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For more information, contact:

Mike Gowrylow

(360) 570-6048

Cigarette Compact Negotiated with Colville Tribe

Olympia, Wash., July 1, 2009 — The State of Washington and the Colville Confederated Tribes have entered into an agreement in which the Tribe will impose its own cigarette tax in lieu of state and local taxes.

Under the agreement, the Tribe will collect a tribal tax equal to 100 percent of the combined state cigarette tax and state and local sales taxes, or \$2.44 per pack. The compact was negotiated by the Department of Revenue and signed by Tribal Chair Jeanne Jerred and Governor Chris Gregoire.

Under the compact, the State agrees to not impose its taxes on non-Indians buying from Tribal smokeshops in exchange for the Tribe administering and enforcing the terms of the agreement. Additionally, the Department of Revenue, the Liquor Control Board, and the Tribe have signed a memorandum of agreement detailing protocols for enforcement.

This is the 23rd compact to be negotiated between the state and the state's 29 federally recognized tribes since enabling legislation was enacted in 2001, although one with the Yakama Nation was terminated due to non-compliance. The Yakama Nation and the State are in litigation in federal court. The Governor is authorized to negotiate with all 29 tribes in the state and the Department is in discussions with the Shoalwater Bay Tribe and the Lower Elwha Tribe.

A list of participating and eligible tribes is available at

<http://dor.wa.gov/docs/pubs/news/2009/TribalCigaretteTaxAgreements.pdf>.

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