FEDERAL TAX INCENTIVES
(subject to annual renewal by Congress)

**Special Depreciation (IRC Section 168(j))**
Allows for shorter recovery periods for qualified property on Indian reservations

<table>
<thead>
<tr>
<th>In the case of</th>
<th>A recovery period of</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 year property</td>
<td>2 years</td>
</tr>
<tr>
<td>5 year property</td>
<td>3 years</td>
</tr>
<tr>
<td>7 year property</td>
<td>4 years</td>
</tr>
<tr>
<td>10 year property</td>
<td>6 years</td>
</tr>
<tr>
<td>15 year property</td>
<td>9 years</td>
</tr>
<tr>
<td>20 year property</td>
<td>12 years</td>
</tr>
<tr>
<td>Non-residential real property (39 year property)</td>
<td>22 years</td>
</tr>
</tbody>
</table>

**Indian Employment Tax Credit (IRC Section 45A)**
The Indian employment tax credit provides businesses with an incentive to hire certain qualified employees who live on or near an Indian reservation. The tax credit is against your federal income tax liability and is 20% of qualified wages and benefits paid to qualified employees.

A qualified employee, for any tax period, is any employee who meets all of the following tests:
- The employee is an enrolled member of an Indian tribe or the spouse of an enrolled member of an Indian tribe.
- The employee performs substantially all of his or her services for the employer within an Indian reservation.
- While performing those services, the employee has his or her main home on or near the reservation.

STATE TAX INCENTIVES
Tax incentives for business development in the CTUIR’s Reservation Enterprise Zone.

**Local Property Tax Abatement**
For qualifying businesses:
- Standard exemption for three to five years, and
- Long-term rural facility incentive (up to 15 years) as applicable

**Income Tax Credits**
Special tax credits against state income tax liability that “level the playing field” on the reservation:
- Benefiting most any type of business operation that is new to the zone
- Claimed annually by business on state tax return using special form
- Equals 100% of all tribal taxes

STATE & LOCAL PROPERTY TAXES
Real property improvements regardless of ownership located on tribal trust land are exempt from state and local property taxes. (See ORS 307.181)

**CTUIR PROPERTY TAXES**
CTUIR has established a property tax on improvements and equipment equal to 2% of assessed value, with a $500,000 exemption. Any tribal taxes paid are eligible for an Oregon income tax credit on a dollar for dollar basis through 2018. All tax revenues are reinvested into improvements and maintenance at Coyote Business Park!