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Attorneys for Plaintiff
COOK INLET REGION, INC.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ALASKA

COOK INLET REGION, INC.,

Plaintiff,

vs.

CHICKALOON NATIVE VILLAGE,

Defendant.

COMPLAINT

Case No. 3:11-CI-_____

Plaintiff Cook Inlet Region, Inc. (“CIRI”) states and alleges as follows:

Parties

1. CIRI is an Alaska Native Regional Corporation formed under the Alaska Native Claims Settlement Act of 1971, 43 U.S.C. § 1606 *et. seq.* (“ANCSA”).

2. Chickaloon Native Village (“Chickaloon”) is a tribe recognized by the federal government. *See* Dep’t of Interior List of Recognized Indian Entities, 75 FR 60813. Chickaloon is governed by the Chickaloon Village Traditional Council.

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Jurisdiction

3. This Court has original jurisdiction over this civil action under 28 U.S.C. § 1331 because it arises under the laws of the United States.

4. This Court is authorized to issue the relief sought under 28 U.S.C. §§ 2201--2202.

5. The United States District Court has personal jurisdiction over all parties.

6. Venue is proper in the District of Alaska because CIRC and Chickaloon are both entities with their principal places of business located within the State of Alaska.

Background Facts

7. On October 5, 2011, Chickaloon sent CIRC the Tax Notice attached hereto as **Exhibit A**, informing CIRC that it owes an annual tax to Chickaloon under the Indian Tribal Government Tax Status Act ("ITGTSA") in the amount of five hundred thousand dollars (\$500,000.00) for fiscal year 2011 (described in the Tax Notice as October 1, 2010 through September 30, 2011).

8. The Tax Notice states that CIRC must pay five hundred thousand dollars (\$500,000.00) by December 31, 2012, or Chickaloon "will seize ('levy') [CIRC's] property or rights to property on or after December 31, 2012."

9. CIRC sent a letter to Chickaloon dated October 21, 2011, inquiring as to the basis of the tax.

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10. Chickaloon responded on October 25, 2011, that the basis of the tax is the Indian Tribal Government Tax Status Act of 1982, and clarified that the claimed tax was not a property tax. Chickaloon also stated that, “This is a flat, annual tax.”

11. CIRI thereafter informed Chickaloon that federal law did not allow Chickaloon to impose a tax on CIRI, and demanded that Chickaloon withdraw its tax claim. Chickaloon refused.

Claim for Declaratory Relief

12. This dispute is ripe for adjudication because a substantial and immediate controversy exists. Chickaloon demands payment now of an annual flat tax of five hundred thousand dollars (\$500,000.00). No subsequent event or the passage of time will vary the meaning of the relevant statutes or in any way affect the validity of the requested declaratory judgment.

13. This controversy has measurable financial consequences. This claim is not pending in litigation in any other forum and is appropriately adjudicated in this action.

14. The Indian Tribal Government Tax Status Act of 1982, Title II of Pub. L. No. 97-473, 966 Stat. 2605, 2607-11, as amended by Pub. L. No. 98-21, 97 Stat. 65, 87, and codified at 26 U.S.C. § 7871, added certain provisions to the Internal Revenue Code (“IRC”) to allow Indian Tribal governments, or subdivisions thereof, to be treated as states for purposes of federal taxation.

15. Contrary to the assertion of Chickaloon, IRC § 7871 does not authorize or otherwise provide a basis for Chickaloon to lawfully tax CIRI.

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16. No other federal law allows Chickaloon to tax CIRI.

17. The U.S. Supreme Court's decision in *Alaska v. Venetie Tribal Government*, 522 U.S. 520 (1998), precludes Chickaloon's tax claim against CIRI.

18. Accordingly, CIRI is entitled to an order from this Court, declaring that Chickaloon's tax claim against CIRI is contrary to federal law, and is therefore void and without effect.

19. CIRI is also entitled to an order enjoining Chickaloon's efforts to seize or levy CIRI's property due to non-payment of the tax.

Prayer for Relief

For the above stated reasons, CIRI respectfully requests that this Court:

1. Enter an order declaring Chickaloon's tax claim to be contrary to federal law, void and without effect;

2. Enjoin Chickaloon from seizing or levying CIRI's property for non-payment of the tax;

3. Award CIRI the costs of this suit, including attorney's fees;

4. Grant CIRI any and all other relief to which this Court may deem it entitled.

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DATED this 23rd day of November, 2011, at Anchorage, Alaska.

DORSEY & WHITNEY LLP

By: /s/ Jahna Lindemuth
Jahna Lindemuth, #9711068

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Case No. 3:11-CI-_____



Chickaloon Village

Traditional Council

(Nay'dini'aa Na')

October 5, 2011

Gary Harrison,
Traditional Chief

Doug Wade,
Chairman/Elder

Rick Harrison,
Vice-Chairman

Penny Westing,
Secretary

Albert Harrison,
Treasurer/Elder

Jess Lanman,
Elder Member

Burt Shaginoff,
Elder Member

Larry Wade,
Elder Member

Shawna Larson,
Member

Jennifer Harrison,
Executive Director

Chairman Charles G. Anderson
Cook Inlet Region, Inc.
P.O. Box 93330
Anchorage, Alaska 99509-3330

Re: Tax Notice

Dear Chairman Anderson,

This is a Tax Notice to inform you, of the tax owed to Chickaloon Village Traditional Council by Cook Inlet Region, Inc., and our legal right to impose a tax under the Indian Tribal Government Tax Status Act.

It has been determined that Cook Inlet Region, Inc. owes taxes for:

FY 2011 (Oct. 1, 2010 through Sept. 30, 2011) in the amount of:

\$500,000.00 Due by December 31, 2012

Make your check or money order payable to the Chickaloon Village Traditional Council and mail to
P.O. Box 1105, Chickaloon, Alaska 99674

Send us the amount due of \$500,000.00, or we will seize ("levy") your property or rights to
property on or after December 31, 2012

EXHIBIT A, Page 1 of 4

| | |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| What you need to do immediately: | Pay immediately <ul style="list-style-type: none">• If you can't pay the amount due, pay as much as you can now and make payment arrangements that allow you to pay off the rest over time. You can call us at 1-(907)-745-0707 to discuss your options. |
|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| | |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| If we don't hear from you: | If you don't pay the amount due: <ul style="list-style-type: none">• We may seize ("levy") your property or rights to property and apply it to the tax debt owed. This is your notice of intent to levy.• If you still have an outstanding balance after we make these seizures, we may send you a notice giving you a right to a hearing in Tribal Court. We may then seize ("levy") or take possession of other property or your rights to property. Property includes:<ul style="list-style-type: none">▪ Wages, real estate commissions, and other income▪ Bank accounts▪ Business assets• Personal assets If you don't pay the amount due or call us to make payment arrangements, we can file a Notice of Tax Lien on your property at any time.• If the lien is in place, you may find it difficult to sell or borrow against your property. The tax lien would also appear on your credit report-which may harm your credit rating-and your creditors would also be publicly notified that the CVTC has priority to seize your property.• If you don't pay your tax debt, we have the right to seize ("levy") your property. |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Penalties

| | |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Failure-to-pay | When you pay your taxes after the due date: <ul style="list-style-type: none">• We charge a penalty of 0.5% of the unpaid amount due per month, up to 25% of the amount due.• Beginning 10 days after we issue the notice, the penalty increases to 1.0% for each month the amount remains unpaid.• We count part of a month as a full month. For a detailed calculation of your penalty charges, call: 1-(907)-745-0707 |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Interest Charges

We will charge interest on unpaid tax from the date the tax return was due to the date the tax is paid in full. The interest is charged as long as there is an unpaid amount due, including penalties, if applicable.

Below shows the rate used to calculate the interest on your unpaid amount due.

For a detailed calculation of your penalty charges, call:
1-(907)-745-0707

| <u>Period</u> | <u>% rate</u> |
|---------------------------------------|---------------|
| • Oct. 1, 2010 through Sept. 30, 2011 | 8% |



Chickaloon Native Village

{Nay'dini'aa Na}

P.O. Box 1105
 Mile 55.5 Glenn Highway
 Chickaloon, AK 99674-1105

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 10/5/2011 | 4573 |

| |
|-----------------------------------------------------------------------|
| BILL TO: |
| Cook Inlet Region, Inc. P.O. Box 93330 Anchorage, AK 99509-3330 |

| |
|-----------------|
| SHIP TO: |
| |

| | |
|------------|-----------|
| P.O./Job # | Remit To: |
| | CVTC |

| DESCRIPTION | QTY | RATE | AMOUNT |
|----------------------------------------------------------------------------------|-----|------------|------------|
| FY2011 Tax Assessment-In accordance with Indian Tribal Government Tax Status Act | 1 | 500,000.00 | 500,000.00 |

| | |
|-------------------------|--------------|
| Total | \$500,000.00 |
| Payments/Credits | \$0.00 |
| Balance Due | \$500,000.00 |

