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Nullify Unconstitutional Federal Spending

States should use nullification to stop unconstitutional federal spending, just as they can use it to stop other federal usurpations. ***Urge your state legislators to do this.***

The United States federal government has far exceeded its constitutional limitations, regularly violating Americans' God-given rights and exercising powers not delegated to it. State governments have an obligation to resist these usurpations by nullifying — that is, making unenforceable, or null and void — all unconstitutional federal actions. Regarding unconstitutional federal spending, there are at least two specific ways states can do this.

Enact an Escrow Law

One way is for state legislatures to enact a "State Sovereignty and Federal Tax Funds Act," also referred to as an "escrow" law. Under this law, federal taxes would first be required to go into a special fund controlled by the state government. The state would then calculate the percentage of *constitutional* federal spending, meaning for purposes specifically enumerated in the U.S. Constitution for the federal government. Then, the state would send only that percentage of the funds to the Internal Revenue Service (IRS). Depending on the specific introduced bill versions, the remaining funds would either go toward state expenditures currently reliant on federal funding — thus ensuring the state is financially independent — or be returned to taxpayers.

This bill would save taxpayers a significant amount of their hard-earned income, considering that an estimated 80% of federal spending is unconstitutional. Additionally, it would put heavy pressure on the federal government to cut its reckless spending while also financially protecting the states from federal retaliation.

State legislators are often reluctant to nullify unconstitutional federal laws as they fear losing their federal funding in retaliation. However, an "escrow" bill is one of the strongest responses to this threat and would

remind the federal government of its proper, limited place in the U.S. system of government.

This bill has been introduced in multiple states in previous years, including Georgia, Missouri, Ohio, Oklahoma, and Washington. However, no state thus far has enacted it into law. To get serious about countering federal usurpations, and to gain the upper hand in the fight to restore constitutional governance and fiscal responsibility, state legislators must enact an "escrow" bill into law.

Nullify the Federal Reserve

Another way states can rein in unconstitutional federal spending is to nullify the Federal Reserve, which itself is unconstitutional, and its current monopoly on currency. The central bank's ability to create money has encouraged Congress to engage in reckless spending.

Already, states have enacted legislation taking steps in this direction. For example, 42 states have abolished or curtailed sales taxes on precious metals such as gold and silver, a major step toward treating them as money. (The states that have *not* done this are Hawaii, Kentucky, Maine, Mississippi, New Jersey, New Mexico, Vermont, and Wisconsin.)

Meanwhile, three states — Oklahoma, Utah, and Wyoming — have explicitly reaffirmed the validity of gold and silver as legal tender, further encouraging their use in competition with Federal Reserve Notes, which are nothing more than elastic fiat currency. Additionally, Texas has taken the step of creating a state precious-metals depository, further reducing state dependence on the Fed. Tennessee has enacted legislation to study creating its own depository.

While these are positive steps, state governments must go all the way by enforcing the Constitution's Gold and Silver Clause (Article I, Section 10), which declares that "No State shall … make any Thing but gold and silver Coin a Tender in Payment of Debts." This part of the Constitution has not been changed by a constitutional amendment, therefore Article I, Section 10 is still the Supreme Law of the Land. Nullifying the Fed will help rein in federal spending, and it will also stop the rampant inflation that Americans are experiencing.

If the Constitution is fully enforced, the size and scope of government will shrink significantly. The time to begin enforcing it is now. Urge your state legislators to take immediate action by enacting an "escrow" law and nullifying the unconstitutional Federal Reserve.