



## DID YOU RECEIVE TRIBAL DISTRIBUTIONS?

A distribution occurs when tribal property or money is transferred to an individual Tribal member. Tribal distributions include per capita distributions, Indian gaming proceeds, or other revenue paid to a Tribal member (e.g. lease income or land settlement claims). Tribal distributions reported to you on a Form 1099-MISC, Statement for Recipients of Miscellaneous Income, are taxable on your federal income tax return. If you are required to file, this income should be reported on Line 21 of Form 1040 with a description. Properly identify the payment by entering one of the following descriptions on Line 21:

Indian Gaming Proceeds  
Indian Tribal Distrib  
Native American Distrib

You may obtain additional information by calling 1-800-829-1040 or from the IRS Indian Tribal Governments' Web site at [www.irs.gov/tribes](http://www.irs.gov/tribes).

## DID YOU OWE ON YOUR TAX RETURN?

Don't get the same surprise next year. You can adjust your withholding on your current job to help cover the taxes you will owe on your tribal distributions. Do this by adjusting your withholding with a new Form W-4, Employee's Withholding Allowance Certificate. Gather up your most recent pay stubs and your most recent income tax return, along with the amount of your tribal distributions. Using this information, go to [www.irs.gov](http://www.irs.gov) and type *withholding calculator* in the search box. Then click on the "IRS Withholding Calculator" link and fill in all the information that applies to you. Input your tribal distributions in the "Enter an estimate of any other nonwage income..." field. The final screen will summarize your results. Use it to complete your new Form W-4 (if necessary), and keep a copy for your records.

## IF YOU HAD EARNED INCOME, YOU MAY QUALIFY FOR A CREDIT.

The Earned Income Tax Credit (EITC) is a tax credit for people who work and earn low to moderate wages. Your earned income and your adjusted gross income (AGI) must be less than an amount specified annually by the Internal Revenue Service (IRS), depending on how many qualifying children (if any) that you have. Earned income is salaries, wages, tips, professional fees, and other amounts received as pay for work you actually perform. Although tribal distributions are generally not considered to be earned income, they might affect your ability to qualify for the EITC because they are included as part of your AGI. Even if you report tribal distribution income from a 1099 form, you may still qualify for the EITC if your total earned income and AGI fall below the applicable limits.

A tax credit means more money in your pocket. It reduces the amount of tax you owe. The EITC may also give you a refund. Find out if you qualify for the EITC by visiting the web at [www.irs.gov/eitc](http://www.irs.gov/eitc), or calling 1-800-829-4477 for prerecorded information on the qualification. You may also order a copy of the free IRS Publication 596, Earned Income credit at 1-800-829-3676. If you have additional questions on the qualifications for EITC you can ask your tax preparer or call 1-800-829-1040.

