

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 50 of the Official Code of Georgia Annotated, relating to state government,  
2 so as to provide for the comprehensive regulation of federal tax funds; to provide for a short  
3 title; to provide for legislative findings; to provide for definitions; to create the federal tax  
4 fund panel and provide for its members, operation, powers, and duties; to create the federal  
5 tax fund and provide for its operation; to provide for powers, duties, responsibilities, and  
6 liabilities of state officials and state taxpayers in connection with the forgoing; to provide for  
7 related matters; to provide for applicability; to provide for use of certain funds; to provide  
8 for an effective date; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 SECTION 1.

11 Title 50 of the Official Code of Georgia Annotated, relating to state government, is amended  
12 by adding a new chapter to read as follows:

13 "CHAPTER 38

14 50-38-1.

15 This chapter shall be known and may be cited as the 'State Authority and Federal Tax  
16 Funds Act.'

17 50-38-2.

18 (a) The Tenth Amendment to the Constitution of the United States of America states that  
19 '(t)he powers not delegated to the United States by the Constitution, or prohibited by it to  
20 the States, are reserved to the States respectively, or to the people.' The General Assembly  
21 finds that the Tenth Amendment to the Constitution of the United States of America  
22 defines the total scope of federal power as being that specifically stated in the Constitution  
23 of the United States of America and no more.

24 (b) The General Assembly finds that the federal government, its agencies or agents, or the  
 25 United States Congress does not have the power under the Constitution of the United States  
 26 of America to appropriate or otherwise expend funds for purposes that are outside the  
 27 scope of the powers enumerated in the Constitution of the United States of America for the  
 28 federal government.

29 (c) In light of the continuing unconstitutional federal expenditures, the state hereby  
 30 reasserts its authority pursuant to the Tenth Amendment to the Constitution of the United  
 31 States of America.

32 50-38-3.

33 As used in this chapter, the term:

34 (1) 'Federal tax' means any tax that a person in this state is required to pay under Title 26  
 35 of the United States Code.

36 (2) 'Federal Tax Fund' means the escrow account created by Code Section 50-37-5.

37 (3) 'Panel' means the Federal Tax Fund Panel created in Code Section 50-37-4.

38 (4) 'Person' means natural persons, corporations, partnerships, limited liability  
 39 companies, associations, and other legal entities.

40 50-38-4.

41 (a) There is created the Federal Tax Fund Panel which shall consist of six members of the  
 42 General Assembly, none of which shall be members of the State Bar of Georgia. Three  
 43 members shall be appointed by the Speaker of the House of Representatives and three  
 44 members shall be appointed by the President of the Senate.

45 (b) In even numbered years the Speaker shall appoint one of the members of the Panel as  
 46 chairman, and in odd numbered years the Lieutenant Governor shall appoint one of the  
 47 members of the Panel as chairman. Each person appointed as chairman shall serve for a  
 48 term of office of one year and until that person's successor is appointed and qualified. Any  
 49 vacancy occurring during a year shall be filled by the appointing officer for the remainder  
 50 of the unexpired term of office.

51 (c) The Panel shall determine the percentage of all federal expenditures that are in  
 52 compliance with the limits placed on the federal government by the states using the most  
 53 recent data published by the federal government plus any additional information on other  
 54 expenditures made but not disclosed by the federal government. No Federal expenditures  
 55 shall be qualified for disbursement to the appropriate federal recipient from the Federal Tax  
 56 Fund unless the use of those expenditures is made transparent to the Panel and to the  
 57 members of the General Assembly for the purpose of certifying the constitutionality of said  
 58 expenditures.

59 50-38-5.

60 (a) The Federal Tax Fund is created in the state treasury. All federal tax moneys collected  
 61 by the state on behalf of the federal government shall be deposited by the state treasurer  
 62 into the Federal Tax Fund.

63 (b) The state treasurer, on a quarterly basis shall disburse the funds to the respective  
 64 appropriate federal recipient provided that it has been determined by the Panel that all  
 65 federal expenditures for the most recently published fiscal year were only for constitutional  
 66 purposes. The percentage of federal appropriations that are in compliance with the limits  
 67 placed on the federal government by the states in Section 8 of Article 1 of the Constitution  
 68 of the United States of America, as determined by the Panel, shall be the same percentage  
 69 of the Federal Tax Fund that the state treasurer shall disburse to the appropriate federal  
 70 recipient. The remainder of the fund shall be withheld.

71 (c) Funds that the state treasurer withholds from each federal recipient plus any interest  
 72 earned thereon shall be transferred quarterly from the Federal Tax Fund and deposited into  
 73 the general fund for general use.

74 50-38-6

75 (a) Any person liable for any federal tax shall remit the tax when due along with the  
 76 federal taxpayer number to the state treasurer for deposit into the Federal Tax Fund.

77 (b) All moneys collected pursuant to subsection (a) of this Code section shall be  
 78 transmitted to the state treasurer who, as a fiduciary agent, shall credit the funds to the  
 79 Federal Tax Fund on behalf of the person who remitted the tax.

80 (c) The state treasurer shall submit to the federal Internal Revenue Service the names and  
 81 tax identification numbers of, and the date on which and amounts deposited by, persons  
 82 liable for any federal tax so that the Internal Revenue Service can credit the state's  
 83 taxpayers for federal tax obligations.

84 50-38-7.

85 Any person who is:

86 (1) Liable for any federal tax who fails to forward federal tax moneys to the state  
 87 treasurer; or

88 (2) Not required to pay a federal tax but pays it anyway or does not forward the  
 89 voluntary amount to the state treasurer;

90 shall be subject to penalties assessed pursuant to applicable federal or state statutes.

91 50-38-8.

92 In compliance with the Oath or Affirmation clause found in Article VI of the Constitution  
 93 of the United States of America, the Governor, members of the General Assembly, judges,  
 94 the Attorney General, the Secretary of State, the state treasurer, the state auditor, and all  
 95 other state officers and employees shall implement this chapter regardless of any sanctions,  
 96 threats, court action, or other pressure brought to bear by federal authorities.

97 50-38-9.

98 Any actions by the federal government, its agencies or agents, or the Congress of the  
 99 United States against any person in this state for compliance with this chapter shall be  
 100 considered an action against this state, and this state shall make an appropriate response to  
 101 cause the action to cease and desist. This state shall take all necessary measures to recover  
 102 from the federal government, its agencies or agents, or the Congress of the United States  
 103 the reasonable costs of defending the action.

104 50-38-10.

105 This chapter shall apply to federal taxes collected after the date on which this chapter takes  
 106 effect, and, because the 'Constitution, and the Laws of the United States *which shall be*  
 107 *made in Pursuance thereof; and all Treaties made, or which shall be made, under the*  
 108 *Authority of the United States, shall be the supreme Law of the Land,' [emphasis added],*  
 109 this chapter shall be enforced retroactively to repeal any unconstitutional federal mandates  
 110 that have been imposed on the state.

111 50-38-11.

112 The General Assembly, by simple majority vote in both houses, shall determine how the  
 113 moneys transferred from the Federal Tax Fund to the general fund, including accrued  
 114 interest, are to be used for the benefit of the people of the state. These moneys shall be  
 115 used for the benefit of the people of Georgia only. Nothing in this Code section shall  
 116 prohibit the General Assembly from authorizing all or a portion of the funds withheld from  
 117 the appropriate federal agency be refunded to the federal taxpayers from whence it came  
 118 and such refund shall not be considered a gratuity."

119 **SECTION 2.**

120 This Act shall become effective upon its approval by the Governor or upon its becoming law  
 121 without such approval.

