

**Department of Revenue
Policy Services Division****Application of the Louisiana Individual
Income Tax to Native Americans
(LAC 61:I.1303)**

Under the authority of R.S. 47:293(6)(a)(iii) and R.S. 47:295 and in accordance with the provisions of the Administrative Procedure Act, R.S. 47:950 et seq., the Department of Revenue, Policy Services Division, has adopted LAC 61:I.1303 relative to the taxation of the income of Native Americans.

Louisiana Revised Statute 47:293(6)(a)(iii) excludes from "tax table income" income which is "exempt from taxation under the laws of Louisiana or which Louisiana is prohibited from taxing by the constitution or laws of the United States." This Rule clarifies the application of the Louisiana individual income tax to Native Americans.

Title 61**REVENUE AND TAXATION****Part I. Taxes Collected and Administered by the
Secretary of Revenue****Chapter 13. Income: Personal****§ 1303. Application of the Louisiana Individual Income
Tax to Native Americans**

A. The income of an enrolled member of a federally recognized Indian tribe residing on that tribe's reservation that is derived from sources on that reservation shall be exempted from Louisiana individual income tax. The determination of the sources of gross allocable income shall be consistent with R.S. 47:243.

B. The income of an enrolled member of a federally recognized Indian tribe residing on that tribe's reservation that is derived from sources outside of that reservation is taxable for Louisiana individual income tax purposes. This includes income derived from sources outside of the state.

C. The income of an enrolled member of a federally recognized Indian tribe residing in Louisiana off of that tribe's reservation is taxable for Louisiana individual income tax purposes regardless of source.

D. If an enrolled member of a federally recognized Indian tribe resides on that tribe's reservation for a portion of the year and resides off of that tribe's reservation for a portion of the year such enrolled member shall be taxed based upon where such enrolled member resided when the income in question was earned.

E Compensation from military sources paid to an enrolled member of a federally recognized Indian tribe shall be exempted from Louisiana individual income tax if:

1. such enrolled member was residing on that tribe's reservation at the time of entering the armed forces of the United States; and

2. such enrolled member has not elected to abandon his or her residence on that tribe's reservation.

AUTHORITY NOTE: Adopted in accordance with R.S. 47:293(6)(a)(iii) and R.S. 47:295.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 27:0000 (December 2001).