Cherokee Nation Code Annotated
Title 68: Revenue and Taxation
Chapter 8-A: Franchise Tax
§ 1209. Capital—Computation
Cite as: 68 CNCA § 1209

A. For the purpose of computing the amount of annual franchise tax levied upon and payable by the corporations, associations and organizations enumerated in 68 CNCA §§ 1203 and 1204, the word **"capital"** shall be construed to include the following:

Outstanding capital stock, surplus and undivided profits, which shall include any amounts designated for the payment of dividends until such amounts are definitely and irrevocably placed to the credit of stockholders, subject to withdrawal on demand, plus the amount of bonds, notes, debentures or other evidences of indebtedness maturing and payable more than three (3) years after issuance. The term **"capital"** stock where herein used shall include all written evidence of interest or ownership in the control or management of a corporation or other organization. The term **"evidence of indebtedness"** where herein used shall not include any deposit made in any bank.

B. Advances made by a parent to a subsidiary or by a subsidiary to a parent corporation, organization or association shall be eliminated by both the parent and subsidiary from the calculations necessary to determine the amount of taxable capital employed in the business of either or both the parent and subsidiary. Provided, however, advances made for purely operating expenses may, upon proper showing satisfactory to the Cherokee Nation Tax Commission, be included in such calculations.

C. The amount of capital employed in the Cherokee Nation is hereby declared to be that portion of the capital of the corporation, association or organization which equals the proportion which the property owned, or property owned and business done, in Cherokee Nation bears to the total property owned, or total property owned and total business done, by the corporation, association or organization.

D. In the determination of the amount of tax payable under this chapter where intangibles are involved, such as notes, accounts receivable, stocks, bonds, and other securities, including cash, and the business of the corporation is managed, directed and controlled from within Cherokee Nation, the value of such intangibles shall be apportioned wholly to Cherokee Nation, unless a commercial or business situs for such intangibles has been established elsewhere.

E. Management, direction and control of the corporation's business shall be deemed to be within Cherokee Nation where (1) the corporation is incorporated under the laws of Cherokee Nation, or (2) where any corporation organized under the laws of a state transacts business in Cherokee Nation as its principal business, or maintains in Cherokee Nation its "business domicile" or "commercial domicile".

F. The portion of capital of any corporation, association or organization employed in Cherokee Nation, shall be segregated, and its value stated, based upon the proportions herein prescribed, and shall be reported to the Cherokee Nation Tax Commission; and the amount of said capital so reported shall be prima facie the measure of the value of the capital of such corporation, association or organization, apportioned to Cherokee Nation, for the purposes of this chapter.

G. The capital of a bank holding company or multi-bank holding company shall not include the capital, as defined in this chapter, of the owned bank or banks. Such banks, bank holding companies and multi-bank holding companies each shall comply with the terms of this chapter as separate corporations.

Historical Data

LA 14–96, eff. July 15, 1996.