act. The market may or may not, have enough confidence to finance reservation development. What the Act accomplishes is to drop the tribes in the middle of the municipal bond market, telling them to sink or swim. If one considers this to be necessary, so be it. It may be all Indians can get. The fact that the Act does not consider the consequences of Indian default is somewhat disturbing, however. It is difficult to imagine what might happen, if say the Navajo reservation was forced to the brink of bankruptcy as New York was. Would the Federal government do a bail out? Would trust lands be sold off to satisfy the New York banks?.

One possible alternative would be to consider various forms of Federal backing of tribal indebtedness. For instance, tribal bonds backed by a government guarantee would virtually assure the markets' doubts about the security behind such instruments. GNMA bonds have proven to be very marketable in the past, thanks in part to this guarantee. And there is precedent for a government guarantee. Nixon's Indian Finance Act provides for such guarantees. Government insurance is also another route to consider. Certainly, within the context of the government's trust responsibility, the backing of such securities makes good sense. It would enable the tribes to move toward autonomy while securing their financial stability. Perhaps a limited amount of insurance or a guarantee could be established, the government reviewing various bonding issues and deciding to back those which meet certain requirements, or help finance certain priorities. Perhaps the tribes themselves could sit on such a reviewing board, with the aid of various agencies within the government providing advice on the soundness of particular investments. Any number of combinations and ideas suggest themselves.

Another approach might be to take the model of FNMA and the Federal government's grant of a "Treasury Backstop Authority". Under this setup, the Secretary of the Treasury has the discretionary authority to purchase obligations of FNMA up to the amount of \$2.25 billion outstanding at any time. This backstop authority provides investors with added security as to the soundness of the FNMA instrument. Again, any number of permutations tailored to the needs and situation of the tribes is possible, once the principle is accepted.

M E M O R A N D U M

To: W. Richard West, Jr.  
From: Kenneth J. Vandavelde  
Re: Indian Tribal Governmental Tax Status Act --  
Effect of Rev. Rul. 81-216  
Date: November 2, 1981

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The Internal Revenue Service ("IRS") issued a ruling on August 24, 1981, revising its method of aggregating industrial development bonds for purposes of determining whether those bonds qualify for the tax exemption for "certain small issues." While it is a departure from past practice, the new revenue ruling can be expected to have a minimal practical impact on Indian tribes issuing industrial development bonds which are tax exempt under the Indian Tribal Governmental Tax Status Act.

Section 103 of the Internal Revenue Code ("IRC") creates a tax exemption for interest on governmental obligations. That exemption, however, does not apply to industrial development bonds unless they fit within certain categories. IRC §103(b). One such category -- the only category affected by the August 24 ruling -- is the exemption for certain small issues, created by IRC §103(b)(6).

Industrial development bonds qualify for the exemption for small issues provided that two conditions are satisfied:

(1) the obligation is part of an issue the aggregate face amount of which is \$1,000,000 or less; and (2) substantially all of the proceeds of the obligation are to be used for the acquisition, construction, reconstruction or improvement of land or property of a character subject to the allowance for depreciation. The new revenue ruling redefines the circumstances in which industrial development bonds are aggregated to determine whether they qualify for the small issue exemption.

The IRS previously has issued three separate rulings which determined whether, under certain circumstances, industrial development bonds should be aggregated for purposes of IRC §103(b)(6). See Rev. Rul. 78-159, 1978-1 C.B. 27; Rev. Rul. 77-55, 1977-1 C.B. 18; Rev. Rul. 74-380, 1974-2 C.B. 32. These rulings, however, did not identify clearly the criteria for determining when bonds shall be aggregated.

The new IRS ruling holds that bonds will be considered a single issue for purposes of IRC §103(b)(6) where four criteria are satisfied:

(1) the bonds will be sold at substantially the same price;

(2) the bonds will be sold pursuant to a common plan of marketing;

(3) the bonds will be sold at substantially the same rate of interest; and

(4) a common or pooled security either will be used or will be available to pay debt service on the bonds.

The Indian Tribal Governmental Tax Status Act provides that Indian tribal governments shall be treated as state

governments for purposes of IRC §103. Thus, the new revenue ruling revised the criteria for determining whether tribal-issued industrial development bonds qualify for the tax exemption for certain small issues.

The legal effect of this ruling is that if a tribal government issues two or more industrial development bonds which satisfy all four of the listed conditions, the face value of the bonds will be aggregated. If the aggregate amount exceeds \$1,000,000, the income from those bonds will not qualify for the exemption for certain small issues. The bonds may still qualify, however, for one of the other exemptions created by IRC §103(b).

The practical effect of the ruling may be minimal, since many tribal governments will not be issuing industrial development bonds in excess of \$1,000,000. Where tribes wish to do so, the bonds nevertheless will qualify for the small issues exemption if at least one of the four listed conditions is not present. Moreover, bonds issued for many large enterprises -- such as industrial parks, residential properties, convention facilities, waste disposal facilities, or facilities for furnishing electricity, gas or water -- will be exempt under other provisions of IRC §103(b), which are not subject to the \$1,000,000 ceiling.

THE INDIAN TRIBAL GOVERNMENTAL TAX STATUS ACT  
AND INDUSTRY

The Indian Tribal Governmental Tax Status Act is designed to amend the Internal Revenue Code to extend certain tax provisions to Indian tribal governments on the same basis as those provisions apply to the States.

The major provisions of the Act would:

- o Allow deductions from federal income taxes for taxes paid to tribal governments.
- o Allow deductions from federal income tax for charitable contributions to Indian tribes.
- o Exempt from federal income tax interest paid on bonds issued by tribal governments.
- o Allow deductions from federal income tax for contributions to tribal political campaigns.
- o Exempt tribes from certain excise taxes.

The Present Tax Status of Indian Tribes

The Internal Revenue Code presently contains no specific references to Indian tribes other than the tribal exemption from the Crude Oil Windfall Profit Tax. It does not specifically provide that they are taxable or non-taxable. The Internal Revenue Service has taken the position that tribes are not taxable entities (Revenue Ruling 67-284). The IRS does not attempt to collect federal income taxes from Indian tribes for either their governmental or their profit-making activities.

The Internal Revenue Code also does not specifically extend to Indian tribes certain benefits that are extended to states. For example, the Code provides that charitable contributions to states and their "political subdivisions" are tax deductible. No mention is made of charitable contributions to Indian tribes. In a 1974 Revenue Ruling, however, the IRS held that a contribution to a tribe was not deductible (Revenue Ruling 74-179) as a tribe is not a state nor a political subdivision of a state.

Another example is that the Code exempts from gross income interests on certain obligations of states and political subdivisions of states. No specific mention is made of Indian tribes but the issue of the treatment of interest of obligations of tribes did come before the IRS. They ruled in 1968 that the interest on a tribal obligation could not be excluded from gross income, as a tribe is neither a state nor a political subdivision of a state (Revenue Ruling 68-231).

Although IRS has not ruled specifically on the applicability of other benefits given to states and their political subdivisions, such as the deductability of certain taxes paid to them, it is clear that those provisions cannot be assumed to apply to tribes.

The Indian Tribal Governmental Tax Status Act would amend the Internal Revenue Code to specifically make tribes eligible for certain of the benefits enjoyed by state and local governments.

## Benefits to Private Industry

while the most obvious beneficiaries of the Indian Tribal Govern-  
mental Tax Status Act are tribal governments, it is clear that industry  
would benefit as well. The following is a list of some of the advant-  
ages that would accrue to industry if the Act were passed into law:

- (1) The Act would make charitable contributions to tribal govern-  
ments exempt from federal taxes provided the contribution were  
for "exclusively public purposes." It would also allow a  
credit for political contributions made toward Indian tribal  
elections.
- (2) The Act would allow industry to deduct from federal taxes,  
taxes paid to tribal governments. As stated above, the Code  
does not mention tribal taxes, nor has there been a Revenue  
Ruling on the subject. However, as the IRS has repeatedly  
ruled that tribes are neither states nor political subdivi-  
sions of states under the Code, it is clear that tribal taxes  
now can not be considered deductible.
- (3) Industry could receive financing through tribal obligations.  
Although tribes now can issue bonds such obligations are so  
unattractive to investors that doing so is infeasible. If the  
interest on tribal obligations are made tax exempt, these  
obligations may become a feasible means of financing private  
businesses and industries on the reservations. Private  
industry would benefit as well as the tribes.



- (4) Manufacturers and suppliers of certain goods on which there are federal excise taxes would benefit from the Act. Tribes are now subject to excise taxes on diesel and other special motor fuels, communications services and facilities and highway vehicles. Tribes are also subject to the manufacturers' excise tax. The Act would exempt tribes from these taxes and therefore encourage their use of the taxed goods and services.
- (5) Industries which had planned, constructed and operated public facilities on reservations such as roads, water and sewerage systems and others would benefit from the provisions in the bill that allow deductions for the interest on tribal bonds. This is especially important because most of the federal grants, loans and loan guarantees that had been available to finance public facilities have been eliminated in the 1982 federal budget. Tribal bonds could become an important source of financing for public works projects on reservations.

In conclusion, the Act would contribute to the development of healthy economies on Indian reservations. In doing so, it would improve the lot of Indian people, certainly, but it would also help to make Indian reservations stable, economically viable areas for industry.

# FRIED, FRANK, HARRIS, SHRIVER & KAMPELMAN

SUITE 1000

600 NEW HAMPSHIRE AVENUE, N. W.

WASHINGTON, D. C. 20037

(202) 342-3500

CABLE "STERIC WASHINGTON"

TELEX 892406

FRIED, FRANK, HARRIS,  
SHRIVER & JACOBSON

ONE NEW YORK PLAZA

NEW YORK, N.Y. 10004

(212) 820-8000

TELEX 620223

3 KING'S ARMS YARD

LONDON, EC2R 7AD, ENGLAND

(01) 600-1541

TELEX 887606

March 10, 1981

WRITER'S DIRECT NUMBER IS

202/342-3627

OUR REFERENCE

MAR 12 1981

FELIX S. COHEN (1932-1963)

RICHARD B. BERRYMAN  
DAVID E. BIRNBAUM  
JAMES B. BLINHOFF  
JOHN T. BOESE  
MILTON EISENBERG  
JOEL B. FEIDELMAN  
HAROLD P. GREEN  
HERRY A. HUSSCHMAN  
WILLIAM JOSEPHSON  
HAROLD W. KAMPELMAN  
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ARTHUR LAZARUS, JR.  
FRANCIS J. O'TOOLE  
HARVEY L. PITT  
MELVIN RISNE  
MARCUS A. ROWDEN  
RICHARD SCHIFTER  
SARGENT SHRIVER  
LAWRENCE R. SIDMAN  
DANIEL M. SINGER  
W. RICHARD WEST, JR.

ALDEN F. ABBOTT  
WILLIAM P. ALFORD  
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HARVEY N. BERNSTEIN  
KAREN A. BLEIWEISS  
KATHLEEN C. BUSH  
EDSON G. CASE, JR.  
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VIRGINIA F. CRISHAN  
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DONALD W. DOUGLAS  
DOUGLAS J. FEITH  
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JUNE MUMFORD CERTIG  
WILLIAM B. HOFFMAN  
BARBARA G. INFELLES  
CAROL MERNDON ISRAEL  
GEORGE R. KEYS, JR.  
JAY R. KRAMER  
JAMES H. KULIKOWSKI

BETH A. LABSON-FREEMAN  
DAVID A. LOGAN  
JAMES J. McCULLOUGH  
ELLEN K. MEISELS  
ROBERT P. MOLLER  
ANDREA NEWMARK  
JOYCE A. RECHTSCHAFFEN  
VICTOR A. D. POSTOW  
VANESSA RUIZ-DE-ELEJALDE  
JAMES H. SCHROPP  
WILLIAM RUSSELL SEEBAUGH  
RICHARD A. STEINWURTEL  
CRAIG A. STERN  
WILLIAM E. SUDOW  
JOSEPHINE L. URSINI  
KENNETH J. VANDELDELLE  
JULIE L. WILLIAMS  
ERIC J. ZAHLER  
LEONARD A. ZAK  
L. MARC ZELL

JOSEPH BURSTEIN  
MARTIN D. GINSBURG  
PAUL SHNITZER  
COUNSEL

NOT ADMITTED IN D.C.

Mr. Ronald Andrade  
National Congress of American Indians  
202 E Street N.E.  
Washington, D.C. 20002

Re: Indian Tribal Governmental Tax Status Act

Dear Ron:

Pursuant to my conversation with your secretary this afternoon, I am enclosing materials concerning the proposed "Indian Tribal Governmental Tax Status Act." Please feel free to give me a call in the interim should you or your staff have any questions which we should be prepared to answer specifically at our meeting on March 16.

I look forward to seeing you, and hope that we will be able to enlist NCAI's support for what I feel is a very worthy legislative measure.

With kindest regards.

Sincerely yours,



W. Richard West, Jr.

WRW/pls  
Enclosures

## M E M O R A N D U M

Re: Indian Tribal Governmental Tax Status Act

The purpose of the Indian Tribal Governmental Tax Status Act is to accord recognized Indian tribal governments the same basic tax treatment now given other units of government. Enactment of the bill would strengthen tribal governments significantly by furnishing additional sources of financing and by eliminating the unfair burden of taxes Indian tribal governments must now pay. The Indian Tribal Governmental Tax Status Act would amend the Internal Revenue Code to extend certain federal tax benefits to recognized Indian tribes and Alaska Natives.

The bill is similar to legislation that was first sponsored in the 93rd Congress by Congressman Ullman. It is identical in virtually all substantive respects to the bills that were reintroduced (in the 94th Congress: H.R. 8989 and S. 2664) and reported after hearings by the House Committee on Ways and Means in the 94th and 95th Congresses. In the 96th Congress, a similar bill, H.R. 5918, again was introduced by Representatives Ullmann, Udall and Frenzl; however, it was not acted upon before the end of the legislative session.

Background and Purpose

Legal authorities long have recognized the power of Indian tribes to govern their reservations and members. See generally

Worcester v. Georgia, 6 Pet. 515 (1832). Specifically, tribal governments have the authority to exercise general police powers, including the power to tax transactions occurring on reservation lands.

In implementation of these powers, many tribal governments have assumed broad governmental responsibilities. Tribes have provided to their members police and fire protection, health care, schools, roads and transportation, recreational facilities, and agricultural and business assistance. Because of these activities which have been aimed at stimulating their economies and providing common governmental services, the revenue needs of tribal governments have increased.

As a matter of policy, the federal government for the past half century virtually without exception has sought to strengthen tribal governments politically and economically. The Indian Reorganization Act of 1934 authorized tribes to modernize their governmental structures to deal more effectively with contemporary problems and needs. Moreover, in recent years both Congress and the Executive Branch have reaffirmed and strengthened the governmental role of Indian tribes. Most recent federal legislation, for example, which provides assistance to local governments, also expressly includes assistance to tribal governments. See, e.g., Economic Opportunity Act, 42 U.S.C. §2790(f); Public Works and Economic Development Act, 42 U.S.C. §3131(a); Housing and Urban Development Act, 42 U.S.C. §1451(c); Juvenile Delinquency Prevention and Control Act, 42 U.S.C. §3891(a); Omnibus Crime Control and Safe

Streets Act, 42 U.S.C. §3781(d); State and Local Fiscal Assistance Act, 31 U.S.C. §1227(b)(4).

In an effort to assume greater responsibility for financing their own governmental functions and services, Indian tribes have endeavored to raise funds at the local level through the collection of tribal taxes. Efforts of Indian tribal governments to levy their own taxes, however, have been only partially successful because the Internal Revenue Code does not extend to Indian tribes the same treatment it accords other state and local governments. This difference in treatment undermines the tax initiatives of tribal governments and seriously interferes with their efforts to improve the conditions of life in Indian country.

Although, as explained above, tribal governments provide in many instances a full range of governmental services, they cannot be accorded the tax status of local governments under the Internal Revenue Code unless they incorporate pursuant to state law. Such incorporation, which would qualify a tribe as a municipal corporation eligible to receive tax-exempt status, would require a tribe to become, in effect, a political subdivision of the state -- a status totally inconsistent with the legal and political history of Indian tribes.

The more historically justified approach is to discontinue the discriminatory application of federal tax laws to Indian tribal governments. Both the Congress and the President have indicated repeatedly their intention to treat Indian tribal governments fairly, in the provision of federal assistance and to provide the same benefits to Indian tribal governments that are now afforded to state

and local governments. This legislation would make available to tribal governments tax benefits now available to state and local governments and thereby enable tribal governments to deal more effectively with their current needs.

#### Provisions in the Legislation

The most significant aspects of the bill are that it:

- (1) grants a deduction from federal income tax for taxes paid to an Indian tribe;
- (2) provides that charitable contributions to Indian tribal governments would be deductible for income, estate and gift purposes;
- (3) exempts Indian tribal governments from a variety of excise taxes, including the tax on special fuels, the manufacturers excise taxes and the tax on the use of certain highway vehicles; and
- (4) provides an income tax exemption for certain governmental obligations, subject to special limitations regarding the tax treatment of industrial development bonds issued by an Indian tribal government.

#### Tax Impact

The tax impact of this legislation was estimated by the House Ways and Means Committee in its report filed by the Committee in the 95th Congress after consideration of this legislation in 1978.\*/ The Committee, in agreement with the Treasury Department, estimated that the provisions in the legislation relating to the deductibility of Indian tribal government taxes would reduce income tax revenues by \$1 million a year. The revenue effect of the other provisions in the legislation was estimated to reduce overall tax liability by less than \$5 million per year.

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\*/ H.R. Rep. No. 95-843, 2d Sess. 18 (1978).

WILKINSON, CRAGUN & BARKER  
LAW OFFICES

1738 NEW YORK AVENUE, N. W.  
WASHINGTON, D. C. 20008  
(202) 783-4800

CABLE: "WILCBAR"

TELEX: (710) 822-9348

GLEN A. WILKINSON  
CHARLES A. HOBBS  
LEON T. RHAUER  
JERRY C. STRAUS  
PIERRE J. LAFORCE  
GORDON C. COFFMAN  
STEPHEN R. BELL  
FOSTER D. REITZES  
PHILIP A. NACKE  
EDWARD M. FOGARTY  
JOSEPH P. MARKOSKI  
WILLIAM M. TIMME \*

ROBERT W. BARKER  
PAUL S. QUINN  
RICHARD A. BAENEN  
HERBERT E. HARRIS  
FRANCES L. HORN  
PATRICIA L. BROWN  
R. ANTHONY ROGERS  
JOHN M. FACCIOLA  
THOMAS E. WILSON  
ROBERT S. MARENNA, JR.  
STEVEN C. LAMBERT

ERNEST L. WILKINSON (1898-1978)  
JOHN W. CRAGUN (1906-1988)  
ANGELO A. IADAROLA (1933-1980)

ROBEL M. HYDE  
COUNSEL

ANCHORAGE OFFICE  
SUITE 420  
601 WEST FIFTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 278-3300

JAMES E. MAGEE  
CHARLES L. APPLER  
P. THOMAS MORAN  
JACQUELYN R. LURE  
TIMOTHY C. SLOAN  
SUSAN G. BERGHOEF  
LUISE L. LANCETTI  
JAMES A. MICHAELS

STEPHEN A. HILDEBRANDT  
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CAROL L. BARBERO  
JAMES L. CASSELY  
KENNETH E. SATTEN  
GLENN R. SUGANELI  
PAUL J. SINDERSBRAND \*\*

JUN 17 1981

June 11, 1981

\* Admitted in Alaska and Texas only  
\*\* Admitted in New York only

GENERAL MEMORANDUM NO. 81-52

Re: Indian Tribal Government Tax Act of 1981

On June 2, 1981, Senator Malcolm Wallop (R-Wyo.), together with Senators Bradley, Hatfield, Packwood and Baucus, introduced S. 1298, a bill to amend the Internal Revenue Code of 1954 to extend certain tax provisions to Indian tribal governments. Representative James R. Jones (D-Okla.) introduced H.R. 3760, which is substantially identical to S. 1298, on the same day. Rep. Jones was joined by Representatives Conable, Frenzel, Matsui, Udall, Clausen, Young, Bereuter, Solarz and Lowry in sponsorship of the bill. Copies of the statements accompanying introduction of the bills are attached.

S. 1298 and H.R. 3760 would amend the Internal Revenue Code to extend selected federal tax benefits to recognized Indian tribes and Alaska Natives, thereby placing these governments on an equal footing with states, municipalities and local governments with respect to these benefits.

In particular, the bills would enhance tribal governments' ability to finance their functions and services in four important ways. First, taxes paid to a tribal government would be deductible from federal income tax. Second, charitable contributions to tribal governments would be deductible for income, estate and gift tax purposes. Third, Indian tribal governments would be exempt from certain federal excise taxes, including the tax on special fuels, the manufacturers' excise taxes and the tax on the use of certain highway vehicles. Fourth, and perhaps most significantly, the legislation would

Enterprise  
Zones

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

Tuesday, March 23, 1982

The Administration's Enterprise Zone Proposal

FACT SHEET

Objectives. The Administration proposes the creation of an Enterprise Zone program, which would be an experimental, free-market initiative for dealing with economic distress in inner cities and rural towns. Its objectives are twofold:

- o To create jobs in the nation's depressed urban areas and rural towns, particularly jobs for disadvantaged workers.
- o To redevelop and revitalize the geographic zone areas themselves.

Concepts. The underlying concept of Enterprise Zones is to create a free-market environment in depressed areas through relief from taxes, regulations and other government burdens, privatization of some city services and involvement of private, neighborhood organizations. Because the program is based on the concept of removing government burdens rather than providing government subsidies, it should involve no appropriations, at least at the Federal level.

- o The removal of these burdens will create and expand economic opportunity within the zones, allowing private-sector firms and entrepreneurs to create jobs and expand economic activity within these areas. This would be similar to the free trade zones established in other parts of the world, such as Hong Kong, which have been quite successful in stimulating the development of poor areas.



- o The program is intended primarily to stimulate new economic activity within the zones that would not otherwise have occurred at all, anywhere, rather than to encourage existing outside activity to relocate into the zones. In addition, the intent behind the program is not to stimulate a particular kind of business, but rather to let the market decide what activities should take place in the zones. While the Federal tax incentives are skewed towards labor-intensive businesses and jobs for disadvantaged workers, the program generally is meant to include a relatively balanced set of incentives for a broad range of economic activities and businesses.

Program Structure. The Federal legislation would establish what areas would be eligible to be declared Enterprise Zones based on criteria concerning poverty, unemployment and other indicators of distress. But this would not be an entitlement program, and, consequently, eligible areas would not automatically become Enterprise Zones. Rather, an eligible area would first have to be nominated by the local government, followed by confirming nomination by the State government, or nominated by the State government, followed by confirming nomination by the local government. Both the nominating State and local governments would then have to apply to the Secretary of Housing and Urban Development for Federal designation. In general, any jurisdiction satisfying minimum population requirements which is eligible under the UDAG program would be eligible for State and local nomination if it met the distress criteria.

- o The Secretary of Housing and Urban Development would then evaluate the zone nomination on a competitive basis. The primary criteria for choosing which proposed zones will receive Federal designation will be the quality and strength of the incentives to be contributed by the State and local governments. Particular emphasis would be given to incentives and contributions consistent with the overall Enterprise Zone theme of creating an open market environment through the removal of government burdens. These contributions would include tax relief, regulatory relief, increase in the level or efficiency of local services through possible experimentation with private sector providers of public services, and involvement in the program of neighborhood and community groups. Other contributions and factors would also be considered in this competition.
- o A maximum of 25 zones would be approved in each of the first three years of the program. Each zone would last for the period chosen by the designating State and local governments, with a maximum of 20 years on the Federal participation, plus a four-year phaseout of that participation. The Department of Housing and Urban Development would be the agency administering the program.

Federal Tax Incentives. The major features of the Federal tax package are:

- o a nonrefundable investment tax credit for capital investments in an Enterprise Zone. For personal property, such as machinery or equipment, this credit would be 3 or 5 percent. For the construction or rehabilitation of commercial, industry or rental housing structures within a zone, the credit would be 10 percent.
- o a nonrefundable, 10 percent income tax credit to employers for payroll paid to qualified zone employees in excess of payroll paid to such employees in the year prior to zone designation.
- o a special, strengthened, nonrefundable, 50 percent income tax credit to employers for wages paid to zone employees who were disadvantaged individuals when hired.
- o a nonrefundable, 5 percent income tax credit to qualified zone employees for wages earned in zone employment.
- o the elimination of capital gains taxes within the zones.
- o the designation of suitable Enterprise Zone areas as Foreign Trade Zones, providing relief from tariffs and import duties.
- o the continued availability of Industrial Development Bonds to small businesses in Enterprise Zones even if the availability of such bonds is terminated elsewhere.
- o any Enterprise Zone firm would be allowed an operating loss carryover for the life of the zone in which it is located or 15 years, whichever is longer.
- o any Enterprise Zone firm would be allowed a carryover of any unused employment tax credits for the life of the zone in which it is located or 15 years, whichever is longer.

### Cost and Effect of the Tax Package

- o The Treasury Department estimates that the cost of a sample Enterprise Zone which includes 10,000 employees with this tax package would be \$12.4 million per year in terms of foregone tax revenue. The cost of 10 such Enterprise Zones in the first year of the program would, therefore be \$124 million. The cost of 25 such Enterprise Zones in the first year would be \$310 million. The total cost of the program would increase commensurately in future years for increased numbers of zones.
  
- o As a whole, the effect of this tax package for most Enterprise Zone firms would be to eliminate 75 percent or more of the corporate income tax, eliminate entirely the capital gains tax, provide relief from tariffs and duties wherever Enterprise Zones are also Foreign Trade Zones, and provide income tax relief to the firm's qualified employees. These incentives will facilitate easier access to start-up capital.

Federal Regulatory Relief. Under the Administration proposal, Federal regulatory bodies (all agencies covered by the Administrative Procedures Act) would be given discretionary authority to relax or eliminate their nonstatutory regulatory requirements within Enterprise Zones, in accordance with standards promulgated by Congress, but only upon the request of the State and local governments.

- o To utilize this authority, the State and local governments governing each zone would initially ask Federal regulatory bodies to relax or eliminate particular regulations within the zone. The Federal bodies that promulgated the regulations would have the statutory power to grant such requires at their discretion. Congressionally mandated standards would dictate how the agencies would use this discretion. the standards would include an instruction to each body to weigh the special job creation and economic revitalization purposes of the zones against other important aspects of the public welfare, which may underlie the regulation, and to relax or eliminate each particular regulation within a zone when appropriate. A Federal regulatory body would have no authority to take any action without a prior request from both the State and local governments governing each zone.

- o Regulations which are specifically imposed and spelled out by statute would not be affected by this authority. The minimum wage law, for example, would not be affected, since the statute expressly requires that a minimum of \$3.35 an hour be paid. The authority could only be used to relax regulations where agencies now have some discretion. Regulations affecting civil rights or whose relaxation would harm the public safety or health, including environmental health, would be expressly exempted from this authority.

State and Local Government Role. The Enterprise Zone program is not simply a Federal Government effort. To be successful, the program must have substantial contributions from State and local governments. In fact, State and local contributions would probably make the critical difference in whether a zone succeeds or fails.

- o The initial importance of the State and local contributions is that they would determine what designated zones would be Federally approved. The Federal posture towards these contributions would be highly flexible. No particular element or tax relief or regulatory relief, or any other possible contribution would be required.

Failure to include one element in a State and local package of contributions could be offset by greater strength in the other elements. It should be remembered, however, that each State and local contribution package would be competitively evaluated against the other State and local packages.

- In the area of tax relief, State and local governments could provide reductions in State and local income taxes, property taxes, sales taxes, and other taxes which vary among the jurisdictions.
- State and local deregulation could be provided in such areas as zoning, occupational licensure laws, usury laws, price controls, permit requirements, central planning regulations and building codes.
- In the area of service improvement, "contracting out" or "privatization" could be one means of improving local services.
- State and local governments may also provide funding for projects which contribute to economic development in a zone, such as job-training or infrastructure efforts. These governments may use their Community Development Block Grants, Urban Development Action Grants or Revenue Sharing funds for these efforts.

- o To encourage local community involvement, State and local governments could provide for the creation of "Neighborhood Enterprise Associations" by zone residents. These Associations could undertake the provision of some city services in their areas, help local residents to participate in the economic success of the zones, particularly through mechanisms providing for equity participation by zone residents, and support volunteer, self-help efforts for the zone areas. Participation in the program by other private sector organizations which could perform these functions could also be encouraged by the State and local governments.

*Enterprise Zone*

THE WHITE HOUSE  
WASHINGTON

TO: BOB BONITATI

FROM: Morton C. Blackwell

Below is the list of leaders who have special interest in the Enterprise Zone meeting.

Miss Kathy Teague, Executive Director  
American Legislative Exchange Council  
418 C St. N. E.  
Washington, D. C. 20002  
547-4646

Mr. Robert Dugan  
National Association of Evangelicals  
1430 K Street, N.W.  
Washington, D. C. 20005  
628-7911

Dr. Jerry Falwell  
The Moral Majority  
National Capitol Office  
500 Alleghany Ave.  
Lynchburg, Virginia 24501  
(804) 528-0070

memo

THE WHITE HOUSE  
WASHINGTON  
May 21, 1982

*Have you given  
Bob 2 names?*

MEMORANDUM FOR ENTERPRISE ZONE WORKING GROUP

FROM: BOB BONITATI *B*  
SUBJECT: Enterprise Zone Meeting with the Vice President

The Vice President has agreed to conduct a meeting with groups and organizations supporting the enterprise zone proposal on Thursday, May 27 at 9:00 a.m. in the Roosevelt Room.

The meeting will differ from the one on Monday, May 17 in that there will be no detailed briefing on the subject matter, and we will invite only those groups who support the concept of enterprise zones. The purpose of the meeting will be to have the Vice President and Secretary Pierce call on these organizations to energize support for the passage of this legislation.

Our current plan is to issue invitations on Monday, May 24 at noon.

Please submit to me ASAP the groups (and the individuals representing those groups) you believe should be invited to the meeting. We might not be able to accommodate all of the groups you propose because of the size limitation of the Roosevelt Room, but will let you know which ones have been invited.

We would prefer to invite the heads of organizations as we will probably have several mayors in attendance. If it is not possible for the organization's head to attend, then we will accept his designee.

cc: Elizabeth H. Dole

*MAE*

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*Enterprise Zone  
Briefing  
Bob Bonitati  
Briefing*

?  
Mylio Kraja  
The American Legion  
1608 K St. N. W.  
Washington, D. C. 20006

*no*  
Robert L. Ashworth  
AMVETS  
4647 Forbes Boulevard  
Lanham Maryland 20801

*no*  
Cooper Holt  
Veterans of Foreign Wars of the U.S.  
V.F.W. Mmemorial Building  
200 Maryland Ave. N.E.  
Washington, D. C. 20006

*no*  
Norman B. Hartnett  
Disabled American Veterans  
807 Main Avenue S. W.  
Washington, D. C. 20024

✓  
*yes*  
Robert Dugan  
National Association of Evangleicals  
1430 K Street, N. W.  
Washington, D. C. 20005

*no*  
Ed McAteer  
The Religious Roundtable  
1500 Wilson Blvd., Suite 502  
Arlington, Virginia 22209

*possible*  
Dr. Ronald Godwin - *aka Falwell*  
The Moral Majority  
499 South Capitol St. S. W.  
Suite 101  
Washington, D. C. 20003

*no*  
Dr. Pat Robertson  
Christian Broadcasting Network  
Virginia Beach, Virginia 23463

*Barbara Johnson  
804-424-7777*

Dr. Claire Randall  
National Council of Churches  
475 Riverside Drive  
New York, New York 10115





THE WHITE HOUSE

WASHINGTON

May 13, 1982

MEMORANDUM FOR ENTERPRISE ZONE WORKING GROUP

FROM:

BOB BONITATI *KB*

SUBJECT:

Enterprise Zone Briefing *File*

We have received calls from more than 100 individuals planning to attend the Enterprise Zone briefing on Monday, May 17 at 11:00 a.m. in Room 450 of the OEOB.

The briefing will be opened by Red Cavaney and conducted by Secretary Pierce, Assistant Secretary Steve Savas (HUD), and Under Secretary of the Treasury, Norm Ture.

A list of those indicating that they plan to attend is attached.

LIST OF ATTENDEES

Enterprise Zone Briefing  
Monday, May 17, 1982  
Room 450, OEOB

Mr. Charles Adams  
American Association of  
Advertising Agencies

Mr. Steve Collins  
Motor Vehicle Manufacturers  
Association

Mr. John Albertine  
American Business Conference

Mr. T. M. Alexander  
Alexander Insurance

Mr. Charles Hoffman  
American Bankers Association

Ms. Rae Evans  
Hallmark Cards

Mr. Joseph E. Jenkins  
United Neighborhood Houses

Mr. Arthur Edgeworth  
Fidelity Federal Savings &  
Loan

Ms. Kathryn Pate  
National Association of  
Women in Construction

Mr. James O'Connor  
Chemical Manufacturers Assoc.

Mr. John Thompson  
JCT Associates

Mr. Barry Keating  
JCT Associates

Ms. Miriam Santos  
Aspira of America, Inc.

Ms. Sharon Daigle  
Assn. of Wall & Ceiling  
Industries

Mr. Robert Bates  
American Assn. of Blacks in Energy

Mr. Chris Monek  
Associated General Contractors of  
America

Ms. Marion Behr  
National Alliance of Homebased  
Business Women

Mr. Leonard Blackshear

Ms. Rebecca Batts Butler  
American Association of Retired Persons

Mr. Stewart Brooks  
National Bankers Association

Mr. Bernard Browning  
General Business Services Inc.

Mr. Clinton Chapman

Mr. Pierce Quinlan  
National Alliance of Business

Admiral David Cooney  
Goodwill Industries

Ms. Sara Moran  
National Urban League

Mr. Charles Fritzel  
National Assn. of Independent  
Insurers

Mr. Manuel Croquez  
Grand Council of Hispanic  
Societies of Public Service

Mr. Jerry Cotto  
Grand Council of Hispanic  
Societies of Public Service

Ms. Laurie Alcala

Ms. Angela Current Delta Sigma Theta	Dr. Dorothy Height National Council of Negro Women
Mr. Steve Kopland AFL-CIO	Mr. J. Charles Bruce Allstate Insurance Companies
Ms. Virginia Weathers American Petroleum Institute	Ms. Marilyn French Hubbard National Assn. of Black Women Entrepreneurs, Inc.
Mr. Bernard Falk National Electrical Manufacturers Assn.	Mr. William Barrow American Assn. of MESBICS
Mr. Jose Antonio Font Greater Washington Ibero-American Chamber of Commerce	Ms. Lenore Janis Women in Construction
Mr. Armando Lago Greater Washington Ibero-American Chamber of Commerce	Ms. Sarah Potok Women in Construction
Mr. Gurnie Hobbs National Tire Dealers & Retreaders Assn.	Mr. Steve Brewer United Mine Workers
Ms. Joyce Freeland Enterprise Associates	Mr. Marshall Joseph
Mr. Pedro Ruiz Garza SER-Jobs for Progress	Mr. Dennis Lavalley National Assn. of Plumbing, Heating, Cooling Contractors
Ms. Susanne Hiegel National Conference of State Legislatures	Mr. Richard Lawton National Savings & Loan League
Mr. Barton Weldon Independent Bankers Assn. of America	Mr. Robert Lederer American Assn. of Nurserymen, Inc.
Mr. John Gunther U.S. Conference of Mayors	Mr. Richard Lillquist Flexible Packaging Assn.
Mr. Donald F. White American Retail Federation	Mr. William Campbell Rubber Manufacturers Assn.
Mr. William Hardman National Tooling & Machining Assn.	Ms. Kim McCarthy National Machine Tool Builders Assn.
Mr. Mike Schoor Associated Builders & Contractors	Ms. Lourdes Miranda National Assn. of Women Business Owners
Mr. Eddie Hart	Mr. David Montoya National Forum of Hispanic Orgs.
	Ms. Thelma Moss Coalition of Women in National & International Business

Mr. John Murphy  
National Association of  
Counties

Mr. Richard Murphy  
Service Employees International  
Union

Ms. Geri Palast  
Service Employees International  
Union

Mr. Robert Neville  
National Restaurant Assn.

Mr. Jarad Blum  
Direct Selling Assn.

Mr. Omar Pitman  
Horizon House

Ms. Mary Spenser  
Independent Bakers Assn.

Ms. Greta Kotler  
National Congress of Neighborhood  
Women

Ms. Claudia Louis  
National Soft Drink Assn.

Mr. Jeffrey Schiff  
National Assn of Towns & Townships

Mr. Rodolfo Sanchez  
National Coalition of Hispanic  
Mental Health & Human Svcs

Ms. Carolyn Schoenberg  
Women's Business Enterprise

Mr. Ed Sexton  
National Citizens Participation  
Council

Mr. W. Ray Shockley  
American Textile Manufacturers  
Institute Inc.

Ms. Althea Simmons  
Washington Bureau NAACP

Dr. Herbert Simmons  
DC Office of Consumer Protection

Mr. Samuel Simmons  
National Caucus & Center on Black  
Aged, Inc.

Mr. Talmage Simpkins  
AFL-CIO Maritime Committee

Mr. Gerald Smith  
Phi Beta Sigma

Mr. William Birkhofer  
American Consulting Engineers Assn.

Mr. Peter McNeish  
National Assn. of Small Business  
Investment Companies

Mr. Jack Sullivan  
International Brotherhood of Teamsters

Mr. Patrick Sullivan  
International Longshoremen's Assn.

Ms. Steffanie Newman  
National Assn. of Minority Contractors

Ms. Jo Uehare-Missler  
National Board, YWCA

Mr. Frank Wallick  
United Auto Workers

Mr. John Wilks

Mr. William Woods  
National Assn. of Retail Druggists

Mr. Robert Woodson  
American Enterprise Institute

Mr. Raul Yzaguirre  
NCLR

Mr. Charles Etson  
Lane & Etson

Mr. Louis Krulwich  
Price Waterhouse and Co.

Mr. Richard Stanger  
Nossaman, Kroger & Knox

Mr. Richard Sizik  
National Assn. of Evangelicals

Mr. Warren Eisenberg  
B'Nai B'rith International

Mr. Jeff Joseph<sup>h</sup>  
U.S. Chamber

Mr. Roy Jones  
The Moral Majority

Mr. Steve Glaude  
Perry Smith Campaign

Mr. Cooper Holt  
VFW of the U.S.

Mr. Ron Ikejiri  
Japanese American Citizens  
League

Mr. Howard Kohr  
American Jewish Committee

Ms. Mylio Kraja  
The American Legion

Mr. Ed McAteer  
The Religious Roundtable

Mr. Mark Pearl  
American Jewish Congress

Mr. Fred Rotondaro  
National Italian American  
Foundation

Mr. Henry Sender  
National Building Corporation

Ms. Harriet Stonehill  
National Council of Jewish Women

Ms. Paula McMartin  
Council of Jewish Federations

Mr. Edwin Hamilton  
Perry Smith Campaign

Mr. Clayton Powell  
Perry Smith Campaign

Mr. David Connelly  
U.S. Catholic Conference

Ms. Loretta Avent  
National Governors Assn.

Mr. Daniel Mundy  
Building & Construction Trades  
Department, AFL-CIO