

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 SENATE BILL 282

By: Deevers

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5
6 AS INTRODUCED

7 An Act relating to federal taxes; creating the Budget
8 Accountability for State's Economic Defense (BASED)
9 Act; providing short title; stating intent; creating
10 the Taxpayer Protection Escrow Revolving Fund;
11 providing sources of funds; providing for
12 disbursement of funds by the State Treasurer;
13 requiring deposit of interest from investment of
14 funds in certain revolving fund; requiring all
15 taxpayers and employers of this state to make payment
16 to the State Treasurer in lieu or payment to the
17 federal government; requiring the State Treasurer to
18 deposit payments in certain revolving fund; requiring
19 submission of report; prescribing reporting
20 requirements; prohibiting the federal government from
21 certain punishment or retaliation; deeming the
22 withholding of certain funds to be unlawful;
23 declaring certain federal actions null and void;
24 requiring the Attorney General to indemnify certain
individuals and entities; requiring the Attorney
General to provide legal defense upon certain
request; authorizing the Attorney General to request
certain funds; creating the Taxpayer Defense Fund;
providing sources of funds; providing for expenditure
of funds; providing for noncodification; providing
for codification; and declaring an emergency.

22 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

23 SECTION 1. NEW LAW A new section of law not to be
24 codified in the Oklahoma Statutes reads as follows:

1 This act shall be known and may be cited as the "Budget
2 Accountability for State's Economic Defense (BASED) Act".

3 SECTION 2. NEW LAW A new section of law not to be
4 codified in the Oklahoma Statutes reads as follows:

5 A. The Legislature hereby finds:

6 1. State sovereignty and constitutional duty: The tenth
7 amendment to the United States Constitution reserves to the states
8 all powers not delegated to the federal government. Oklahoma has
9 both the constitutional authority and the fiduciary duty to protect
10 its citizens from economic harm caused by federal fiscal
11 mismanagement;

12 2. The failure of Congress to promote the general welfare:
13 Section 8 of Article I of the United States Constitution grants
14 Congress the power to tax to provide for the common defense and
15 general welfare. However, Congress's continued failure to enact a
16 balanced federal budget has resulted in a national debt exceeding
17 Thirty-six Trillion Dollars (\$36,000,000,000,000.00), or more than
18 One Hundred Thousand Dollars (\$100,000.00) per U.S. citizen, which
19 creates an existential threat to the general welfare. Congress's
20 failure to fulfill its constitutional duty renders its exercise of
21 taxing power unconstitutional in effect, as funding such
22 irresponsible deficits, which, if allowed to continue, will
23 necessarily lead to financial ruin for American citizens, and
24 clearly undermines, and does not promote, the general welfare. In

1 United States v. Butler (1936), the Supreme Court held that
2 Congress's taxing power must align with promoting the general
3 welfare. Funding an unbalanced budget violates this principle;

4 3. Existential threat to national defense: Continuing to run
5 deficits while the national debt already exceeds Thirty-six Trillion
6 Dollars (\$36,000,000,000,000.00) compromises America's ability to
7 provide for the nation's common defense by:

- 8 a. weakening the nation's economic stability and
9 eventually leading to economic ruin and the inability
10 to adequately fund the U.S. military, and
- 11 b. undermining its capacity to respond to national
12 emergencies and foreign threats.

13 The federal government's fiscal recklessness jeopardizes the
14 very foundations of national security and economic health;

15 4. Fiduciary responsibility and the public trust doctrine:
16 Congress, under Section 8 of Article I of the United States
17 Constitution, holds a fiduciary duty to tax and spend for the
18 benefit of the American people. Decades of deficits and ballooning
19 debt represent a breach of this public trust, imposing undue
20 financial burdens on the citizens and states. Under the Public
21 Trust Doctrine, when a fiduciary fails to act in a way that could be
22 reasonably characterized as responsible, beneficiaries, or in this
23 case the states, have the right and obligation to intervene to
24 ensure proper use of resources. Oklahoma, as a sovereign state,

1 must shield its citizens from participation in this irresponsible
2 and unconstitutional fiscal system;

3 5. This state's obligation to protect property rights: Section
4 2 of Article II of the Oklahoma Constitution states, "All persons
5 have the inherent right to life, liberty, the pursuit of happiness,
6 and the enjoyment of the gains of their own industry". The
7 devaluation of citizens' labor and property through inflation and
8 unbalanced federal spending undermines this fundamental right.
9 Oklahoma has an obligation to protect its citizens' income and
10 wealth from the economic harm currently being inflicted and the
11 unimaginable harm to come if the federal deficit continues to grow;

12 6. Emergency doctrine and state intervention: The current
13 fiscal crisis, including decades of unbalanced budgets and
14 unsustainable debt, constitutes an economic and national emergency.
15 Under the emergency doctrine, states have the authority to take
16 extraordinary measures to preserve the welfare of their citizens.
17 In Home Building & Loan Association v. Blaisdell (1934), the Supreme
18 Court upheld state actions during emergencies to protect the public
19 welfare. This state asserts that the withholding of federal taxes
20 until Congress enacts a balanced budget is a temporary and necessary
21 action to avert economic catastrophe caused by willful fiscal
22 negligence;

23 7. Temporary, defensive, and constructive action: The Taxpayer
24 Protection Escrow Fund is a temporary, non-violent assertion of the

1 sovereign duty of this state to protect its citizens. It does not
2 seek to nullify federal law but, instead, establishes conditions for
3 compliance based on constitutional principles. The action of this
4 state is:

- 5 a. temporary - withholding continues until Congress
6 enacts a balanced budget,
- 7 b. defensive - shielding the citizens of this state from
8 economic harm caused by federal fiscal
9 irresponsibility, and
- 10 c. constructive - encouraging Congress to restore fiscal
11 discipline and fulfill its constitutional duty to
12 promote the general welfare; and

13 8. DOGE proposals are on the table: The Department of
14 Government Efficiency is in the process of making proposals to
15 reduce federal spending by Two Trillion Dollars
16 (\$2,000,000,000,000.00) which could balance the budget if
17 implemented by Congress and voters gave lawmakers a clear mandate to
18 do so.

19 B. It is the intent of the Legislature to:

20 1. Withhold the remittance of federal income taxes collected
21 within this state until the United States Congress passes a balanced
22 federal budget; and

23 2. Protect Oklahoma taxpayers, state employees, agencies,
24 businesses, and entities from retaliation by the federal government

1 for this state's lawful assertion of its constitutional duty to
2 safeguard citizens.

3 SECTION 3. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 37 of Title 62, unless there is
5 created a duplication in numbering, reads as follows:

6 A. There is hereby created in the State Treasury a revolving
7 fund for the Office of the State Treasurer to be designated the
8 "Taxpayer Protection Escrow Revolving Fund". The fund shall be a
9 continuing fund, not subject to fiscal year limitations, and shall
10 consist of all monies received by the Treasurer from federal income
11 tax withholdings collected in this state. All monies accruing to
12 the credit of the fund are hereby appropriated and may be budgeted
13 and expended by the Treasurer for the purpose provided for in this
14 section and Section 4 of this act. Expenditures from the fund shall
15 be made upon warrants issued by the State Treasurer against claims
16 filed as prescribed by law with the Director of the Office of
17 Management and Enterprise Services for approval and payment.

18 B. Upon certification of a balanced federal budget at least
19 thirty (30) days prior to the beginning of the federal fiscal year,
20 the State Treasurer shall disburse the funds deposited pursuant to
21 the provisions of Section 4 of this act to the United States
22 Treasury.

23 C. If no balanced federal budget is certified pursuant to
24 subsection B of this section, the State Treasurer shall, within
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1 ninety (90) days, return payments made by employers and taxpayers
2 pursuant to Section 4 of this act. Employers shall pay the
3 withholdings of each employee to the employee within one (1) week of
4 receiving the funds.

5 D. Interest earned from the investment of funds deposited in
6 the Taxpayer Protection Escrow Revolving Fund shall be deposited in
7 the Taxpayer Defense Fund created pursuant to Section 6 of this act.

8 SECTION 4. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 37.1 of Title 62, unless there
10 is created a duplication in numbering, reads as follows:

11 A. Upon the effective date of this act, all employers in this
12 state required to withhold federal taxes pursuant to Publication 15
13 of the Internal Revenue Service using the federal form W-4 of an
14 employee shall withhold the amount prescribed pursuant to
15 Publication 15 and form W-4 and make payment of the withholding to
16 the Office of the State Treasurer. All taxpayers required to submit
17 estimated tax pursuant to Publication 505 of the Internal Revenue
18 Service using federal Form 1040-ES or 1040-SS or any other
19 withholdings required pursuant to Publication 505 of the Internal
20 Revenue Service shall calculate the amount of estimated tax or
21 withholding pursuant to the publication and make payment to the
22 Office of the State Treasurer.

23 B. The State Treasurer, upon receipt of funds pursuant to
24 subsection A of this section, shall deposit the funds in the

1 Taxpayer Protection Escrow Revolving Fund created in Section 3 of
2 this act.

3 C. The Office of the State Treasurer shall electronically
4 submit a quarterly report to the Legislature detailing deposits,
5 account transfers, interest earned, and the balance of the Taxpayer
6 Protection Escrow Revolving Fund. The State Auditor and Inspector
7 shall annually audit the Taxpayer Protection Escrow Revolving Fund.

8 SECTION 5. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 37.2 of Title 62, unless there
10 is created a duplication in numbering, reads as follows:

11 A. The federal government is prohibited from any punitive
12 action against any citizen, state employee, state agency, political
13 subdivision, business, or entity within this state for compliance
14 with the provisions of this act. Any attempt by the federal
15 government to withhold federal funds otherwise lawfully allocated to
16 this state shall be deemed unlawful and unconstitutional.

17 B. Any federal fines, sanctions, punishments, or penalties
18 levied or enforced against any individual or employer for compliance
19 with the provisions of this act shall be null and void.

20 C. The Attorney General shall indemnify any citizen, entity,
21 and agency penalized by the federal government due to compliance
22 with the provisions of this act. The Attorney General shall, if
23 requested by a citizen, entity, or government entity of this state,
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1 provide legal defense against retaliation by the federal government
2 due to compliance with the provisions of this act.

3 D. The Attorney General may request from the State Treasurer
4 funds deposited in the Taxpayer Defense Fund created pursuant to
5 Section 6 of this act for costs associated with effectuating the
6 provisions of subsection C of this section.

7 SECTION 6. NEW LAW A new section of law to be codified
8 in the Oklahoma Statutes as Section 37.3 of Title 62, unless there
9 is created a duplication in numbering, reads as follows:

10 A. There is hereby created in the State Treasury a revolving
11 fund for the Office of the State Treasurer to be designated the
12 "Taxpayer Defense Fund". The fund shall be a continuing fund, not
13 subject to fiscal year limitations, and shall consist of all monies
14 earned as interest from investment of funds in the Taxpayer
15 Protection Escrow Revolving Fund created pursuant to Section 3 of
16 this act. All monies accruing to the credit of the fund are hereby
17 appropriated and may be budgeted and expended by the Treasurer for
18 the purpose provided for in this section. Expenditures from the
19 fund shall be made upon warrants issued by the State Treasurer
20 against claims filed as prescribed by law with the Director of the
21 Office of Management and Enterprise Services for approval and
22 payment.

23 B. The State Treasurer shall expend deposits to this fund on
24 legal protection and defense for any citizen, entity, or government
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1 entity of this state from federal retaliation for compliance with
2 this act.

3 SECTION 7. It being immediately necessary for the preservation
4 of the public peace, health or safety, an emergency is hereby
5 declared to exist, by reason whereof this act shall take effect and
6 be in full force from and after its passage and approval.

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