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Attorney General Ashley Moody News Release

AG Moody Takes Action Over Federal Restrictions to Limit State Tax Cuts



TALLAHASSEE, Fla.—Attorney General Ashley Moody today joined a 13-state coalition in filing suit to protect the well-established authority of states to lower taxes for their citizens. The lawsuit argues federal treasury officials cannot force states to relinquish control of their taxing authority in return for much-needed economic aid related to COVID-19. The states take specific issue with a stimulus bill provision that the coalition refers to as one of the most egregious power grabs by the federal government in the nation’s history.

Attorney General Ashley Moody said, “The federal government is trying to tell Florida we cannot lower your taxes. This is simply outrageous and a gross power grab by our federal government. We do not need Washington, D.C. politicians further meddling in Florida’s tax policy and prohibiting our leaders from taking action in the best interest of our citizens. As Florida’s Attorney General, it is my duty to stand up for our state’s rights and the sovereignty of the Florida legislature. That is why I am joining attorneys general from across the country in taking legal action against the Biden administration to end this heavy-handed federal overreach.”

Attorneys general argue that the mandate could be used to claw back a share of a state’s stimulus allotment. This creates an impermissible chilling effect on state lawmakers’ willingness to reduce the tax burdens on their citizens.

Members of the coalition sought to avoid litigation by asking U.S. Treasury Secretary Janet

Yellen to confirm the legislation would not strip states of their taxing authority. However, the lawsuit argues Secretary Yellen's response did not place limits on the vague provision—uncertainty that Yellen admits exists in referring to the ambiguity as a thorny issue in testimony to Congress.

Attorneys general filed the lawsuit against the U.S. Department of the Treasury, Secretary Yellen and the department's Acting Inspector General Richard K. Delmar.

The lawsuit sets forth charges of unconstitutional exercise of federal power, specifically violations of the 10th Amendment, the conditional spending doctrine and the anti-commandeering doctrine.

The attorneys general seek a court order that prohibits enforcement of the federal tax mandate and declares it unconstitutional.

Florida joined the lawsuit, led by Alabama, Arkansas and West Virginia, with support from Alaska, Iowa, Kansas, Montana, New Hampshire, Oklahoma, South Carolina, South Dakota and Utah.

The lawsuit was filed in the U.S. District Court for the Northern District of Alabama. To view the complaint, click [here](#).