

Exhibit 59

SEC. 202. INDIAN TRIBAL GOVERNMENTS TREATED AS STATES FOR CERTAIN PURPOSES.

(a) **GENERAL RULE.**—Chapter 80 (relating to general rules) is amended by adding at the end thereof the following new subchapter:

“Subchapter C—Provisions Affecting More than One Subtitle

“Sec. 7871. Indian tribal governments treated as States for certain purposes.

26 USC 7871.

“SEC. 7871. INDIAN TRIBAL GOVERNMENTS TREATED AS STATES FOR CERTAIN PURPOSES.

“(a) **GENERAL RULE.**—An Indian tribal government shall be treated as a State—

“(1) for purposes of determining whether and in what amount any contribution or transfer to or for the use of such government (or a political subdivision thereof) is deductible under—

“(A) section 170 (relating to income tax deduction for charitable, etc., contributions and gifts),

“(B) sections 2055 and 2106(a)(2) (relating to estate tax deduction for transfers of public, charitable, and religious uses), or

“(C) section 2522 (relating to gift tax deduction for charitable and similar gifts);

“(2) subject to subsection (b), for purposes of any exemption from, credit or refund of, or payment with respect to, an excise tax imposed by—

“(A) chapter 31 (relating to tax on special fuels),

“(B) chapter 32 (relating to manufacturers excise taxes),

“(C) subchapter B of chapter 33 (relating to communications excise tax), or

“(D) subchapter D of chapter 36 (relating to tax on use of certain highway vehicles);

“(3) for purposes of section 164 (relating to deduction for taxes);

“(4) subject to subsection (c), for purposes of section 103 (relating to interest on certain governmental obligations);

“(5) for purposes of section 511(a)(2)(B) (relating to the taxation of colleges and universities which are agencies or instrumentalities of governments or their political subdivisions);

“(6) for purposes of—

“(A) section 37(e)(9)(A) (relating to certain public retirement systems),

“(B) section 41(c)(4) (defining State for purposes of credit for contribution to candidates for public offices),

“(C) section 117(b)(2)(A) (relating to scholarships and fellowship grants), and

“(D) section 403(b)(1)(A)(ii) (relating to the taxation of contributions of certain employers for employee annuities); and

“(7) for purposes of—

“(A) chapter 41 (relating to tax on excess expenditures to influence legislation), and

“(B) subchapter A of chapter 42 (relating to private foundations).

“(b) **ADDITIONAL REQUIREMENTS FOR EXCISE TAX EXEMPTIONS.**—Paragraph (2) of subsection (a) shall apply with respect to any transaction only if, in addition to any other requirement of this title

26 USC 4041 et seq.

26 USC 4061 et seq.

26 USC 4251.

26 USC 4481.

26 USC 4911 et seq.

26 USC 4940.

applicable to similar transactions involving a State or political subdivision thereof, the transaction involves the exercise of an essential governmental function of the Indian tribal government.

“(c) ADDITIONAL REQUIREMENTS FOR TAX-EXEMPT BONDS.—

“(1) IN GENERAL.—Subsection (a) of section 103 shall apply to any obligation (not described in paragraph (2)) issued by an Indian tribal government (or subdivision thereof) only if such obligation is part of an issue substantially all of the proceeds of which are to be used in the exercise of any essential governmental function.

“(2) NO EXEMPTION FOR CERTAIN PRIVATE-ACTIVITY BONDS.—Subsection (a) of section 103 shall not apply to any of the following issued by an Indian tribal government (or subdivision thereof):

“(A) An industrial development bond (as defined in section 103(b)(2)).

“(B) An obligation described in section 103(l)(1)(A) (relating to scholarship bonds).

“(C) A mortgage subsidy bond (as defined in paragraph (1) of section 103A(b) without regard to paragraph (2) thereof).

“(d) TREATMENT OF SUBDIVISIONS OF INDIAN TRIBAL GOVERNMENTS AS POLITICAL SUBDIVISIONS.—For the purposes specified in subsection (a), a subdivision of an Indian tribal government shall be treated as a political subdivision of a State if (and only if) the Secretary determines (after consultation with the Secretary of the Interior) that such subdivision has been delegated the right to exercise one or more of the substantial governmental functions of the Indian tribal government.”

(b) CONFORMING AMENDMENTS RELATING TO CROSS REFERENCES.—

(1) Subsection (d) of section 41 is amended to read as follows: 26 USC 41.

“(d) CROSS REFERENCES.—

“(1) For disallowance of credits to estates and trusts, see section 642(a)(2).

“(2) For treatment of Indian tribal governments as States (and the political subdivisions of Indian tribal governments as political subdivisions of States), see section 7871.”

(2) Subsection (m) of section 103 is amended to read as follows: 26 USC 103.

“(m) CROSS REFERENCES.—

“For provisions relating to the taxable status of—

“(1) Certain obligations issued by Indian tribal governments (or their subdivisions), see section 7871.

“(2) Exempt interest dividends of regulated investment companies, see section 852(b)(5)(B).

“(3) Puerto Rican bonds, see section 3 of the Act of March 2, 1917, as amended (48 U.S.C. 745).

“(4) Virgin Islands insular and municipal bonds, see section 1 of the Act of October 27, 1919 (48 U.S.C. 1403).

“(5) Certain obligations issued under title I of the Housing Act of 1949, see section 102(g) of title I of such Act (42 U.S.C. 1452(g)).”

(3) Section 164(f) is amended by adding at the end thereof the following new paragraph: 26 USC 164.

“(3) For treatment of taxes imposed by Indian tribal governments (or their subdivisions), see section 7871.”

(4) Section 170(k) is amended by adding at the end thereof the following new paragraph: 26 USC 170.

- 26 USC 2055. (8) For charitable contributions to or for the use of Indian tribal governments (or their subdivisions), see section 7871.”
- (5) Section 2055(f) is amended by adding at the end thereof the following new paragraph:
- 26 USC 2106. “(11) For treatment of gifts and bequests to or for the use of Indian tribal governments (or their subdivisions), see section 7871.”
- (6) Subparagraph (F) of section 2106(a)(2) is amended to read as follows:
- “(F) CROSS REFERENCES.—
- “(i) For option as to time for valuation for purposes of deduction under this section, see section 2032.
- “(ii) For exemption of certain bequests for the benefit of the United States and for rules of construction for certain bequests, see section 2055(f).
- “(iii) For treatment of gifts and bequests to or for the use of Indian tribal governments (or their subdivisions), see section 7871.”
- 26 USC 2522. (7) Subsection (d) of section 2522 is amended to read as follows:
- “(d) CROSS REFERENCES.—
- “(1) For exemption of certain gifts to or for the benefit of the United States and for rules of construction with respect to certain bequests, see section 2055(f).
- “(2) For treatment of gifts to or for the use of Indian tribal governments (or their subdivisions), see section 7871.”
- 26 USC 4227. (8) Section 4227 is amended to read as follows:
- “SEC. 4227. CROSS REFERENCES.
- “(1) For exemption for a sale to an Indian tribal government (or its subdivision) for the exclusive use of an Indian tribal government (or its subdivision), see section 7871.
- “(2) For credit for taxes on tires and tubes, see section 6416(c).”
- (9) The table of sections for subchapter G of chapter 32 is amended by striking out the item relating to section 4227 and inserting in lieu thereof the following new item:
- “Sec. 4227. Cross references.”
- 26 USC 4484. (10) Section 4484 is amended to read as follows:
- “SEC. 4484. CROSS REFERENCES.
- “(1) For penalties and administrative provisions applicable to this subchapter, see subtitle F.
- “(2) For exemption for uses by Indian tribal governments (or their subdivisions), see section 7871.”
- (11) The table of sections for subchapter D of chapter 36 is amended by striking out the item relating to section 4484 and inserting in lieu thereof the following new item:
- “Sec. 4484. Cross references.”
- 26 USC 6420, 6421. (12) Sections 6420(h) and 6421(j) are each amended by adding at the end thereof the following new paragraph:
- “(4) For treatment of an Indian tribal government as a State and a subdivision of an Indian tribal government as a political subdivision of a State, see section 7871.”
- 26 USC 6424, 6427. (13) Sections 6424(g) and 6427(k) are each amended by adding at the end thereof the following new paragraph:
- “(3) For treatment of an Indian tribal government as a State (and a subdivision of an Indian tribal government as a political subdivision of a State), see section 7871.”
- (c) CLERICAL AMENDMENT.—The table of subchapters for chapter 80 is amended by adding at the end thereof the following new item:
- “Subchapter C. Provisions affecting more than one subtitle.”