

of such services and expenses, any remuneration in addition to the amount allowed in accordance with this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$5,000, or imprisoned not more than twelve months, or both.

**(g) Claims for costs in performance of certain services: submission, form, information, reasonableness, pro rata reductions; report to Congress; payment of claims; interest restriction**

A claim for actual costs incurred in filing protests, preserving land claims, advancing land claims settlement legislation, and presenting testimony to the Congress on proposed Native land claims may be submitted to the Chief Commissioner of the Court of Claims by any bona fide association of Natives. The claim must be submitted within six months from December 18, 1971, and shall be in such form and contain such information as the Chief Commissioner shall prescribe. The Chief Commissioner shall allow such amounts as he determines are reasonable, but he shall allow no amount for attorney and consultant fees and expenses which shall be compensable solely under subsection (b) through (e) of this section. If approved claims under this subsection aggregate more than \$600,000, each claim shall be reduced on a pro rata basis. The Chief Commissioner shall certify to the Secretary of the Treasury, and report to the Congress, the amount of each claim allowed and the name and address of the claimant. The Secretary of the Treasury shall pay to such claimant from the Alaska Native Fund the amount certified. No award under this subsection shall bear interest.

(Pub. L. 92-203, §20, Dec. 18, 1971, 85 Stat. 710.)

REFERENCES IN TEXT

The United States Court of Claims, referred to in subsecs. (b), (c), (d)(5), (7), (8), (10), and (g), and the United States Court of Customs and Patent Appeals were merged effective Oct. 1, 1982, into a new United States Court of Appeals for the Federal Circuit by Pub. L. 97-164, Apr. 2, 1982, 96 Stat. 25, which also created a United States Claims Court [now United States Court of Federal Claims] that inherited the trial jurisdiction of the Court of Claims. See sections 48, 171 et seq., 791 et seq., and 1491 et seq. of Title 28, Judiciary and Judicial Procedure.

CHANGE OF NAME

“Chief Commissioner” and “trial commissioner” of the Court of Claims redesignated “chief of the trial division” and “trial judge”, respectively, by General Order No. 2 of 1973 of United States Court of Claims, issued August 1, 1973. Redesignation applicable in all proceedings other than Congressional references cases.

**§ 1620. Taxation**

**(a) Fund revenues exemption; investment income taxable**

Revenues originating from the Alaska Native Fund shall not be subject to any form of Federal, State, or local taxation at the time of receipt by a Regional Corporation, Village Corporation, or individual Native through dividend distributions (even if the Regional Corporation or Village Corporation distributing the dividend has not segregated revenue received from the

Alaska Native Fund from revenue received from other sources) or in any other manner. This exemption shall not apply to income from the investment of such revenues.

**(b) Shares of stock exemption**

The receipt of shares of stock in the Regional or Village Corporations by or on behalf of any Native shall not be subject to any form of Federal, State or local taxation.

**(c) Land or land interests exemption; basis for sale or other disposition, adjustment; basis for interest in mine, well, other natural deposit, or block of timber, adjustment**

The receipt of land or any interest therein pursuant to this chapter or of cash in order to equalize the values of properties exchanged pursuant to section 1621(f) of this title shall not be subject to any form of Federal, State, or local taxation. The basis for determining gain or loss from the sale or other disposition of such land or interest in land for purposes of any Federal, State, or local tax imposed on or measured by income shall be the fair value of such land or interest in land at the time of receipt, adjusted as provided in section 1016 of title 26, as amended: *Provided, however,* That the basis of any such land or interest therein attributable to an interest in a mine, well, other natural deposit, or block of timber shall be not less than the fair value of such mine, well, natural deposit, or block of timber (or such interest therein as the Secretary shall convey) at the time of the first commercial development thereof, adjusted as provided in section 1016 of title 26. For purposes of this subsection, the time of receipt of land or any interest therein shall be the time of the conveyance by the Secretary of such land or interest (whether by interim conveyance or patent).

**(d) Real property interests; exemption period for conveyance of interests not developed or leased or interests used solely for exploration, interests taxable; derivative revenues taxable; exchanges; simultaneous exchanges**

(1) Real property interests conveyed, pursuant to this chapter, to a Native individual, Native Group, Village or Regional Corporation or corporation established pursuant to section 1613(h)(3) of this title which are not developed or leased to third parties or which are used solely for the purposes of exploration shall be exempt from State and local real property taxes for a period of twenty years from the vesting of title pursuant to the Alaska National Interest Lands Conservation Act or the date of issuance of an interim conveyance or patent, whichever is earlier, for those interests to such individual, group, or corporation: *Provided,* That municipal taxes, local real property taxes, or local assessments may be imposed upon any portion of such interest within the jurisdiction of any governmental unit under the laws of the State which is leased or developed for purposes other than exploration for so long as such portion is leased or being developed: *Provided further,* That easements, rights-of-way, leaseholds, and similar interests in such real property may be taxed in accordance with State or local law. All rents, royalties, profits, and other revenues or proceeds

derived from such property interests shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation.

(2) Any real property interest, not developed or leased to third parties, acquired by a Native individual, Native Group, Village or Regional Corporation, or corporation established pursuant to section 1613(h)(3) of this title in exchange for real property interests which are exempt from taxation pursuant to paragraph (1) of this subsection shall be deemed to be a property interest conveyed pursuant to this chapter and shall be exempt from taxation as if conveyed pursuant to this chapter, when such an exchange is made with the Federal Government, the State government, a municipal government, or another Native Corporation, or, if neither party to the exchange receives a cash value greater than 25 per centum of the value of the land exchanged, a private party. In the event that a Native Corporation simultaneously exchanges two or more tracts of land having different periods of tax exemption pursuant to this subsection, the periods of tax exemption for the exchanged lands received by such Native Corporation shall be determined (A) by calculating the percentage that the acreage of each tract given up bears to the total acreage given up, and (B) by applying such percentages and the related periods of tax exemption to the acreage received in exchange.

**(e) Public lands status of real property interests exempt from real estate taxes for purposes of Federal highway and education laws; Federal fire protection services for real property interests without cost**

Real property interests conveyed pursuant to this chapter to a Native individual, Native group, corporation organized under section 1613(h)(3) of this title, or Village or Regional Corporation shall, so long as the fee therein remains not subject to State or local taxes on real estate, continue to be regarded as public lands for the purpose of computing the Federal share of any highway project pursuant to title 23, as amended and supplemented, for the purpose of the Johnson-O'Malley Act of April 16, 1934, as amended (25 U.S.C. 452), and for the purpose of Public Laws 815 and 874, 81st Congress (64 Stat. 967, 1100). So long as there are no substantial revenues from such lands they shall continue to receive wildland fire protection services from the United States at no cost.

**(f) Stocks of Regional and Village Corporations exempt from estate taxes; period of exemption**

Until January 1, 1992, stock of any Regional Corporation organized pursuant to section 1606 of this title, including the right to receive distributions under subsection 1606(j) of this title, and stock of any Village Corporation organized pursuant to section 1607 of this title shall not be includable in the gross estate of a decedent under sections 2031 and 2033, or any successor provisions, of title 26.

**(g) Resource information or analysis; professional or technical services**

In the case of any Native Corporation established pursuant to this chapter, income for pur-

poses of any form of Federal, State, or local taxation shall not be deemed to include the value of—

(1) the receipt, acquisition, or use of any resource information or analysis (including the receipt of any right of access to such information or analysis) relating to lands or interests therein conveyed, selected but not conveyed, or available for selection pursuant to this chapter;

(2) the promise or performance by any person or by any Federal, State, or local government agency of any professional or technical services relating to the resources of lands or interests therein conveyed, selected but not conveyed, or available for selection pursuant to this chapter, including, but not limited to, services in connection with exploration on such lands for oil, gas, or other minerals; and

(3) the expenditure of funds, incurring of costs, or the use of any equipment or supplies by any person or any Federal, State, or local government agency, or any promise, agreement, or other arrangement by such person or agency to expend funds or use any equipment or supplies for the purpose of creating, developing, or acquiring the resource information or analysis described in paragraph (1) or for the purpose of performing or otherwise furnishing the services described in paragraph (2): *Provided*, That this paragraph shall not apply to any funds paid to a Native Corporation established pursuant to this chapter or to any subsidiary thereof.

This subsection shall be effective as of December 18, 1971, and, with respect to each Native Corporation, shall remain in full force and effect for a period of twenty years thereafter or until the Corporation has received conveyance of its full land entitlement, whichever first occurs. Except as set forth in this subsection and in subsection (d) of this section all rents, royalties, profits, and other revenues or proceeds derived from real property interests selected and conveyed pursuant to sections 1611 and 1613 of this title shall be taxable to the same extent as such revenues or proceeds are taxable when received by a non-Native individual or corporation.

**(h) Date of incorporation as date of trade or business; ordinary and necessary expenses**

(1) Notwithstanding any other provision of law, each Native Corporation established pursuant to this chapter shall be deemed to have become engaged in carrying on a trade or business as of the date it was incorporated for purposes of any form of Federal, State, or local taxation.

(2) All expenses heretofore or hereafter paid or incurred by a Native Corporation established pursuant to this chapter in connection with the selection or conveyance of lands pursuant to this chapter, or in assisting another Native Corporation within or for the same region in the selection or conveyance of lands under this chapter, shall be deemed to be or to have been ordinary and necessary expenses of such Corporation, paid or incurred in carrying on a trade or business for purposes of any form of Federal, State, or local taxation.

**(i) Personal Holding Company Act exemption**

No Corporation created pursuant to this chapter shall be considered to be a personal holding

company within the meaning of section 542(a) of title 26 prior to January 1, 1992.

**(j) Shareholder homesites**

A real property interest distributed by a Native Corporation to a shareholder of such Corporation pursuant to a program to provide homesites to its shareholders, shall be deemed conveyed and received pursuant to this chapter: *Provided, That* alienability of the Settlement Common Stock of the Corporation has not been terminated pursuant to section 1629c of this title: *Provided further, That* the land received is restricted by covenant for a period not less than ten years to single-family (including traditional extended family customs) residential occupancy, and by such other covenants and retained interests as the Native Corporation deems appropriate: *Provided further, That* the land conveyed does not exceed one and one-half acres: *Provided further, That* if the shareholder receiving the homesite subdivides such homesite, he or she shall pay all Federal, State, and local taxes that would have been incurred but for this subsection together with simple interest at 6 per centum per annum calculated from the date of receipt of the homesite, including taxes or assessments for the provision of road access and water and sewage facilities by the conveying corporation or the shareholder.

(Pub. L. 92-203, §21, Dec. 18, 1971, 85 Stat. 713; Pub. L. 94-204, §13, Jan. 2, 1976, 89 Stat. 1154; Pub. L. 95-600, title V, §541, Nov. 6, 1978, 92 Stat. 2887; Pub. L. 96-487, title IX, §904, title XIV, §§1407-1409, Dec. 2, 1980, 94 Stat. 2434, 2495, 2496; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 100-241, §12(b), Feb. 3, 1988, 101 Stat. 1810; Pub. L. 102-415, §5, Oct. 14, 1992, 106 Stat. 2113.)

REFERENCES IN TEXT

The Alaska National Interest Lands Conservation Act, referred to in subsec. (d)(1), is Pub. L. 96-487, Dec. 2, 1980, 94 Stat. 2371, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 3101 of Title 16, Conservation, and Tables.

The Johnson-O'Malley Act of April 16, 1934, as amended (25 U.S.C. 452), referred to in subsec. (e), is act Apr. 16, 1934, ch. 147, 48 Stat. 596, as amended, which is classified to sections 452 et seq., of Title 25, Indians. For complete classification of this Act to the Code, see Short Title note set out under section 452 of Title 25 and Tables.

Public Law 815, 81st Congress (64 Stat. 967), referred to in subsec. (e), is act Sept. 23, 1950, ch. 995, as amended generally by Pub. L. 85-620, title I, §101, Aug. 12, 1958, 72 Stat. 548, which was classified generally to chapter 19 (§631 et seq.) of Title 20, Education, prior to repeal by Pub. L. 103-382, title III, §331(a), Oct. 20, 1994, 108 Stat. 3965. For complete classification of this Act to the Code, see Tables.

Public Law 874, 81st Congress (64 Stat. 1100), referred to in subsec. (e), is act Sept. 30, 1950, ch. 1124, 64 Stat. 1100, as amended, popularly known as the Educational Agencies Financial Aid Act, which was classified generally to chapter 13 (§236 et seq.) of Title 20, prior to repeal by Pub. L. 103-382, title III, §331(b), Oct. 20, 1994, 108 Stat. 3965. For complete classification of this Act to the Code, see Tables.

AMENDMENTS

1992—Subsec. (j). Pub. L. 102-415 struck out “prior to December 18, 1991,” after “A real property interest distributed” and substituted “*Provided, That* alienability

of the Settlement Common Stock of the Corporation has not been terminated pursuant to section 1629c of this title: *Provided further, That*” for “*Provided, That*”.

1988—Subsec. (a). Pub. L. 100-241, §12(b)(1), inserted “(even if the Regional Corporation or Village Corporation distributing the dividend has not segregated revenue received from the Alaska Native Fund from revenue received from other sources)” after “distributions”.

Subsec. (j). Pub. L. 100-241, §12(b)(2), (3), substituted “Native Corporation” for “Village Corporation” in two places and “That if the shareholder receiving the homesite subdivides such homesite, he or she shall pay all Federal, State, and local taxes that would have been incurred but for this subsection together with simple interest at 6 per centum per annum calculated from the date of receipt of the homesite, including taxes or assessments for the provision of road access and water and sewage facilities by the conveying corporation or the shareholder.” for “That the shareholder receiving the homesite, if the shareholder subdivides the land received, shall pay all Federal, State, and local taxes which would have been incurred but for this subsection, together with simple interest at six percent per annum calculated from the date of receipt of the land to be paid to the appropriate taxing authority.”

1986—Subsecs. (c), (i). Pub. L. 99-514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”, which for purposes of codification was translated as “title 26” thus requiring no change in text.

1980—Subsec. (c). Pub. L. 96-487, §1408, inserted provision requiring that fair value of such land or interest in land at time of receipt be adjusted as provided in section 1016 of title 26 and proviso defining the basis of any such land attributable to an interest in a mine, well, other natural deposit, or block of timber.

Subsec. (d). Pub. L. 96-487, §904, designated existing provision as par. (1), substituted “Regional Corporation or corporation established pursuant to section 1613(h)(3) of this title” for “Regional Corporation”, “third parties or which are used solely for the purposes of exploration shall” for “third parties shall”, “from the vesting of title pursuant to the Alaska National Interest Lands Conservation Act or the date of issuance of an interim conveyance or patent, whichever is earlier, for those interests to such individual, group, or corporation” for “after December 18, 1971”, and “any portion of such interest” for “leased or developed real property” and inserted “which is leased or developed for purposes other than exploration for so long as such portion is leased or being developed” after “laws of the State”, and added par. (2).

Subsec. (e). Pub. L. 96-487, §1409, substituted “Native Group, corporation organized under section 1613(h)(3) of this title, or Village” for “Native Group, or Village”, “(64 Stat. 967, 1100). So long as there are no substantial” for “(64 Stat. 967, 1100), and so long as there are also no substantial”, and “such lands they shall continue to receive wildland fire” for “such lands, continue to receive forest fire”.

Subsec. (j). Pub. L. 96-487, §1407, added subsec. (j).

1978—Subsecs. (g) to (i). Pub. L. 95-600 added subsecs. (g) to (i).

1976—Subsec. (f). Pub. L. 94-204 added subsec. (f).

**§ 1621. Miscellaneous provisions**

**(a) Contract restrictions; percentage fee; enforcement; liens, executions, or judgments**

None of the revenues granted by section 1605 of this title, and none of the lands granted by this chapter to the Regional and Village Corporation and to Native groups and individuals shall be subject to any contract which is based on a percentage fee of the value of all or some portion of the settlement granted by this chapter. Any such contract shall not be enforceable against any Native as defined by this chapter or any Re-