

Steve Marshall
Alabama Attorney General



November 15, 2021

For press inquiries only, contact:

Mike Lewis (334) 353-2199

Joy Patterson (334) 242-7491

Page 1 of 1

Attorney General Steve Marshall Announces Victory Over Biden Unconstitutional Ban on State Tax Cuts

(MONTGOMERY) – Alabama Attorney General Steve Marshall announced today that the State has won its suit against the U.S. Department of Treasury over a provision of the American Rescue Plan Act (ARPA) that punishes states for making changes to any laws that would reduce taxes.

On Monday, the U.S. District Court for the Northern District of Alabama granted the States’ motion for a final judgment and permanent injunction, instructing the Treasury Secretary not to seek enforcement of the Tax Mandate against the plaintiff states.

“This federal tax mandate is an unprecedented and unconstitutional assault on state sovereignty by the federal government, which attempts to commandeer the State of Alabama’s sovereign power to tax and spend and determine her own fiscal policies. I am pleased that the court agreed,” Attorney General Marshall added.

In its opinion, the court notes “The Tax Mandate’s restriction on direct or indirect state tax cuts pressures States into adopting a particular – and federally preferred – tax policy. The inherent ambiguity in the text of the mandate may disincentive the Plaintiff States from considering any tax reductions for fear of forfeiting ARPA funds. This is a federal invasion of State sovereignty...”

The Attorney General concluded, “My Office is now fighting this pattern of behavior by the federal government on a weekly basis in court and we have no intention of stopping.”

Alabama, which co-led the lawsuit with West Virginia and Arkansas, was joined by Alaska, Florida, Iowa, Kansas, Montana, New Hampshire, Oklahoma, South Carolina, South Dakota and Utah. The lawsuit is linked [here](#).

The Attorney General extends his thanks to Senate General Fund Budget Chair Greg Albritton for his helpful assistance in this case.

--30--

