



# THE NAVAJO NATION

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## **Public Ruling** **Navajo Sales Tax- Taxability of Political Candidates**

This Public Ruling addresses the applicability of the Navajo Nation Sales Tax (“Sales Tax”) to political candidates seeking public offices across the Navajo Nation. The Office of the Navajo Tax Commission (“ONTC”) hereby classifies political candidates as excluded from Sales Tax obligations under Sales Tax Statute 609(C)(7).

### Political Candidates Exempt from the Navajo Nation Sales Tax

The Sales Tax imposes a 5% tax to the sale of goods and services taking place on the Navajo Nation. Section 609 of the Sales Tax Statute (“Sales Statute”) identifies Exemptions and Exclusions from Sales Tax applicability. Section 609(C)(7) of the Sales Statute instructs that the tax imposed does not apply to gross receipts generated directly by the “[o]ccasional sales by persons who are not regularly engaged in the business of selling personal or real property or services.”

As persons seeking election to publicly elected offices, political candidates periodically campaign on the Navajo Nation. In their campaign activities, the candidates occasionally engage in sales of goods and services for the purpose of raising funds that will help finance their campaigns. Their primary objective in these periodic activities is to secure an elected office and are thus not regularly engaged the sales of goods or services to which the Sales Tax applies. With that, ONTC deems political candidates seeking procurement clearances as in compliance for Navajo Business and Procurement Act purposes.

Issued on this 26<sup>th</sup> day of July, 2014.

A handwritten signature in blue ink, appearing to read "Martin E. Ashley".

Martin E. Ashley, Executive Director  
Office of the Navajo Tax Commission