

VIEJAS

ENTERPRISES

January 15, 2010

Re: Sales and Use Tax Exemption

To Whom It May Concern:

Please be advised that Viejas Enterprises (“Viejas”) is a tribal enterprise operated by the Viejas Band of Kumeyaay Indians, a federally recognized Indian tribe (Taxpayer ID No. 33-0821753). As a federally recognized Indian tribe, Viejas is exempt from sales and use taxes imposed by the State of California or by any political subdivision thereof. Please refer to State of California Board of Equalizations Sales and Use Tax Regulation 1616, Subsection (d) (4) (A) which provides:

“(4) SALES BY OFF-RESERVATIONS RETAILERS.

(A) Sales Tax – In General Sales tax does not apply to sales of tangible personal property made to Indians negotiated at places of business located outside Indian reservations if the property is delivered to the purchaser and ownership to the property transfers to the purchaser on the reservation. Generally ownership to property transfers upon delivery if delivery is made by facilities of the retailer and ownership transfers upon shipment if delivery is made by mail or carrier. Except as otherwise expressly provided herein, the sales tax applies if the property is delivered off the reservation or if the ownership to the property transfers to the purchaser off the reservation.”

Additionally, Subsection (d) (4) (E) provides:

“(E) Use Tax – Exemption. Use tax does not apply to the use of tangible personal property (including vehicles, vessels, and aircraft) purchased by an Indian from an off-reservation retailer and delivered to the purchaser on a reservation unless, within the first 12 months following delivery, the property is used off a reservation more than it is used on a reservation.”

Therefore, any tangible personal property that is purchased by Viejas, delivered to the Viejas Reservation and where title has not passed until such delivery, is exempt from sales and use tax. We appreciate your attention to this matter and look forward to our continued business relationship.

Sincerely,



Chris Kelley, CFO
Viejas Enterprises