

1 STATE OF OKLAHOMA

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

3 SENATE BILL 306

By: Deevers

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5
6 AS INTRODUCED

7 An Act relating to federal taxation; creating the
8 Taxpayer Protection Act; providing short title;
9 stating intent; creating the Federal Tax Fund;
10 providing sources of funds; providing for
11 disbursement of funds; providing for transfer of
12 funds upon certain determination or vote of the
13 Legislature; requiring taxpayers to remit certain
14 federal forms to the Oklahoma Tax Commission;
15 requiring the Tax Commission to review filings and
16 file certain forms; requiring employers and
17 individuals to make certain payment in lieu of
18 withholding and estimated tax payments; requiring
19 deposit of payments in certain revolving fund;
20 declaring certain federal punishment null and void;
21 limiting enforcement of certain penalties; requiring
22 vote of Legislature upon imposition of federal
23 sanctions; requiring officers of this state to
24 implement certain provisions; authorizing the
Governor to call special session of the Legislature;
requiring the state to defend certain actions;
providing for noncodification; providing for
codification; and providing an effective date.

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

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

23 This act shall be known and may be cited as the "Taxpayer
24 Protection Act".

1 SECTION 2. NEW LAW A new section of law not to be

2 codified in the Oklahoma Statutes reads as follows:

3 This Legislature finds that:

4 1. Federal overreach: The Tenth Amendment to the United States
5 Constitution reserves powers not delegated to the federal government
6 to the states or the people. The Legislature finds that the Tenth
7 Amendment limits the scope of federal authority to those powers
8 explicitly enumerated;

9 2. Constitutional taxation: Congress's authority to levy taxes
10 is explicitly limited to the powers enumerated in Sections 8 and 9
11 of Article I and the Sixteenth Amendment of the United States
12 Constitution. Federal mandates that withhold funds or impose
13 conditions on states fall outside these powers, infringe upon state
14 sovereignty, and violate the constitutional principles of federalism
15 protected by the Tenth Amendment;

16 3. Complexity of the federal tax code: The federal tax code,
17 exceeding seventy thousand (70,000) pages, imposes an undue burden
18 on citizens by being overly complex, incomprehensible, and
19 inaccessible. This system disproportionately penalizes average
20 taxpayers, facilitates selective enforcement, and serves as a tool
21 for unconstitutional federal overreach;

22 4. Unconstitutionality of the Internal Revenue Service: The
23 Internal Revenue Service (IRS), an unelected federal agency,
24 unlawfully consolidates legislative, executive, and judicial powers,

1 violating the separation of powers doctrine established by Articles
2 I, II, and III of the United States Constitution. Its actions
3 exceed Congress's delegated authority, undermining the
4 constitutional framework and imposing undue harm on citizens and
5 states; and

6 5. State sovereignty: In light of unconstitutional federal
7 mandates and the IRS's unauthorized authority, this state reasserts
8 its sovereignty under the Tenth Amendment and affirms its duty to
9 protect its citizens from unconstitutional federal actions,
10 including those perpetuated by the Internal Revenue Service and
11 federal tax mandates.

12 SECTION 3. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 284 of Title 68, unless there is
14 created a duplication in numbering, reads as follows:

15 A. There is hereby created in the State Treasury a revolving
16 fund for the Oklahoma Tax Commission to be designated the "Federal
17 Tax Fund". The fund shall be a continuing fund, not subject to
18 fiscal year limitations, and shall consist of all monies received by
19 the Tax Commission from federal income tax withholdings, estimated
20 tax payments, and all other federal tax collections for remittance
21 collected in this state. All monies accruing to the credit of the
22 fund are hereby appropriated and may be budgeted and expended by the
23 Tax Commission for the purposes provided for in this section and
24 Section 4 of this act. Expenditures from the fund shall be made

1 upon warrants issued by the State Treasurer against claims filed as
2 prescribed by law with the Director of the Office of Management and
3 Enterprise Services for approval and payment.

4 B. Except as provided for in Subsection C of this section, the
5 Tax Commission shall make quarterly disbursements of all deposits to
6 the United States Treasury.

7 C. If the Tax Commission or the Attorney General determines
8 that the provisions of the United States Code or the Code of Federal
9 Regulations violate the United States Constitution or upon a vote
10 affirming the unconstitutionality of a federal sanction pursuant to
11 subsection A of Section 6 of this act, the Tax Commission shall
12 cease the quarterly disbursements as required by subsection B of
13 this section and transfer the funds to the Special Cash Fund of the
14 State Treasury, until such time that the unconstitutional provisions
15 are rescinded or the federal sanctions are lifted.

16 SECTION 4. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 285 of Title 68, unless there is
18 created a duplication in numbering, reads as follows:

19 A. For tax year 2025 and subsequent tax years, taxpayers shall
20 remit all required federal tax forms electronically to the Oklahoma
21 Tax Commission, along with the taxpayer identification number of the
22 taxpayer.

1 B. The Tax Commission shall review the filings and federal tax
2 payments of all taxpayers to ensure compliance with the Oklahoma
3 Statutes.

4 C. Upon the effective date of this act, all employers in this
5 state required to withhold federal taxes pursuant to Publication 15
6 of the Internal Revenue Service using the federal form W-4 of an
7 employee shall withhold the amount prescribed pursuant to
8 Publication 15 and form W-4 and make payment of the withholding to
9 the Tax Commission. All taxpayers required to submit estimated tax
10 pursuant to Publication 505 of the Internal Revenue Service using
11 federal Form 1040-ES or 1040-SS or any other withholdings required
12 pursuant to Publication 505 of the Internal Revenue Service shall
13 calculate the amount of estimated tax or withholding pursuant to the
14 Publication and make payment to the Tax Commission.

15 D. The Tax Commission, upon receipt of funds pursuant to
16 subsection C of this section, shall deposit the funds in the Federal
17 Tax Fund created in Section 3 of this act.

18 E. After the Tax Commission ensures compliance as required by
19 subsection B of this section, the Tax Commission shall file the
20 federal forms with the Internal Revenue Service on behalf of the
21 taxpayer, ensuring that the taxpayer receives all credits for their
22 federal income tax liability.

1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 286 of Title 68, unless there is
3 created a duplication in numbering, reads as follows:

4 A. Any federal fines, sanctions, punishment, or penalties
5 levied or enforced against any individual or employer for compliance
6 with the provisions of this act shall be null and void.

7 B. Noncompliance with the provisions of this act by any
8 taxpayer shall only result in penalties enforceable under the
9 provisions of the Oklahoma Statutes.

10 SECTION 6. NEW LAW A new section of law to be codified
11 in the Oklahoma Statutes as Section 287 of Title 68, unless there is
12 created a duplication in numbering, reads as follows:

13 A. If the federal government imposes sanctions resulting from
14 the implementation of the provisions of this act, a simple majority
15 vote of the Legislature shall determine the constitutionality of
16 such sanctions.

17 B. Upon a majority vote determining a sanction to be
18 unconstitutional pursuant to the provisions of subsection A of this
19 section, the funds deposited in the Federal Tax Fund shall be
20 transferred to the Special Cash Fund of the State Treasury.

21 SECTION 7. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 288 of Title 68, unless there is
23 created a duplication in numbering, reads as follows:

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1 A. All officers of this state, including the Governor,
2 Legislature, Attorney General, and other relevant officials, shall
3 implement this act regardless of federal opposition.

4 B. The Governor shall call a special session of the
5 Legislature, if necessary, to address federal actions against this
6 state resulting from the implementation of the provisions of this
7 act.

8 C. This state shall defend actions taken under this act and
9 recover associated costs.

10 SECTION 8. This act shall become effective November 1, 2025.

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