



**OFFICE OF STATE TAX COMMISSIONER**  
STATE OF NORTH DAKOTA

Cory Fong  
TAX COMMISSIONER

May 12, 2008

The Honorable Merle Boucher  
Chairman, Tribal and State Relations Committee  
North Dakota Legislative Assembly  
Bismarck, North Dakota 58505

Re: Status of Relations between the State and Tribes – Motor Vehicle Fuels Taxes and  
Special Fuels Taxes

Representative Boucher and Members of the Committee:

Thank you for the invitation to provide an update on the status of relations between the State of North Dakota, through the Office of Tax Commissioner, and the various Tribal Governments in the State regarding motor vehicle fuels taxes and special fuels taxes. I understand you were also interested in receiving information specific to the agreement between the State and Three Affiliated Tribes.

At present, the State is party to three fuels tax agreements. Since January, 1999, the State and Standing Rock Sioux Tribe have enjoyed a positive business relationship whereby the State collects and administers the Tribe's motor vehicle fuels tax and special fuels tax, in addition to the state's taxes. This relationship served as the model for business relationships which have subsequently been entered into by the State and other Tribal Governments.

In October, 2006, the State and Spirit Lake Nation entered into a similar motor vehicle fuels tax and special fuels tax collection and administration agreement. As with Standing Rock, the Spirit Lake business relationship has proven quite positive.

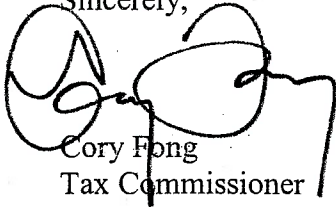
Additionally, in October, 2007, the State began providing collection and administration services to the Three Affiliated Tribes. The enclosed worksheet shows the business relationship has proven successful, with the Tribal share of revenue collected from motor vehicle fuels tax and special fuels taxes amounting to \$348,105.55 through April 2008.

Finally, the State is actively engaged in discussions with representatives of the Turtle Mountain Band of Chippewa. We hope to finalize a similar motor vehicle fuels tax and special fuels tax agreement with the Turtle Mountain Tribal Council in 2008.

The Honorable Merle Boucher  
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Thank you again for the opportunity to present this information. If you have any questions, please contact me at (701) 328-2770.

Sincerely,

A handwritten signature in black ink, appearing to be 'Cory Fong', written over the printed name and title.

Cory Fong  
Tax Commissioner

Enclosure

# Three Affiliated Tribes

## Motor Fuel Tax Agreement with North Dakota

Agreement Started October 1 2007

Allocation Rate; 70% - 30%

70% Three Affiliated Tribes

30% North Dakota

Stats;

Note; Reports are due the 25th of the following Month.

### Motor Vehicle Fuel (Gasoline/Gasohol)

	<i>Gross Gallons</i>	<i>Tribal Gallons</i>	<i>Net Tribe Rev</i>
Oct-07	0	0	0
Nov-07	0	0	0
Dec-07	519,459	363,621	\$81,140.66
Jan-08	273,241	191,269	\$42,684.30
Feb-08	255,429	178,801	\$39,875.36
Mar-08	262,896	184,027	\$41,068.41
Apr-08	256,376	179,463	\$40,045.23
Total	1,567,401	1,097,181	\$244,813.96

### Special Fuel (Diesel)

	<i>Gross Gallons</i>	<i>Tribal Gallons</i>	<i>Net Tribe Rev</i>
Oct-07	0	0	0
Nov-07	0	0	0
Dec-07	189,672	132,770	\$29,929.40
Jan-08	96,786	67,751	\$15,275.90
Feb-08	124,161	86,912	\$19,592.13
Mar-08	130,641	91,448	\$20,618.09
Apr-08	113,286	79,300	\$17,876.07
Total	654,546	458,181	\$103,291.59

By:

Office of ND Tax Commissioner

5/7/2008