KS StateBank
Baystone Government Finance

Together,
WE KEEP COMMUNITIES RUNNING.

Tax-Exempt Financing for Tribal Governments

Finance Equipment and Property for Tribal Communities

Baystone Government Finance provides tax-exempt lease purchase financing to American Indian and Alaska Native tribes for equipment and property considered "essential use." This makes equipment acquisition more affordable and helps conserve cash for tribal communities. Baystone also offers attractive, taxable financing options for equipment that falls outside the scope of essential use.

We work directly with Native American communities, schools and medical centers across the U.S. – and with equipment manufacturers, dealers and finance originators to provide the same benefits to their tribal customers.

Advantages of Tax-Exempt Municipal Leases for Tribal Governments

In tax-exempt lease purchase financing agreements, the organization receiving the financing pays for the equipment in installments over time, then owns the equipment at the end of the lease term. Tribal entities are using municipal leases to:

- Conserve capital for other uses where leasing is not an option
- Improve cash flow for the fiscal health of the community.
- Structure flexible payments to meet specific budget needs.
- Enjoy reduced rates – averaging approximately 30 percent below commercial rates.
- Distribute the costs of an asset over its useful life.

Which Tribal Governments Qualify for Tax-Exempt Equipment Financing?

Tribal governments that are organized under Section 16 of the Indian Reorganization Act (IRA) of 1934, 25 USC 461, and governed by a constitution adopted under Section 16 of the IRA, 25 USC 476. The equipment must be used for essential government functions as noted in Internal Revenue Code, Section 7871. Other requirements also apply.

Nationwide Experts in Tribal Equipment Financing

Baystone Government Finance is a direct funding source with one of the largest teams in the nation dedicated to state, local and tribal government financing. Our team includes financing specialists and in-house lawyers.

To get started, contact a representative at Baystone Government Finance:

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Baystone Government Finance is the government and non-profit lending division of KS StateBank, a privately owned, full-service community bank with more than $2.4 billion in total assets. Baystone has been helping the public sector navigate the complex environment of public finance and providing financial solutions to municipalities since 1987. Over the past 30 years, Baystone has funded more than 33,000 municipal obligations in excess of $3.49 billion.