Wichita Tax Commission Annual Report

Fiscal Year: October 1, 2024 – June 30, 2025

Prepared by: Wichita Tax Commission

Date: July 19,2025

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1. Letter from Gary McAdams, Chairman, Wichita Tax Commission

Dear Tribal Citizens,

It is with great respect that I present the Wichita and Affiliated Tribes Tax Commission Annual Report. This report reflects our ongoing efforts to uphold Tribal tax laws and support the Tribe's economic sovereignty.

Throughout this reporting period, we have worked diligently to ensure the proper administration of Tribal tax codes, maintained compliance with state and intergovernmental compacts, and prepared for future initiatives to strengthen Tribal revenue.

I thank the Tax Commission staff for their dedication, Tribal leadership for their support, and our Tribal members for your trust.

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Gary McAdams
Chairman, Wichita Tax Commission

2. Executive Summary

During the current reporting period, the Wichita Tax Commission successfully fulfilled its regulatory responsibilities across multiple areas, including Motor Vehicle Registration, Motor Fuels, Liquor Tax, Tobacco Tax Rebate, Oil and Gas Severance Tax, Sales Tax, and Gaming Device Tax. The Sales Tax also applies to entertainment, food, and beverage sales at the Tribe's gaming facility.

The Tax Commission and Tag Office operate from the Tribe's Multi-Purpose Building in Anadarko, Oklahoma, providing centralized access to tax administration and services.

Financially, the Commission collected tax revenues across several categories. Taxes collected from October 1, 2024 through June 30, 2025:

- **Motor Vehicle Taxes**: $70,094.23
- **Gaming Device Taxes**: $83,956.95
- **Oil & Gas Severance Taxes**: $151,546.30
- **Liquor Taxes and License Fees**: $17,582.66
- **Sales Tax**: $41,908.59
- **Motor Fuels Tax**: $66,197.57
- **Tobacco Tax Rebate**: $114,695.05

Taxes collected during this period are preliminary and will not be final or fully accurate until the June 2025 financial data is complete.

The Commission also maintained oversight of the tribal smoke shops and fuel station, continued its regulatory role under the LLC and Hemp Ordinances, and supported Tribal revenue growth through consistent enforcement and operational efficiency.

Through these activities, the Wichita Tax Commission continues to contribute to the financial stability and sovereignty of the Wichita and Affiliated Tribes.

3. Purpose

The Wichita and Affiliated Tribes Tax Commission was established on January 28, 1993 by Resolution WT-93-17 enacting Chapter One of the Wichita General Revenue and Taxation Act of 1993. The Wichita Tax Commission was created to provide for the administration and enforcement of the Taxation Laws of the Wichita and Affiliated Tribes.

Authority

Unless other specific or additional authority is provided herein, these rules are promulgated and established pursuant to the authority delegated by the Wichita Executive Committee, pursuant to Article V of the Wichita Governing Resolution as amended, to the Wichita Tax Commission generally by Section 104 and specifically by the other various Sections of the General Revenue and Taxation Act of 1993, as enacted by Wichita Tribal Resolution WT-93-36 on April 12, 1993.

Tax Commissioners:

Gary McAdams- Chairman

Katherine Cunningham-Vice-Chairperson

Gladys Walker-Member

Patricia East-Smith-Member

Chase MaGuire-Member

Tax Commission Staff:

Verna Wetselline- Tax Administrator

Leah Kaulaity- Administrative Assistant

E'Vonne Zumwalt- Tag Agent

Torrey Goombi- Tax Clerk

4. Year in Review

Achievements

- Implemented email renewal services at the Tag Office.
- Administered timely distributions and licensing under all Tax programs.

Challenges

During this reporting period, the Wichita Tax Commission navigated significant external challenges related to newly enacted and proposed Oklahoma state legislation affecting Tribal vehicle registration and Tribal sovereignty.

The passage of the Mason Treat Act, effective September 1, 2024, introduced new requirements mandating that all new or used vehicles purchased in the State of Oklahoma be pre-registered within 10 days, regardless of whether the vehicle will be registered with a Tribal Nation. The Commission responded by issuing formal guidance to Wichita and Affiliated Tribes Tribal members, clarifying that the pre-registration process does not constitute full registration, does not involve payment of state fees, and does not impact the ability to register with the Tribe. This transition required swift communication and education to prevent confusion at both the dealership and member levels.

The Commission also monitored the advancement of Senate Bill 675 (SB675), which sought to require Tribal Nations to share vehicle registration data with the Oklahoma Turnpike Authority (OTA) for toll collection enforcement. Although the bill passed the Senate, it was rejected by the House Public Safety Committee after concerns were raised about its targeting of Tribal Nations and its failure to honor Tribal sovereignty. The Wichita Tax Commission joined other Tribal Tax Commissions in opposing the bill's approach and emphasized the importance of resolving such matters through government-to-government consultation.

These legislative developments reflect a growing need for the Commission to remain actively involved in policy advocacy and intergovernmental dialogue to safeguard the autonomy of the Wichita and Affiliated Tribes' regulatory systems.

In addition to responding to new state legislation, the Wichita and Affiliated Tribes Tax Commission continues to operate independently of a Motor Vehicle Compact with the State of Oklahoma. While several tribes have entered into such compacts, the Wichita and Affiliated Tribes have thus far chosen to remain without a compact in order to preserve full control over their vehicle registration program. This position aligns with the Tribe's broader commitment to exercising its inherent sovereignty and resisting external pressures that may compromise self-governance. However, it also places the Commission in a challenging position when navigating interactions with state agencies, enforcement of new laws, and inter-jurisdictional recognition of Tribal tags. The Commission remains committed to protecting Tribal interests while engaging in policy discussions in good faith.

5. Financial Overview

TOTAL BANK ACCOUNT BALANCES AS OF JUNE 30, 2025 ARE:

Motor Vehicle:	$116,589.89
Oil and Gas:	$139,641.23
Tobacco Tax Rebate:	$121,040.47
Sales Tax:	$56,798.34
Liquor Tax:	$98,036.06
Gaming Device Tax:	$56,433.98
Motor Fuels:	$43,929.94

The bank balances reflected in this report represent account totals as of the reporting date. Please note that some balances may not yet reflect outgoing payments that are currently in process or pending clearance. Additionally, incoming payments that have been initiated but not yet posted may also impact the final account totals.

6. Tax Commission Responsibilities

The Wichita Tax Commission is responsible for the administration and enforcement of all Tribal Tax Laws, ensuring compliance, promoting economic integrity, and protecting the financial interests of the Wichita and Affiliated Tribes.

The Commission enforces and administers the following tax codes, ordinances, and intergovernmental agreements:

Tobacco Tax Rebate (Compact with the State of Oklahoma)-

Under the 2024 Tobacco Tax Compact between the Wichita and Affiliated Tribes and the State of Oklahoma, the Wichita Tax Commission is responsible for ensuring all retail sales of cigarettes and tobacco products within tribal jurisdiction comply with Compact terms. This includes:

- Purchasing tobacco products only from State-licensed wholesalers.
- Providing the State with documentation of sales locations and wholesalers.
- Ensuring wholesalers affix unity rate tax stamps to products and remit Compact payments.
- Maintaining records and submitting reports to the Oklahoma Tax Commission.
- Enforcing the prohibition of non-compliant or contraband products.
- Ensuring compact payments are made in lieu of state excise taxes, split 50/50 between the State and the Tribe.
- Prohibiting the resale or transfer of stamped products outside tribal jurisdiction.

The Tax Commission must also ensure compliance with enforcement and dispute procedures outlined in the Compact and uphold the integrity of retail tobacco operations on tribal lands.

Motor Fuels Tax (Contract with the State of Oklahoma)-

- Revenues are based on Tribal members aged 18 and older residing in Oklahoma.
- The State remits a portion of its fuel tax quarterly to the Tribe, dedicated to Tribal infrastructure, health, education, corrections, and law enforcement.
- Each year, the Tax Administrator requests a tribal enrollment audit (BIA-reviewed) by June 30 to update the population count used in fuel tax allocations.

Sales Tax-

- A 5% tax is levied on the sale of property within Tribal jurisdiction, applied to the final sale price (excluding rebates) and collected from consumers at point-of-sale.

Entertainment Tax-

- A 5% tax is charged on all event ticket sales within Tribal Jurisdiction, not including any rebates.

Liquor Tax-

- A 5% tax is applied to the sale of alcoholic beverages and low-point beer within Tribal Lands, not including any rebates.
- Enforced under the Tribe's Liquor Ordinance, covering the sale, manufacture, and distribution of alcoholic beverages and low-point beer on Tribal lands.
- The Commission issues annual facility licenses to Sugar Creek Casino plus employee permits for casino workers who serve or sell alcohol (in addition to ABLE Commission licensing).

Taxation and Registration of Motor Vehicles-

- The Wichita Tax Commission is responsible for implementing and administering Chapter Five of the Wichita and Affiliated Tribes General Revenue and Taxation Act, which governs the taxation and registration of motor vehicles. This includes issuing titles, registrations, and tags for motor vehicles owned by Wichita Tribal members.
- Under Tribal law, a "motor vehicle" includes any self-propelled, wheeled vehicle used for transporting persons or property. The Commission also registers motorcycles, and manufactured homes as defined by the Act. The Tag Agent manages daily operations of vehicle registration and title processing.
- The Commission continues to operate independently of the State of Oklahoma, maintaining sovereign authority over motor vehicle registration. The Tribe currently does not have a compact with the State and intends to retain control of its own motor vehicle program.

Oil & Gas Severance Tax-

The Wichita and Affiliated Tribes enacted an Oil and Gas Severance Tax to support Tribal revenue generation from natural resource development occurring within Tribal jurisdiction.

- **Section 602 – Tax Levied on Oil**:
  An 8% tax is applied to the taxable value of all oil, including condensate, that is produced or removed from land within the Tribe's jurisdiction.
- **Section 603 – Tax Levied on Gas**:
  An 8% tax is also applied to the taxable value of all gas, including natural gas liquids, produced or removed from Tribal lands.

The Wichita Tax Commission is responsible for administering this tax, collecting associated revenues, processing annual license fees, and ensuring compliance with all provisions of the Oil & Gas Severance Tax regulations.

Gaming Device Tax-

- Enacted via Executive Committee action on April 10, 2017, and implemented in January 2018.
- A per-device tax is imposed on each gaming machine within Tribal jurisdiction, with the vendor bearing the tax burden.
- Exemptions apply to gaming devices wholly owned by the Wichita and Affiliated Tribes.

Limited Liability Company Ordinance-

- Establishes Tribal oversight of LLC formation.
- The Commission serves as the official Agent of Record**,** tasked with certifying documents, collecting fees, and maintaining records. To date, ten LLCs have been formed under this ordinance.

Liquor Ordinance-

- Enforced alongside the Liquor Tax framework. The Commission upholds regulations related to liquor licensing, sales, and enforcement; specific details are outlined in the Tribe's Liquor Ordinance.

Hemp Production Ordinance-

- The Commission serves as the primary licensing and oversight agency for Tribal hemp production. Responsibilities include licensing, fee collection, application review, THC testing oversight, record-keeping, and reporting to Tribal leadership and the USDA.

In addition to its regulatory duties, the Tax Commission oversees the daily operations of the Tribal Smoke Shop in Hinton as well as the Smoke Shop and Fuel Station in Anadarko, both managed by Jerri Davis. The primary objective of these businesses is to generate sufficient income to cover operational expenses, provide a profit to the Tribe, and enhance the intrinsic value of these assets as revenue-generating enterprises. To facilitate this, the Tax Commission issues an annual retail tobacco license for the smoke shop and an annual wholesale tobacco license for the wholesaler. Currently, the Hinton location is staffed by one full-time and two part-time cashiers, while the Anadarko facility employs one full-time and one part-time cashier.

7. Impacts and Outcomes

The Wichita Tax Commission continues to serve as a vital source of funding for the Wichita and Affiliated Tribes by enforcing Tribal tax laws and overseeing revenue-generating programs. During the current fiscal year, the following contributions were made on behalf of the Tax Commission:

Contributions to Tribal Programs and Operations:

- **$105,000.00** – Elders Assistance FY2025 (from the Motor Fuels Account)
- **$75,000.00** – Elders Assistance FY2025 (from the Motor Fuels Account)
- **$107,800.00** – Children's Clothing Allowance FY 2025
- **$179,414.96** – Reimbursement for FY2024 Motor Fuels Expenses

These contributions directly support Tribal citizens and essential programs, demonstrating the Tax Commission's ongoing impact on the Tribe's economic health and social services.

8. Future Initiatives

Upon completion of the new hotel project, the Wichita Tax Commission plans to implement and enforce a Hotel Occupancy Tax as part of its expanding regulatory framework. This initiative will support Tribal revenue generation and extend the Commission's oversight to new areas of economic development.

The Commission is also exploring an increase to the Tribal Sales Tax rate to enhance funding. Any proposed changes will be made in consultation with Tribal leadership and in accordance with governing procedures.

Additionally, the Commission plans to upgrade and purchase necessary equipment to improve operational efficiency and keep pace with growing regulatory responsibilities.

9.Contact Information

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405-247-8668

Staff Contact Information:

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