

**Bill Summary**  
2<sup>nd</sup> Session of the 58<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>SB 1796</b>
<b>Version:</b>	<b>INT</b>
<b>Request No.:</b>	<b>2775</b>
<b>Author:</b>	<b>Sen. Merrick</b>
<b>Date:</b>	<b>01/27/2022</b>

**Bill Analysis**

SB 1796 creates the State Sovereignty and Federal Tax Funds Act. The measure reasserts the state's claim of sovereignty pursuant to the Tenth Amendment to the Constitution for the United States of America and creates the Federal Tax Fund. The Fund shall consist of all monies collected on behalf of the federal government. The State Treasurer, if he or she finds that the government has imposed or mandated any financial sanctions, denied any matching funds or grants, or imposed or mandated any other financial sanctions, penalties, or withholding of funds or any other federal sanctions or penalties effecting a financial cost to the state shall withhold from payment all or part of the quarterly disbursement normally disbursed or transferred to federal recipients per occurrence an amount equal to the total cumulative outstanding amount of funds withheld from the state. Funds withheld by the State Treasurer shall be transferred to the Special Cash Fund. Taxpayers shall remit federal taxes to the Federal Tax Fund. The State Treasurer shall submit to the Internal Revenue Service the names and tax identification numbers of, and the amounts deposited by, persons liable for any excise, federal income, or consumer tax so that the Internal Revenue Service can credit this state's taxpayers for federal tax obligations. The State Treasurer shall transfer all monies not subject to being withheld to the appropriate federal recipient. The measure also provides that the Legislature may vote to declare a federal sanction as unconstitutional. Following a vote declaring a sanction as unconstitutional, the Attorney General shall notify the State Treasurer of the Legislature's vote. The Treasurer shall then withhold the appropriate amount of taxes.

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