

The Navajo Nation Dr. Buu Nygren President

Yideeskaadi Nitsahakees | Think for the Future

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Navajo President Buu Nygren's tax strategy brings \$140 million to Navajo Nation Tax Commission last quarter, \$29 million beyond projection

WINDOW ROCK, Ariz. – The Navajo Nation has collected \$140 million in taxes for Fiscal Year 2024 – \$29 million more than projected.

Since January 2023, the Navajo Nation Tax Commission has seen a significant shift in how contracts awarded to Navajo-owned businesses are taxed.

"It's the highest we've brought in so far," said Effie Edsitty, executive director for the Office of the Navajo Tax Commission. "Our projecttion was actually \$111 million. So we brought in an excess of \$29 million, which is extra money for the general funds."

Office of the Navajo Tax Commission Executive Director Effie Edsitty

The change ensures that Navaio dollars r

that Navajo dollars remain on tribal lands, she said. Her mission is clear, she said, to keep track of the Nation's nine taxes and retain financial resources for the community.

Navajo Nation President Nygren said Edsitty's work is keeping the Navajo Nation's operations funded.

"We are thrilled to hear that our Office of Navajo Tax Commission, led by Effie Edsitty, is keeping our Navajo dollars in our tribal treasury," he said.

"These taxes have many specific purposes that go to our general fund but also particular efforts, like increasing access to healthy foods through the taxation of junk food."

Edsitty's office recorded an impressive increase in tax revenue, she said. She attributed that largely to what she describes as "sales tax, non-retail."

This category primarily includes construction contracts for roads, water lines, power and professional services, such as legal and accounting assistance.

The growth in tax revenue reflects a larger trend. The Office of the Navajo Tax Commission now oversees 5,500 taxpayers, primarily registered businesses within the Nation.

"We register anywhere from five to 15 businesses a day, so it is growing," she said.

The growth is so steady, it's created a demand for more tax collectors and accountants to manage the expanding tax base, she said.

Looking ahead, President Nygren's focus on American Rescue Plan Act funding, particularly for water and electric infrastructure projects, is expected to further boost tax collections in Fiscal Year 2025.

Navajo taxes support the operational needs of the Navajo government, its enrolled tribal members and its 4,000-employee workforce.

The first taxes collected by the Navajo Nation were the possessory interest tax and business activity tax. These began in 1978.

In the same year, two coal companies sued the Navajo Tribe, arguing that the tribe did not have authority to impose taxes. The Navajo Tribe litigated the lawsuits – *Kerr-McGee Corp. vs.*

Navajo Tribe and Southland Royalty Company vs. Navajo Tribe – from 1978 to 1985.

On April 16, 1985, the U.S. Supreme Court affirmed the Navajo Nation's ability to tax in the Kerr-McGee case. To commemorate the victory, the Navajo Tribal Council designated April 16 as Navajo Nation Sovereignty Day, and later moved the holiday to the fourth Monday in April.

There are nine Navajo taxes. Today, with the signing of the Tobacco Tax Amendment, the Navajo Nation will bring in more quarterly tax earnings.

Navajo citizens should continue to spend on the Nation whenever they can, and to register their businesses, he said.

"The more we can keep our money circulating here, the better it is for all of us," he said.

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