

S. 1307

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Treatment of Indian Tribal Natural Resource Income Act of 1995".

SEC. 2. FEDERAL TAX TREATMENT OF INCOME DERIVED BY INDIANS FROM NATURAL RESOURCES ACTIVITIES.

(a) IN GENERAL.—Subchapter C of chapter 80 of the Internal Revenue Code of 1986 (relating to provisions affecting more than one subtitle) is amended by adding at the end the following new section:

"SEC. 7874. FEDERAL TAX TREATMENT OF INCOME DERIVED BY INDIANS FROM THE HARVEST OF TRIBALLY OWNED NATURAL RESOURCES.

"(a) IN GENERAL.—

"(1) INCOME AND SELF-EMPLOYMENT TAXES.—No tax shall be imposed by subtitle A on income derived from a natural resources-related activity conducted—

"(A) by a member of an Indian tribe directly or through a qualified Indian entity; or

"(B) by a qualified Indian entity.

"(2) EMPLOYMENT TAXES.—No tax shall be imposed by subtitle C on remuneration paid for services performed in natural resources-related activity by one member of a tribe for another member of such tribe or for a qualified Indian entity.

"(b) DEFINITIONS.—For purpose of this section.

"(1) NATURAL RESOURCES-RELATED ACTIVITY.—The term 'natural resources-related activity' means, with respect to an Indian tribe, any activity directly related to cultivating, harvesting, processing, extracting, or transporting natural resources held in trust by the United States for the benefit of such tribe or directly related to selling such natural resources but only if substantially all of the selling activity is performed by members of such tribe.

"(2) QUALIFIED INDIAN ENTITY.—

"(A) IN GENERAL.—The term 'qualified Indian entity' means an entity—

"(i) engaged in a natural resources-related activity of one or more Indian tribes;

"(ii) all of whose equity interests are owned by such tribes or members of such tribes; and

"(iii) substantially all of the management functions of the entity are performed by members of such tribes.

"(B) ENTITIES ENGAGED IN PROCESSING OR TRANSPORTATION.—Except as provided in regulations similar to regulations in effect under section 7873(b)(3)(A)(iii) on the date of the enactment of this section, if an entity is engaged to any extent in any processing or transporting of natural resources, the term 'qualified Indian entity' shall also include an entity whose annual gross receipts are 90 percent or more derived from natural resources-related activities of one or more Indian tribes each of which owns at least 10 percent of the equity interests in the entity. For purposes of this subparagraph, equity interests owned by a member of such a tribe shall be treated as owned by the tribe.

"(c) SPECIAL RULES.—

"(1) DISTRIBUTIONS FROM QUALIFIED INDIAN ENTITY.—For purposes of this section, any distribution with respect to an equity interest in a qualified Indian entity of one or more Indian tribes to a member of one of such tribes shall be treated as derived by such member from a natural resources-related activity to the extent such distribution is attributable to income derived by such entity from a natural resources-related activity.

"(2) DE MINIMIS UNRELATED AMOUNTS MAY BE EXCLUDED.—If, but for this paragraph, all but a de minimis amount derived by a qualified Indian tribal entity or by a tribal member through such entity, or paid to an individual for services, would be entitled to the benefits of subsection (a), then the entire amount shall be so entitled.

"(d) NO INFERENCE CREATED.—Nothing in this title shall create any inference as to the existence or non-existence or scope of any exemption from tax for income derived from tribal rights secured as of January 1, 1995, by any treaty, law, or Executive Order."

(b) CONFORMING AMENDMENT.—The table of sections for subchapter C of chapter 80 of such Code is amended by adding at the end the following new item:

"Sec. 7874. Federal tax treatment of income derived by Indians from the harvest of tribally owned natural resources."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to periods before, on, or after the date of the enactment of this Act.

SECTION-BY-SECTION ANALYSIS—TREATMENT OF INDIAN TRIBAL NATURAL RESOURCE INCOME ACT OF 1995

Section 1 sets forth the short title of the Act.

Section 2 amends subchapter C of chapter 80 of the Internal Revenue Code to add a new section 7874 which would provide individual members of Federally-recognized tribal governments with an exemption from Federal income and employment taxes on income derived from certain economic activities related to natural resources held in trust for a tribe by the United States. These activities include those directly related to cultivating, harvesting, processing, extracting, or transporting such trust resources, and the selling of such resources if substantially all of the selling activity is performed by tribal members. The exemption covers both self-employment income and income paid to an individual by a qualified Indian entity, which by definition is limited to an entity engaged in such activity that is owned and controlled by a tribe or members of a tribe. Unless regulations in effect upon the date of enactment provide otherwise, income from entities engaged in processing or transportation is also exempt if the entity's gross receipts are 90 percent or more derived from the trust resources of one or more tribes each of which owns at least 10 percent of the equity interests in the entity. To the extent that it is derived from such a natural resources activity, individual income from a distribution made by a tribe to its members from an equity interest in a qualified Indian entity is treated as exempt.

Section 2(b) sets forth a conforming amendment to the table of sections in the Internal Revenue Code.

Section 2(c) provides that these amendments shall apply to periods before, on, or after the date of enactment of the Act.●

ADDITIONAL COSPONSORS

S. 327

At the request of Mr. HATCH, the name of the Senator from Louisiana [Mr. BREAU] was added as a cosponsor of S. 327, a bill to amend the Internal Revenue Code of 1986 to provide clarification for the deductibility of expenses incurred by a taxpayer in connection with the business use of the home.

S. 434

At the request of Mr. KOHL, the name of the Senator from Michigan [Mr.

LEVIN] was added as a cosponsor of S. 434, a bill to amend the Internal Revenue Code of 1986 to increase the deductibility of business meal expenses for individuals who are subject to Federal limitations on hours of service.

S. 483

At the request of Mr. HATCH, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 483, a bill to amend the provisions of title 17, United States Code, with respect to the duration of copyright, and for the other purposes.

S. 551

At the request of Mr. CRAIG, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 551, a bill to revise the boundaries of the Hagerman Fossil Beds National Monument and the Craters of the Moon National Monument, and for other purposes.

S. 678

At the request of Mr. AKAKA, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 678, a bill to provide for the coordination and implementation of a national aquaculture policy for the private sector by the Secretary of Agriculture, to establish an aquaculture development and research program, and for other purposes.

S. 690

At the request of Mr. AKAKA, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 690, a bill to amend the Federal Noxious Weed Act of 1974 and the Terminal Inspection Act to improve the exclusion, eradication, and control of noxious weeds and plants, plant products, plant pests, animals, and other organisms within and into the United States, and for other purposes.

S. 881

At the request of Mr. PRYOR, the names of the Senator from Kentucky [Mr. FORD], the Senator from Alabama [Mr. HEFLIN], the Senator from Connecticut [Mr. DODD], the Senator from Oregon [Mr. HATFIELD], the Senator from South Carolina [Mr. HOLLINGS], the Senator from Louisiana [Mr. BREAU], the Senator from Kansas [Mr. DOLE], the Senator from Montana [Mr. BAUCUS], the Senator from Louisiana [Mr. JOHNSTON], and the Senator from Connecticut [Mr. LIEBERMAN] were added as cosponsors of S. 881, a bill to amend the Internal Revenue Code of 1986 to clarify provisions relating to church pension benefit plans, to modify certain provisions relating to participants in such plans, to reduce the complexity of and to bring workable consistency to the applicable rules, to promote retirement savings and benefits, and for other purposes.

S. 968

At the request of Mr. MCCONNELL, the names of the Senator from Oklahoma [Mr. INHOFE], and the Senator

from Virginia [Mr. WARNER] were added as cosponsors of S. 968, a bill to require the Secretary of the Interior to prohibit the import, export, sale, purchase, and possession of bear viscera or products that contain or claim to contain bear viscera, and for other purposes.

S. 1072

At the request of Mr. THURMOND, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1072, a bill to redefine "extortion" for purposes of the Hobbs Act.

S. 1170

At the request of Mr. PRESSLER, the names of the Senator from Iowa [Mr. GRASSLEY], and the Senator from New York [Mr. D'AMATO] were added as cosponsors of S. 1170, a bill to limit the applicability of the generation-skipping transfer tax.

S. 1219

At the request of Mr. MCCAIN, the name of the Senator from Georgia [Mr. NUNN] was added as a cosponsor of S. 1219, a bill to reform the financing of Federal elections, and for other purposes.

S. 1247

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1247, A bill to amend the Internal Revenue Code of 1986 to allow a deduction for contributions to a medical savings account by any individual who is covered under a catastrophic coverage health plan.

S. 1266

At the request of Mr. MACK, the names of the Senator from Michigan [Mr. ABRAHAM], and the Senator from North Carolina [Mr. HELMS] were added as cosponsors of S. 1266, a bill to require the Board of Governors of the Federal Reserve System to focus on price stability in establishing monetary policy to ensure the stable, long-term purchasing power of the currency, to repeal the Full Employment and Balanced Growth Act of 1978, and for other purposes.

S. 1280

At the request of Mr. MACK, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1280, a bill to amend the Internal Revenue Code of 1986 to provide all taxpayers with a 50-percent deduction for capital gains, to index the basis of certain assets, and to allow the capital loss deduction for losses on the sale or exchange of an individual's principal residence.

S. 1297

At the request of Mr. HATCH, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Montana [Mr. BAUCUS] were added as cosponsors of S. 1297, a bill to amend the Internal Revenue Code of 1986 to simplify certain provisions applicable to real estate investment trusts.

SENATE JOINT RESOLUTION 6

At the request of Mr. THURMOND, the name of the Senator from Virginia [Mr.

WARNER] was added as a cosponsor of Senate Joint Resolution 6, A joint resolution proposing an amendment to the Constitution of the United States relating to voluntary school prayer.

SENATE RESOLUTION 146

At the request of Mr. JOHNSTON, the names of the Senator from Ohio [Mr. DEWINE], the Senator from Illinois [Mr. SIMON], and the Senator from Tennessee [Mr. FRIST] were added as cosponsors of Senate Resolution 146, A resolution designating the week beginning November 19, 1995, and the week beginning on November 24, 1996, as "National Family Week," and for other purposes.

AMENDMENTS SUBMITTED

THE WORKFORCE DEVELOPMENT ACT OF 1995

KASSEBAUM AMENDMENT NO. 2885

Mrs. KASSEBAUM proposed an amendment to the bill (S. 143) to consolidate Federal employment training programs and create a new process and structure for funding the programs, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Workforce Development Act of 1995".

(b) TABLE OF CONTENTS.—The table of contents is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings and purposes.

Sec. 3. Definitions.

TITLE I—WORKFORCE DEVELOPMENT AND WORKFORCE PREPARATION ACTIVITIES

Subtitle A—Statewide Workforce Development Systems

CHAPTER 1—PROVISIONS FOR STATES AND OTHER ENTITIES

Sec. 101. Statewide workforce development systems established.

Sec. 102. State allotments.

Sec. 103. State apportionment by activity.

Sec. 104. State plans.

Sec. 105. State workforce development boards.

Sec. 106. Use of funds.

Sec. 107. Indian workforce development activities.

Sec. 108. Grants to outlying areas.

CHAPTER 2—LOCAL PROVISIONS

Sec. 111. Local apportionment by activity.

Sec. 112. Distribution for secondary school vocational education.

Sec. 113. Distribution for postsecondary and adult vocational education.

Sec. 114. Distribution for adult education.

Sec. 115. Special rule for minimal allocation.

Sec. 116. Redistribution.

Sec. 117. Local application for workforce education activities.

Sec. 118. Local partnerships, agreements, and workforce development boards.

Sec. 119. Construction.

CHAPTER 3—ADMINISTRATION

Sec. 121. Accountability.

Sec. 122. Incentives and sanctions.

Sec. 123. Unemployment trust fund.

Sec. 124. Authorization of appropriations.

Sec. 125. Effective date.

Subtitle B—Job Corps and Other Workforce Preparation Activities for At-Risk Youth

CHAPTER 1—GENERAL PROVISIONS

Sec. 131. Purposes.

Sec. 132. Definitions.

Sec. 133. Authority of Governor.

CHAPTER 2—JOB CORPS

Sec. 141. General authority.

Sec. 142. Screening and selection of applicants.

Sec. 143. Enrollment and assignment.

Sec. 144. Job Corps centers.

Sec. 145. Program activities.

Sec. 146. Support.

Sec. 147. Operating plan.

Sec. 148. Standards of conduct.

Sec. 149. Community participation.

Sec. 150. Counseling and placement.

Sec. 151. Leases and sales of centers.

Sec. 152. Closure of Job Corps centers.

Sec. 153. Interim operating plans for Job Corps centers.

Sec. 154. Effective date.

CHAPTER 3—OTHER WORKFORCE PREPARATION ACTIVITIES FOR AT-RISK YOUTH

Sec. 161. Workforce preparation activities for at-risk youth.

Subtitle C—Transition Provisions

Sec. 171. Waivers.

Sec. 172. Flexibility demonstration program.

Sec. 173. Interim State plans.

Sec. 174. Applications and plans under covered Acts.

Sec. 175. Interim administration of school-to-work programs.

Sec. 176. Interim authorizations of appropriations.

Subtitle D—National Activities

Sec. 181. Federal Partnership.

Sec. 182. National Workforce Development Board and personnel.

Sec. 183. Labor market and occupational information.

Sec. 184. National Center for Research in Education and Workforce Development.

Sec. 185. National assessment of vocational education programs.

Sec. 186. Transfers to Federal Partnership.

Sec. 187. Transfers to other Federal agencies and offices.

Sec. 188. Elimination of certain offices.

Subtitle E—Repeals of Employment and Training and Vocational and Adult Education Programs

Sec. 191. Repeals.

Sec. 192. Conforming amendments.

TITLE II—WORKFORCE DEVELOPMENT-RELATED ACTIVITIES

Subtitle A—Amendments to the Rehabilitation Act of 1973

Sec. 201. References.

Sec. 202. Findings and purposes.

Sec. 203. Consolidated rehabilitation plan.

Sec. 204. Definitions.

Sec. 205. Administration.

Sec. 206. Reports.

Sec. 207. Evaluation.

Sec. 208. Declaration of policy.

Sec. 209. State plans.

Sec. 210. Individualized employment plans.

Sec. 211. Scope of vocational rehabilitation services.

Sec. 212. State Rehabilitation Advisory Council.

Sec. 213. Evaluation standards and performance indicators.

Sec. 214. Repeals.

Sec. 215. Effective date.

Subtitle B—Amendments to Wagner-Peyser Act

Sec. 221. General program requirements.