

**THE TRUTH
ABOUT THE
INCOME TAX**

OR

**THE IRS FRAUD
EXPOSED**

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THE TRUTH ABOUT THE INCOME TAX

Introduction

The Constitution of the United States of America, the Supreme Law of the Land, establishes a **limited** federal government in America.

LIMITED MEANS RESTRICTED BY SUPREME LAW !

That means that if something is **not explicitly authorized in the Constitution, then the Federal government is prohibited from engaging in that activity**. And the government is, of course, supposed to be also prohibited from doing anything that the Constitution **explicitly forbids** it from doing !!!

THE CONSTITUTIONAL FRAMEWORK FOR TAXATION

Now, the Constitution, of course, authorizes the federal government to lay and collect taxes in order to ensure the operation and solvency of the government and the nation. However, because the founding fathers truly did understand that the power to tax is indeed the power to destroy, it does so very specifically and carefully in order to ensure that the taxing authority would never become the same tyrant (the King of England and his hoard of tax collectors) that the Constitution was created in order to permanently vanquish.

So, the Constitution very carefully divides the power to tax into two categories, Direct and Indirect taxation. Indirect taxes are authorized to provide for the operation of the government and its legitimate functions and are made subject to the rule of uniformity, which simply means that everyone must be treated the same and is taxed at the same rate as everybody else for similar activities.

Direct taxes are authorized to ensure the solvency of the nation (to pay debts off in a timely manner) and they are made subject to the rule of apportionment (according to the last census). Now, what the rule of apportionment means is that the Federal government **DOES NOT COLLECT DIRECT TAXES FROM CITIZENS** – it collects them **FROM THE STATE GOVERNMENTS**. Each State's government (Treasury) is responsible for its citizens' proportionate share of the total direct tax laid by Congress. The proportionate share that each state must pay is calculated based on the population count for the State in the last census taken. So if ten percent of the population counted in the last census lived in California, the California government would have to come up with ten percent of the Direct tax that was laid by Congress.

Please notice that in order to tell each State how much its share is and therefore, how much it must pay, Congress **MUST SPECIFY exactly** how much money is to be raised by this Direct tax. Once the amount to be raised by the tax is fixed, then and only then can the State's

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begin to make arrangements to raise the money and pay the tax. Otherwise, the states would know neither how much money to raise (above existing treasury levels), nor how much they were actually liable to pay. So direct taxes are never paid by the citizen to the federal government directly, they are paid by the State governments, thus preventing the TYRANNY that inevitably results when the government arrives on the doorsteps of the citizens and demands arbitrary amounts of money from them in the name of tax. The Founding Fathers were very familiar with this tyrannical reality, and they removed this cancer from the American landscape forever, or at least they thought they had, by Constitutionally forbidding the Federal government from ever taxing the citizens directly, unless apportioned to the States for collection.

Now, Indirect taxes (imposts, duties, and excises) are also rarely collected by the federal government itself (except at the borders). Indirect taxes are generally collected by third parties that are not employed by the federal government directly, but are merely collecting taxes for the government as a function of their own business. For instance, the liquor store, the drug store, the gas station, the airline, etc. In all of these cases indirect taxes are peaceably and orderly collected and paid over to the federal and State governments, without the taxpayer ever having to confront or deal with the formal government. An individual either pays the tax at the cash register (which they should know about ahead of time) and chooses to do so, or they don't get to buy the liquor, gas, etc. at the store. If you don't want to pay the tax, you don't have to – you can go home and make your own beer, grow your own tobacco, and farm your own food, etc. And because the government is rarely directly involved in any of this tax collection from the public, and never forces anyone to pay a tax that they don't want to pay, the system works without creating any animosity between the government and its citizens.

Please notice that **under the legitimate Constitutional scheme of taxation the Federal government is NEVER ALLOWED to demand money from the citizens in the name of tax.**

IT DOESN'T MATTER IF THE TAX IS DIRECT OR INDIRECT, THE FEDERAL GOVERNMENT IS PROHIBITED FROM DEMANDING MONEY FROM WE THE PEOPLE !

The reason why is that the Founding Fathers understood completely that Direct taxation of the People by the State is the definition and very essence of TYRANNY, because no individual, regardless of how wealthy or powerful he or she might be, can withstand the might of the State if it is allowed to bring that might to bear against the individual citizen.

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THE MYTH

In the early centuries A.D. men feared the Fire Breathing Dragon, a great mythical creature of indeterminable and undefeatable power which burned individual men to ashes with a single breath. Today, believe it or not, we live with the same MYTH, about a "creature" of great and undefeatable power. Our DRAGON, our national curse and disgrace, our BEAST, is, of course, the IRS.

Most Americans fear the IRS out of ignorance of the law. Knowledge dispels hysterical fears of the unknown and makes possible the vanquishing of our foes. These information web pages have been assembled in an effort to help all American citizens overcome their own unfounded, hysterical fears of the IRS by making them knowledgeable about the law imposing income taxes, and how those laws affect you, the American citizen. Once you know the TRUTH about the tax laws, the unconstitutional and illegal reign of terror orchestrated by the IRS in America for over 50 years will finally be over.

THE CODE HAS BEEN BROKEN !

The Paperwork Reduction Act Notice of 1980 is the key to exposing and understanding the truth about America's tax laws. The truth has been in print (the code) since 1916, and reaffirmed in print again recently. In 1985, when the IRS complied with the mandates of the Paperwork Reduction Act by providing to the Office of Management and Budget (OMB) the Table shown in 26 CFR 602.101, the stage was set to effect the end of the IRS in America. The IRS cannot ask you for more information, under any given code section, than this Table shows is required by that code section. This Table is from Title 26 (the Internal Revenue Code), Code of Federal Regulations (CFR), which implement the United States Code (USC) sections providing for the legal reduction of paperwork, and the administrative costs associated with its maintenance.

The following, showing the actual legal code sections that the IRS itself cites and invokes, should serve as proof beyond any reasonable doubt what-so-ever that the income tax laws are being intentionally misapplied to all American Citizens in America, in order to fund an unspoken, and un-American political agenda of socialist global control. To understand just how important the Paperwork Reduction Act is to the tax laws, keep in mind that since 1980 the IRS has been required by law to provide a notice of it (Notice 609) with every single piece of correspondence they issue to individuals. You can find a complete copy of this notice on Page 1 of any Form 1040 Tax Instruction Booklet. But, the IRS won't tell you about the Code of Federal Regulations where you can lookup the information collection (form) requirements of any given code section. They just tell you that you're supposed to know the law. Well, after reading this book, YOU WILL !

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CHAPTER 1

IMPLEMENTATION

United States Code Annotated - General Index

Where does one begin an examination of the United States tax laws. The United States Code is voluminous and very complex. So, let us start at the beginning. Here, in the General Index for the United States Code Annotated from 1994, under the major heading *Citizenship*, we try to find an entry for *Income Tax*. But we only find:

CITIZENSHIP, cont'd.

.....

Illegitimate Children **8 § 1409**

Immigration, this index

Imprisonment,

 Citizens by foreign governments **22 § 1732**

 Detention of Citizens prohibited except by
 Act of Congress **18 § 4001**

Indians,

 Generally **8 § 1401**

.....

Where is income tax? There is nothing listed or shown for Income Tax in the General Index under '*Citizenship*'. It would be there between '*Imprisonment*' and '*Indians*' if it existed. It's not listed. There are no income tax code statutes shown here in the General Index as being applicable under '*Citizenship*' because, as you will see, the income tax does not apply to a Citizen's domestic earnings and income earned by RIGHT, and the law accurately records that legal fact.

Here, in the General Index again, we see the entries for *Citizens* under the major heading *Income Tax*.

INCOME TAX, Cont'd.

.....

Citizens,

 About to depart from U.S., waiver of requirements
 as to termination of taxable year **26 § 6851**

 Living abroad, exclusion of earned income and
 foreign housing costs from gross income **26 § 911**

Civic Leagues,

....

How many code sections are shown here, in the General Index, as being applicable to Citizens under income tax? There are two sections, and they both have to do with what? They both have to do with **foreign countries**. So, here in the General Index for the Annotated Code, we immediately get our first indication that the income tax laws **may be substantially different** than what we have been led to believe is true by our government. Furthermore, if one looks up "Income Tax" under the major heading of "**Aliens**" in this General Index, one will find **nine pages of code sections** listed as being applicable, eight of those pages relate to income tax sections relevant to **nonresident aliens**.

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Income Duty of 1861

Most people in America believe that income tax first started in America between 1913 and 1916. That is not correct. Income tax first appeared in the law at the beginning of the Civil War, in 1861. The text of the law read:

INCOME DUTY

§ SEC. 89. And be it further enacted, That for the purpose of modifying and reenacting, as hereinafter provided, so much of an act, entitled "An act to provide increased revenue from imports to pay interest on the public debt, and for other purposes," approved fifth of August, eighteen hundred and sixty-one, as relates to income tax;...

The first income tax was an income **DUTY**, imposed as a duty on revenue derived from **foreign imports**; imposed as a **FOREIGN TAX DUTY**. Duties are collected at the Ports of Entry to a nation, **they are not imposed on domestic activities**.

Also in the 1860s, in 1862, along with the Income Duty of 1861, Congress passed an Act into law that can only, and most accurately, be described as a Federal employment "kickback" agreement. The text of the Act read:

The Federal Employee Kickback

Section 86. Salaries and Pay of Officers and Persons in the Service of the United States, and Passports.

§ SEC. 86. And be it further enacted, that on and after the first day of August, eighteen hundred and sixty-two, **there shall be levied, collected, and paid on all salaries of officers, or payments to persons in the civil, military, naval, or other employment or Service of the United States**, including senators and representatives and delegates in Congress, when exceeding the rate of six hundred dollars per annum, **a duty of three per centum** on the excess above the said six hundred dollars; and it shall be the duty of all paymasters, and all disbursing officers, under the government of the United States or in the employ thereof, when making any payments to officers and persons as aforesaid, or upon settling or adjusting the accounts of such officers and persons, to deduct and withhold the aforesaid duty of three per centum, and shall, at the same time, make a certificate stating the name of the officer or person from whom such deduction was made, and the amount thereof, which shall be transmitted to the office of the Commissioner of Internal Revenue, and entered as part of the internal duties; and the payroll, receipts, or account of officers or persons paying such duty, as aforesaid, shall be made to exhibit the fact of such payment.

...[balance of section 86 applied to passports] (emphasis added)

Please note that the **ONLY** people who are subject to this duty, **by clear statutory language**, are **Federal employees**. The **EFFECT** of Section 86 identifies what it really is - a kickback of part of the property agreed, under employment contract, to be paid for the labor of a Federal government employee. By this Act the amount of compensation contractually agreed to was unilaterally diminished by one party to the agreement (Congress), without the consent of the other party (the federal employee). A unilateral change in the employment contract of all persons already in the employ of the Federal government was, and is, **not** legal, and the conduct of the United States judges for the next 70 years proves it, as they

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REFUSED to pay this "duty" until after 1932. Thus becoming, according to the IRS, the first "tax protesters" in American history. The Judges understood that the result of arranging for the withholding of three percent of the compensation due to Federal government employees under existing contracts was a deprivation of property and liberty without due process of law, which is violative of the Fifth Amendment to the Constitution.

The Judges Refuse

In 1863 Supreme Court Chief Justice Taney sent a letter to the Secretary of the Treasury attacking implementation of Section 86 on the compensation of Federal judges as being unconstitutional. This letter was also published as a Supreme Court decision (157 U.S. 701). In it, Justice Taney states:

*"The Act in question, as you interpret it, diminishes the compensation of every judge three percent, and if it can be diminished to that extent **by the name of a tax**, it may in the same way be reduced from time to time at the pleasure of the legislature."* (emphasis added)

Here you can see that the judges understood the effect of this law was a diminishment "*by the name of a tax*". They knew it was not an actual tax, **but a forced debt obligation**. In this country **there exists no circumstance** under which a person lawfully can be forced to accept a debt against their will. **The judges chose to exercise their RIGHT to REFUSE TO ACCEPT THIS DEBT.**

The facts presented above were expressed by the Supreme Court in Pollock v Farmer's Loan & Trust Co. in 1895 where they said:

"Subsequently, in 1869, The question arose whether the law which imposes such a tax upon them was constitutional. The opinion of the Attorney General thereon was requested by the Secretary of the Treasury. The Attorney General, in reply, gave an elaborate opinion advising the Secretary of the Treasury that **no income tax could be lawfully assessed and collected upon the salaries of those officers who were in office at the time the statute imposing the tax was passed**, holding on this subject the views expressed by Chief Justice Taney. His opinion is published in Volume XIII of the Opinion of the Attorney General, at page 161. I am informed that it has been followed ever since without question by the department supervising or directing the collection of the public revenue." (emphasis added)

The "kickback" program illegally forced a three percent debt obligation upon Federal government employees working under an existing employment agreement in 1862. However the "kickback" program established by Section 86 was legal when applied to the salary of persons who took employment with the Federal government after the Act was passed because they were on notice that a three percent kickback was part of their employment agreement.

This "tax" (notice that it is not even called a tax in the Act, but a "Duty"), **ONLY APPLIES TO FEDERAL EMPLOYEES**. It is these two acts from the 1860's, the Foreign Income Duty and the Federal employment agreement "kickback", blurred under the 16th Amendment distractions, whose provisions have been intentionally mingled by the IRS with the Social Security provisions of the 1930's, that have become today's so-called income tax, **not by proper changes in the law**, but by improper enforcement procedure by a **renegade IRS**, brutally and illegally intimidating, coercing and persecuting good American Citizens by threat, in order to force them to pay a so called "income tax" that **they LEGALLY NEVER OWED** in the first place (as we will see), **because they were never subject to it**

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under the law because they never worked for the Federal government or earned foreign income under treaty !!!

A Note From the Commissioner

If we look at what the IRS tells us today about income taxes on the first page of the Form 1040 Tax Instruction Booklet from 1994, we find a "*Note From the Commissioner*", which is usually one of the first things in the booklet. This one is from Margaret Richardson, the current Commissioner of the IRS. It states in part:

Dear Taxpayer,

Thank you for making this nation's tax system the most effective system of voluntary compliance in the world. The key to maintaining that system is ensuring that you are treated fairly and equitably, that your privacy is protected, and that our tax system is as simple and understandable as possible....

Margaret Milner Richardson

There it is! **Voluntary Compliance**. Why does she say that ? What does that mean ? Does that seem strange to you, given the IRS's known position in court ? And how does it effect you, a sovereign American Citizen, if compliance really is voluntary ? We will come back to those questions in a bit, but I would point out here that this opening statement is not unusual. Nearly every instruction booklet from past years has opened with some variation of this statement from the Commissioner.

The next thing we're going to take a look at is the Privacy Act & Paperwork Reduction Act, Notice 609, which is required by law to be supplied to you by the IRS with any correspondence you receive from the IRS. It states in pertinent part:

Privacy Act and Paperwork Reduction Act

Notice 609

The Privacy Act of 1974 and Paperwork Reduction Act of 1980 say that when we ask you for information, we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a) and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections.....

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.....

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If you do not file a return , do not provide the information we ask for, or provide fraudulent information, the law says that you may be charged penalties and, in certain cases, you may be subject to criminal prosecution.....

Please keep this notice with your records. It may help you if we ask for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

In the third paragraph it states:

*"Our legal right to ask for information is Internal Revenue Code Sections 6001, 6011 & 6012(a) and their regulations. They say that you must file a return or statement with us for any tax **you are liable for.**"*

Now does that say you have to file a return for taxes that you are **not** liable for ? No! Does it state who is liable ? No! Does it even state what liability is ? No ! And that raises the legal questions, what is liability, and who is liable? We will come back to these questions.

Now keep in mind that this does not actually say that this is their right to ask **you** (the Citizen) for information. It doesn't actually specifically say **from whom** information may be requested, it just establishes that a legal right to request information does exist. But from whom may information actually be requested under these laws ? Well, they cite three code sections in this notice, what do they say ?

§ 6001. Notice or regulations requiring records, statements, and special returns.

Every person liable for any tax imposed by this title or for the collection thereof, shall keep such records, render such statements, make such returns, and comply with such rules and regulations as the Secretary may from time to time prescribe. Whenever in the judgment of the Secretary it is necessary, he may require any person, by notice served upon such person or by regulations, to make such returns, render such statements or keep such records as the Secretary deems sufficient to show whether or not such person is liable for tax. The only records which an employer shall be required to keep under this section in connection with charged tips shall be charge receipts, records necessary to comply with section 6053(c), and copies of statements furnished by employees under section 6053(a).

(emphasis added)

Notice that the first three words in this code section are: "**Every person liable**". Does this code section actually establish liability ? Or, does it simply **list the consequences of being liable**, leaving the reader to **assume** that he or she is in fact made liable elsewhere in the Code. Indeed it does not **establish** liability, it merely lists the **consequences of being liable**. It is interesting to note, that the second sentence here says:

*"Whenever in the judgment of the Secretary it is necessary, **he may require any person, by notice** served upon such person or by regulations, to make such returns, render such statements or keep such records as the Secretary deems sufficient to show whether or not such person is liable for tax."*

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Have you ever received notice from the Commissioner ? Are you sure that you're required to make such returns, render such statements or keep such records ? Which records, which statements, and which returns are required ? Do you see in the third sentence where it refers to "*employers*". Does this code section apply to employers ? Are employers liable for tax ? (see Section 3403 - Liability for Tax)

Section 6011 was the next section cited in Notice 609 by the IRS as their right to request information, and it says:

§ 6011. General requirement of return, statement, or list.

(a) General rule.

When required by regulations prescribed by the Secretary **any person made liable** for any tax imposed by this title, or with respect to the collection thereof, shall make a return or statement according to the forms and regulations prescribed by the Secretary. Every person required to make a return or statement shall include therein the information required by such forms or regulations..... (emphasis added)

The first sentence states in pertinent part:

"... any person made liable..."

Does this code section actually make anyone liable, or again, does it just list the consequences of being made liable, leaving the reader to assume or presume, again, that liability exists, or is actually established elsewhere in the code ? **Neither** of these code sections, 6001 nor 6011, **actually establish** liability. They simply establish the **consequences** of being *liable*, or being *made liable*. So, we're going to look for Code sections that do state some person is *liable*, or is *made liable* for the payment of "income" tax, that would trigger the filing requirements established by these sections.

The last section referenced by the IRS in Notice 609, as their right to ask for information, Section 6012, states in pertinent part:

§ 6012. Persons required to make returns of income.

(a) **General rule.** Returns with respect to income taxes under subtitle A shall be made by the following:

(1)(A) Every individual having for the taxable year gross income which equals or exceeds the exemption amount, except that a return shall not be required of an individual

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(i) who is not married, is not a surviving spouse, is not a head of a household and for the taxable year has gross income of less than the sum of the exemption amount plus the basic standard deduction applicable to such an individual.

(ii) who is a household and for the taxable year has gross income of less than the sum of the exemption amount plus the basic standard deduction applicable to such an individual.

(iii) who is a surviving spouse and for the taxable year has gross income of less than the sum of the exemption amount plus the basic standard deduction applicable to such an individual.

(iv) who is entitled to make a joint return and whose gross income, when combined with the gross income of his spouse, is, for the taxable year, less than the sum of twice

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the exemption amount plus the basic standard deduction applicable to such a joint return, but only if such individual and his spouse, at the close of the taxable year, had the same household as their home.

This section states

“Returns with respect to income taxes under Subtitle A ...”

and Subsection (1)(A) says, *“every individual having for the taxable year...”*

So, the requirement identified here is being established for *individuals under Subtitle A*. But, where is the tax imposed on individuals that would correspond to this filing requirement, and what is the exact legal nature of the specific requirement that is established by this section (6012) in conjunction with the imposing statute? This Code section (6012) may appear to be related to individuals and a corresponding filing requirement (for Returns), but what are its legal limitations, as recorded in the law, and who are the individuals subject **under subtitle A**?

Structural Organization of Title

First, a short explanation regarding the organization of the Tax laws in the United States Code. The tax law of the United States of America is in Title 26 of the United States Code (Internal Revenue Code). Title 26 is broken into a number of Subtitles, each Subtitle being a distinct and separate section of the law as the table below shows:

Tax or Topic -----	Subtitle -----	Chapters -----	Sections -----
Income Taxes	A	1 to 6	1
Estate & Gift Taxes	B	11 to 13	2001
Employment Taxes	C	21 to 25	3101
Miscellaneous Excises	D	31 to 47	4041
Alcohol, Tobacco and Certain Other Excises	E	51 to 54	5001
Procedure and Administration	F	61 to 80	6001
Joint Committee on Taxation	G	91 to 92	8001
Financing Presidential Election Campaigns	H	95 to 96	9001
Trust Fund Code	I	98	9500

This book examines the laws under Subtitle A - Income taxes, Subtitle C - Employment taxes, and Subtitle F - Procedure and Administration, which applies and implements the other Subtitles under the law. The code sections we just looked at 6001, 6011 and 6012 are all from Subtitle F. Income taxes are in Subtitle A, consisting of chapters 1 - 6 of Title 26, Employment taxes are in Subtitle C, consisting of chapters 21 - 25.

It is important to understand that each Subtitle establishes a distinct and separate program, or "tax", with its own individual authority to administer within that Subtitle, over its code sections. These

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authorities do not automatically cross over into the other Subtitles and cannot be invoked as an authority in the other Subtitles unless it is shown as applicable within the law and its provisions (regulations).

Each Subtitle imposes its own tax, and establishes the groups of persons subject to that tax, within that specific subtitle. Just because one group of people is subject to one tax under one subtitle, does not necessarily imply that group is automatically also subject to the taxes imposed by other subtitles. To demonstrate this point one could ask "Do you pay Subtitle E taxes ?". For most people, the answer is a resounding "NO". Why not, you may ask, isn't everyone subject to the law? The answer, of course, is that the group of persons subject to Subtitle E taxes are ONLY those people who engage in the manufacture and sale of alcohol and tobacco products, as proscribed in Subtitle E.

As you will see, the group of people who are subject to the Subtitle C Employment Tax laws are those people who have **voluntarily** chosen to participate in the Social Security program and supply a Social Security number. Who then, is the subject of the Subtitle A - Income Tax laws, and what exactly is the true nature of this tax and its associated filing requirements ? Well, Section 6012 said: "... *with respect to income taxes under Subtitle A ...*", and we are looking for the Code section where the income tax is imposed on individuals, so, we go to Title 26, Subtitle A, Chapter 1, Section 1, which states:

SUBTITLE A - INCOME TAXES

Chapter 1. - NORMAL TAXES AND SURTAXES

Subchapter A. - Determination of Tax Liability

PART 1. - Tax On Individuals

§ 1. Tax Imposed.

(a) Married individuals filing joint returns and surviving spouses. There is hereby imposed on the taxable income of -

- (1) every married individual (as defined in Section 7703) who makes a single return jointly with his spouse under Section 6013, and
- (2) every surviving spouse (as defined in Section 2(a)), a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over 32,450	15% of taxable income
Over 32,450 but not over 78,400	4,867.50, plus 28% of the excess over 32,450
Over 78,400	17,733.50, plus 31% of the excess over 78,400

(b) Heads of households. There is hereby imposed on the taxable income of every head of a household (as defined in section 2(b)) a tax determined in accordance with the following table:

If taxable income is:	The tax is:
Not over 26,050	15% of taxable income
Over 26,050 but not over 67,200	3,907.50, plus 28% of

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the excess over 26,500
Over 67,200 15,429.50, plus 31% of
the excess over 67,200

(c) Unmarried individuals (other than surviving spouses and heads of households).

There is hereby imposed on the taxable income of every individual (other than a surviving spouse as defined in section 2(a) of the head of a household as defined in section 2(b)) who is not a married individual (as defined in section 7703) a tax determined in accordance with the following table:

If taxable income is: The tax is:
Not over 19,450 15% of taxable income

Over 19,450 but not
over 47,050 2,917.50, plus 28% of
the excess over 19,450

Over 47,050 10,645.50, plus 31% of
the excess over 47,050

(d) Married individuals filing separate returns There is hereby imposed on the taxable income of every married individual (as defined in section 7703) who does not make a single return jointly with his spouse under section 6013, tax determined in accordance with the following table:

If taxable income is: The tax is:
Not over 16,225 15% of taxable income

Over 16,225 but not
over 39,200 2,433.75, plus 28% of
the excess over 16,225

Over 39,200 8,866.75, plus 31% of
the excess over 39,200

(e) Estates and trusts. There is hereby imposed on the taxable income of -

- (1) every estate, and
- (2) every trust,

taxable under this subsection a tax determined in accordance with the following table:

If taxable income is: The tax is:
Not over 3,300 15% of taxable income

Over 3,300 but not
over 9,900 495 , plus 28% of
the excess over 3,300

Over 9,900 2,343 plus 31% of
the excess over 9,900

(f) Adjustments

Does all of this look familiar ? It should, this is the Income Tax you probably pay every April 15th of every year, and it sure looks like everyone has to pay, doesn't it ?

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But wait, notice that the language in each of the paragraphs of this section reads in the form:

“...there is hereby imposed on the taxable income ... a tax ...”.

Notice that in all of these paragraphs the tax is not actually imposed on the individual him or herself, it is imposed on the **taxable income** of the individual. So, that leads to the question, what is taxable income, and **what makes** income **taxable**, as opposed to **non-taxable** ? What everybody in America apparently does: is **assume** that they have taxable income, and then **assume** that they have liability for tax, and then they **assume** that **Form 1040** is the correct form to file to satisfy that liability for tax on taxable income that they have as individuals, So they fill out **Form 1040** and send it in to the IRS to pay the tax. But, **is that the correct and proper legal procedure to follow under the law** ? Certainly that is what the IRS tells us to do, **but what does the law actually say**. What information is **legally required** from U.S. Citizens to satisfy the **statutory liability** for tax on *taxable income* established in Chapter 1, Section 1, by the (income) tax imposed ?

For the answer to that question we must go back to the Paperwork Reduction Act, but first, a small note (code section).

Most people believe that Section 1 is all there is in the law regarding the imposition of the income tax. But what about this next section from Title 4 - Rules For Federal Employees.

4, U.S.C. § 111. State, and so forth, taxation affecting Federal areas; taxation affecting Federal employees; income tax.

The United States consents to the taxation of pay or compensation for personal service as an officer or employee of the United States, a territory or possession or political subdivision thereof, the government of the District of Columbia, or an agency or instrumentality of one or more of the foregoing, by a duly constituted taxing authority having jurisdiction, if the taxation does not discriminate against the officer or employee because of the source of the pay or compensation.

Here Congress is consenting to the taxation (kickback return) of the pay of Federal officers and employees **in the name of income tax**. There is no such corresponding statute anywhere in the code for anyone who **DOES NOT WORK FOR THE FEDERAL GOVERNMENT**. In this law, the U.S. government is providing notice that **ONLY** the employees of the U.S. government (United States), who are receiving the U.S. government's property (in the form of wage payments to those employees), which is subject to being returned (kick-backed) to the government, are responsible for those *returns of income* (referenced in 6012), to the government as part of their employment agreement. This section is in Title 4 **BECAUSE IT ONLY APPLIES TO GOVERNMENT EMPLOYEES and cannot apply to anyone else**. Congress cannot enact law for any other taxing authority (like a State), or in any area where it does not have territorial jurisdiction. Only government employees are responsible for returning a portion of their income to the Federal government (IRS), NOT Citizens in the fifty States WHO DO NOT WORK FOR THE FEDERAL GOVERNMENT.

THE PAPERWORK REDUCTION ACT

Now, the Paperwork Reduction Act effectively says that the United States government cannot require, or collect, more information from Citizens than is absolutely necessary to satisfy the requirements of the law. And under this Act, which was passed in 1980, the IRS was required to file

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with OMB, the Office of Management and Budget, a list of all the code sections that required information to be collected from individuals, together with the cross-referenced list of forms to be used to satisfy those legal information collection requirements for any given code section.

This table is incorporated into the law in the Code of Federal Regulations in 26 C.F.R. 602.101, whose introduction states that the purpose of this regulatory section is to comply with the legal requirements imposed on the government by the Paperwork Reduction Act. The IRS itself prepared and supplied this Table to OMB. It took the IRS five years to comply with the mandate of this Act to document the specific filing requirements associated with any given section, and after you see the table you will understand why the IRS did not want to release this information for over five years. It states in pertinent parts:

PART 602 - OMB CONTROL NUMBERS UNDER THE PAPERWORK REDUCTION ACT

Section 602.101. OMB Control numbers.

(a) Purpose.. This part collects and displays the control numbers assigned to collections of information in Internal Revenue Service regulations by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1980. The Internal Revenue Service intends that this part comply with the requirements of ... (OMB regulations implementing the Paperwork Reduction Act), for the display of control numbers assigned by OMB to collections of information in Internal Revenue Service regulations....

26 CFR (4-1-94 Edition)	
CFR part or section where identified and described	Current OMB Control No.
1.1-1	1545-0067
1.23-5	1545-0074
1.25-1T.....	1545-0922
	1545-0930
1.25-2T.....	1545-0922
.....	
1.60120	1545-0067
1.6012-1	1545-0074
.....	

In the portion of the table reproduced above, the left hand column shows the code section (where the income tax is imposed; in PART 1, Section 1, designated here in the table as **1.1-1**), and the right hand column shows the OMB Document Control Number (DCN) assigned to the information collection request (the **form**), that is required by the code section to satisfy its legal requirements. Note that there is only **one** form shown here as being required by the law that imposes the income tax, and note that the form that is to be used to satisfy the requirements of this code section, where the income tax is imposed, carries OMB DCN **1545-0067**. Also note that the same form is required by Regulation 1.6012-0, which corresponds to the individual's filing requirement established in Section 6012, which has already been reviewed.

It should be noted that 6012 (from Subtitle F - Procedure and Administration) is used to enforce all of the individual filing requirements established and imposed in the other Subtitles, but it does not expand or establish any new or additional requirements in association with any given section. So, while 1.6012-1 can be used to enforce (and require) the use of Form 1040 in association with those sections that actually

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do require it (1.23-5 for example), **IT DOES NOT AND CANNOT EXPAND THE REQUIREMENT OF SECTION 1**, as shown in the above CFR table. It can properly be used to enforce the requirement(s) shown, but it cannot expand them.

So, if **Form 1040** is the proper form for United States Citizens to file to satisfy their liability on taxable income, under the law, as listed by the IRS; that OMB Document Control Number, **1545-0067**, will show up on the top of a Form 1040.

Department of the Treasury - Internal Revenue Service		
Form 1040	U.S. Individual Income Tax Return 1993	Reserved for IRS Use Only.
For the year Jan 1-Dec 31, 1993, or other tax year beginning	, 1993 ending	,19 OMB No. 1545-0074

Here is the reproduced top portion of a Form 1040 from 1993, and there in the upper right hand corner, it says **OMB No. 1545-0074**. Does that number match the number shown in the table as being required by Section 1 that imposes the tax ? **No !** It's the wrong number! The Table in the Code of Federal Regulations shows that the law requires the form with OMB Document Control Number **1545-0067**, not **1545-0074**.

It's probably worth saying that **1545** is the prefix assigned by OMB to all IRS documents. But OMB Document Control Number **1545-0074** is assigned to Form 1040, and the form required by the law carries DCN **1545-0067**. So what form does carry the OMB Document Control Number 1545-0067 ?

Form 2555	Foreign Earned Income	OMB No. 1545-0067
For Use by U.S. Citizens and Resident Aliens Only		1993

Here, you see at the top of the form, in the upper right hand corner it says: **OMB No. 1545-0067**. Now that matches the entry in the CFR Table! And what is the title of this form ? **Form 2555 Foreign Earned Income** ! And what does it say underneath the title ?

"For Use by U.S. Citizens and Resident Aliens Only".

Now does Form 1040, say anything about who is supposed to use it ? No, it doesn't! But **Form 2555 - Foreign Earned Income** states who is supposed to use it, "**U.S. Citizens and Resident Aliens Only**". This is the form that's listed in the law as being required to satisfy the information reporting requirements associated with the individual's statutory liability for income tax on "**taxable income**", imposed by Section 1 in Chapter 1, the income tax; and, it is the same form shown as being required under Section 6012, which was cited by the IRS itself in Notice 609.

I'll mention that here again, under the law, we find that the income tax, for Citizens, other than the Federal "source" kickback", appears to be related **only** to foreign income. Remember we started with the General Index for the United States Code Annotated and found that under Income Tax, under Citizens, it only referenced foreign countries, and here again, we find that the only form actually required under the law, reports **only foreign** income. The law is consistent so far, isn't it? It doesn't agree with

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what we are told to believe by the IRS, but it agrees with itself, without contradiction, doesn't it ? So what is the proper legal use of a Form 1040 ? The next document will help explain things.

TREASURY DECISION 2313 Income Taxes

Treasury Department
Office of Commissioner of Internal Revenue
Washington, D.C., March 21, 1916

To collectors of internal revenue:

Under the decision of the Supreme Court of the United States in the case of *Brushaber v. Union Pacific Railway Co.*, decided January 21, 1916, it is hereby held that **income accruing to nonresident aliens** in the form of interest from the bonds and dividends on the stock of domestic corporations is **subject to the income tax** imposed by the act of October 3, 1913.

Nonresident aliens are not entitled to the specific exemption designated in paragraph C of the income-tax law, but **are liable for the normal and additional tax** upon the entire net income "from all property owned, and of every business, trade, or profession carried on in the United States," computed upon the basis prescribed in the law.

The responsible heads, **agents**, or representatives **of nonresident aliens**, who are in charge of the property owned or business carried on within the United States, **shall make a full and complete return of the income therefrom on Form 1040**, revised, and shall pay any and all tax, normal and additional, assessed upon the income **received by them in behalf of their nonresident alien principals**.

The person, firm, company, copartnership, corporation, joint-stock company, or association, and insurance company in the United States, Citizen or resident alien, in whatever capacity acting, having the control, receipt, disposal, or payment of fixed or determinable annual or periodic gains, profits, and income of whatever kind, **to a nonresident alien**, under any contract or otherwise, which payment shall represent **income of a nonresident alien** from the exercise of any trade or profession within the United States, shall deduct and withhold from such annual or periodic gains, profits, and income, regardless of amount, and pay to the office of the United States Government authorized to receive the same such sum as will be sufficient to pay the normal tax of 1 per cent imposed by law, and shall make an annual return on Form 1042. (emphasis added)

This is the only place that I have ever been able to find the proper explanation, actually, any explanation what-so-ever from the United States government, for the proper use of Form 1040. *Treasury Decision 2313*, handed down in 1916, instructs the collectors of the Internal Revenue on how to implement the income tax laws as imposed under the 16th Amendment. This Treasury Decision is the result of a Supreme Court ruling, referenced in the first paragraph as "*Brushaber v. Union Pacific Railway Co.*", which was decided January 21, 1916, and from which:

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*"... it is hereby held that the income accruing to **nonresident aliens** in the form of interest from the bonds and dividends on the stock of domestic corporations is subject to the income tax imposed by the act of October 3, 1913."*

The second paragraph states:

*"**Nonresident aliens** are not entitled to the specific exemption designated in paragraph C of the income-tax law, but **are liable** for the normal and additional tax upon the entire net income from all property owned, and of every business, trade, or profession carried on in the United States," computed upon the basis prescribed in the law."*

Now, the first paragraph says that **nonresident aliens are subject** to the tax. The second paragraph says that **nonresident aliens are liable** for the tax and that they are **not** allowed to claim the **exemption** designated as paragraph C. That implies that Citizens **are allowed** to claim the exemption in paragraph C, and that Citizens are **not liable** for the tax, because they are **not subject** to the tax, because it was not specified in paragraph one that Citizens are subject. Now let's read the third paragraph, and keep in mind that we are going to look for a Paragraph C in the United States Code that exempts Citizens from income tax. The third paragraph states:

*"The responsible heads, agents, or representatives of **nonresident aliens**, who are in charge of the property owned or business carried on within the United States, shall make a full and complete return of the income therefrom on Form 1040, revised, and shall pay any and all tax, normal and additional, assessed upon the income received by them **in behalf of their nonresident alien principals.**"*

Now there's the proper legal use of Form 1040. It is to be used by United States Citizens to report the income of his or her **foreign principals**. It is **not** to be used to report the Citizen's **own** personal domestic income. Again, this is the only place where I have ever seen a legal explanation from the government for the proper legal use of Form 1040, and now I think you know why. Form 1040 is to be used by *withholding agents* to report the income of **foreign principals**. It is not to be used by U.S. Citizens to report their own income, and that's why voluntary self assessment and voluntary compliance are so important to the IRS. Because the current **mythical** system doesn't work unless the Citizen voluntarily misapplies the law and uses the wrong form to mistakenly, voluntarily assess his own domestic income for a *foreign* income tax. Form 1040 is also properly required to claim certain **credits and deductions** (discussed later), as well as for **Federal employees** to utilize in **minimizing** the "kickback" *duty* under 4 U.S.C. 111.

This Treasury Decision, 2313, references the Supreme Court decision *Brushaber v. Union Pacific Railroad Co.*, so it is time to step back, and get a little background information.

THE TRUTH ABOUT THE INCOME TAX

The Constitution

The first thing we're going to do is look at what the Constitution says about taxation. The limitations in the Constitution restricting the direct taxation of individuals and their property are found in Article 1 in two different sections. Both sections specifically restrict the Federal government as to how it may lay direct taxes on the Citizens. **Article 1, Section 2, Clause 3** states:

*"Representative and direct taxes **shall be apportioned** among the several states which may be included within this union, according to their respective numbers"*

and **Article 1, Section 9, Clause 4** states:

*"No capitation or other direct tax shall be laid, **unless in apportionment** to the Census or enumeration herein before directed to be taken."*

These basic sections of the Constitution have never been repealed or amended. The Constitution still **forbids** the direct taxation of individuals, their property, and their rights, **unless the tax is apportioned** to the State governments for collection.

And **Article 1, Section 10, Clause 1** states:

*"No State shall enter into any treaty, alliance, or confederation; grant letters of marque and reprisal; coin money; emit bills of credit; make anything but gold and silver coin a tender in payment of debts; pass any bill of attainder, ex post facto law, **or law impairing the obligation of contracts**, or grant any title of nobility." (emphasis added)*

This Clause in the Constitution is why **NEITHER** the Federal, nor the State governments have any legal authority over, or to **UNILATERALLY ALTER, PRIVATE EMPLOYMENT CONTRACTS as stated in Justice Taney's letter (recorded as a Court Decision).**

In 1895, Congress tried to pass an Act that imposed income taxes on the interest and dividends of U.S. Citizens on deposit in U.S. banks. This Act was immediately struck down in *Pollock vs. Farmer's Loan and Trust Co.* (157 US 429), wherein the Supreme Court ruled that it is unconstitutional to impose an income tax on the interest and dividends of United States Citizens on deposits in U.S. banks. The court ruled that the tax was unconstitutional because it was a direct tax that was not apportioned as required by the Constitution. This decision has never been reversed or overturned.

Excerpts from the Pollock decision include:

"...Ordinarily, all taxes paid primarily by persons who can shift the burden upon someone else, or who are under no legal compulsion to pay them, are considered indirect taxes; but a tax upon property holders in respect of their estates, whether real or personal, or of the income yielded by such estates, and the payment of which cannot be avoided, are direct taxes..." (emphasis added)

and,

"...Subsequently, in 1869, The question arose whether the law which imposes such a tax upon them was constitutional. The opinion of the Attorney General thereon was

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*requested by the Secretary of the Treasury. The Attorney General, in reply, gave an elaborate opinion advising the Secretary of the Treasury that **no income tax could be lawfully assessed and collected upon the salaries of those officers who were in office at the time the statute imposing the tax was passed**, holding on this subject the views expressed by Chief Justice Taney. His opinion is published in Volume XIII of the Opinion of the Attorney General, at page 161. I am informed that it has been followed ever since without question by the department supervising or directing the collection of the public revenue..."* (emphasis added)

and;

"...A tax upon one's whole income is a tax upon the annual receipts from his whole property, and as such falls within the same class as a tax upon that property, and is a direct tax, in the meaning of the Constitution...."
(emphasis added)

and,

*"...We have unanimously held in this case that, so far as this law operates on the receipts from municipal bonds , **it cannot be sustained, because it is a tax on the powers of the States, and on their instrumentalities to borrow money, and consequently repugnant to the Constitution.** ...it follows that, if the revenue from municipal bonds cannot be taxed because the source cannot be, the same rule applies to revenue from any other source not subject to the tax; and the lack of power to levy any but an apportioned tax on real and personal property equally exists as to the revenue therefrom.* (emphasis added)

Admitting that this act taxes the income of property irrespective of its source, still we cannot doubt that such a tax is necessarily a direct tax in the meaning of the Constitution. In England, we do not understand that an income tax has ever been regarded as other than a direct tax. In Dowell's History of Taxation and Taxes in England, given, and an income tax is invariably classified as a direct tax.." (emphasis added)

and, even in dissent:

...that personal property, contracts, obligations, and the like, have never been regarded by Congress as proper subjects of direct tax. The United States Constitution provides Congress the power to lay and collect taxes directly only as long as it is apportioned with regard to the census or enumeration."
(emphasis added)

Then, in 1913 Congress passed the **16th Amendment** which says,

"Congress shall have power to lay and collect taxes on income, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration."

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So that changed everything, right? Well, **NO !** That is not what the Supreme Court ruled. What the Supreme Court ruled, in *Brushaber v. Union Pacific R.R. Co.* and in *Stanton v. Baltic Mining Co.*, is that since the provisions of Article I, requiring that direct taxes be apportioned, were not repealed, **they are still in full force and effect.** And, that since the language of the 16th Amendment specifies that the income tax is to be a tax without apportionment, **then it cannot be a direct tax**, because **otherwise the Constitution would inherently contradict itself**, which cannot be allowed to happen. Article I cannot prohibit direct taxation unless apportioned, while the 16th Amendment grants the power to lay direct taxes without apportionment, because then the Constitution would **inherently contradict itself and could no longer serve as a valid foundation for our Law.** So, to specifically prevent the Constitution from contradicting itself, the Supreme Court ruled that **since the 16th Amendment provides for an income tax without apportionment, then the income tax cannot be a direct tax.**, since direct taxes **MUST** be apportioned (per Article 1, twice mandated).

But, there are only two major classes of taxation authorized in the Constitution; direct taxes and indirect taxes. So, if the income tax cannot be a direct tax, then it must be an indirect tax. Indirect taxes are classified into three minor categories in the Constitution: imposts, duties and excises, **and are ONLY imposed on revenue taxable activities and/or events.** If you remember, the income tax started in 1861 as an income *Duty*, imposed only on foreign imports and Federal employees, which was contained and allowed within the Constitutional category of duties. As a foreign **duty** it was only imposed on the flow of foreign goods into America, **NOT DOMESTIC GOODS, NOR DOMESTIC INCOME derived from domestic activities, except those earnings earned by federal employees and officers from federal sources.**

Obviously today, the income tax is not currently being enforced as a **duty**, so the questions are: "Did the 16th Amendment create a new congressional power to tax directly ?", and; "How did the 16th Amendment change the income tax ?".

The answer to the first question was supplied by the Supreme Court in *Stanton v. Baltic Mining Co.*, 240 US 112 (1916), stating:

"...by the previous ruling, it was settled that the provisions of the 16th Amendment conferred no new power of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged.."
(emphasis added)

The Supreme Court clearly states that the 16th Amendment **DID NOT** create a new power to tax the People in a direct fashion without apportionment, **AS IS FRAUDULENTLY CLAIMED BY THE IRS.** So, if it is **not** a direct tax, then **it is still an indirect tax**, but, possibly, no longer a duty. Then; "What kind of tax is the income tax now?" In the "*previous ruling*" referenced above, *Brushaber v. Union Pacific R.R. Co.*, 240 US 1 (1916), the court stated:

"...taxation on income was in its nature an excise ...", and
"...taxes on such income had been sustained as excises in the past...".

specifically,

"Moreover, in addition, the conclusion reached in the Pollock case did not in any degree involve holding that income taxes generically and necessarily came within the

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*class of direct taxes on property, but, on the contrary, recognized the fact that **taxation on income was in its nature an excise entitled to be enforced as such unless and until it was concluded that to enforce it would amount to accomplishing the result which the requirement as to apportionment of direct taxation was adopted to prevent, in which case the duty would arise to disregard form and consider substance alone,...***

(emphasis added)

The Court ruled that the 16th Amendment effectively transformed the income tax from an indirect *duty* to an indirect **excise** (imposed on *revenue taxable* activities). It is **not a direct tax without apportionment**. And, if we examine the law closely, that is exactly what we find; that the income tax is imposed and applied under the law, **as an indirect excise, ONLY imposed on specific entities, privileged and Federal, and specific taxable activities and events that are identified in the law as “included types” or potential “sources” of “taxable income”**.

So, legally, exactly what is an excise tax ? Fortunately, the Supreme Court used to know what it was doing, and both of these decisions, Brushaber and Stanton, refer you to another case handed down five years earlier, *Flint v. Stone Tracy Co.* 220 U.S. 107 (1911), in which the Supreme Court ruled that excise taxes are taxes:

*“laid on the manufacture, sale or consumption of commodities within the country, upon licenses to pursue certain occupations and upon corporate privileges;
the requirement to pay such taxes involves the exercise of the privilege and if business is not done in the manner described no tax is payable...it is the privilege which is the subject of the tax and not the mere buying, selling or handling of goods.”* (emphasis added)

The Supreme Court effectively establishes with this ruling that excise taxes are manufacturing taxes, sales taxes, and taxes on privileges. Privileges in the form of either licenses to pursue certain occupations, corporate privileges, and any other privileges granted to the individual by the government as well. One of these other privileges, is the privilege of being protected by the United States government in a foreign country under a tax treaty. The government normally would have no jurisdiction or ability to protect you or your business interests in a foreign country, but because of the existence of the tax treaty with that foreign government, your business is protected by the U.S. government outside their jurisdictional boundaries (the United States). That protection, being afforded by the tax treaty, is construed to be a privilege granted to you by the government; and therefore, the income earned in that foreign country under the tax treaty, is privileged income and subject to the income tax.

And that is why the General Index shows that there are only two code sections that apply to Citizens, both having to do with foreign countries. And that is why the form that is actually required by the law is **Form 2555 - Foreign Earned Income**. Because that is the privileged income that you have as "taxable income", upon which you have liability to satisfy, resultant from engaging in a revenue taxable activity. And that is the only filing requirement that you have as an individual American Citizen under the law. If you have no foreign earned income under tax treaties and no foreign principals to whom money is paid, then you don't have to file anything under the letter of the law because other income, domestic income, **is earned by Right, not privilege**. It is a long and well established rule of law that the government cannot tax your Rights, nor may it tax the proceeds derived from the simple exercise of those Rights, and the law accurately reflects and captures that Constitutional truth. It is the IRS that ignores the truth, ignores the law, ignores the implementing regulations and tramples your

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Citizen's Rights into the mud, because, as you will see, their actions are certainly not supported by the law, or even properly, legally authorized under it.

There is no requirement to file a Form 1040 reporting your own domestic income because the form is only supposed to be used by non-resident aliens and those U.S. Citizens who serve as "withholding agents" to aliens and who have foreign principals to whom moneys are being paid, and Federal employees *returning* property to the national Treasury. As the "agents" for those foreign principals, Citizens are required to deduct and withhold and pay the income tax, **not on their own income**, but on the income of the foreign principals, who do not possess the same rights as a Citizen. As Federal employees, they are "transferees" under the I.R. Code and subject to making a "return of income" to the U.S. Treasury.

Now, the reason why these facts are so little known in America, and in the legal community itself, is that if you just look up the *Brushaber v. Union Pacific R.R. Co.* decision and read it quickly, it appears that the Supreme Court tells the U.S. Citizen (Brushaber) that the tax is constitutional and he has to pay it. It reads as if the Citizen is being told by the Court that he has to pay the income tax. But, the fact of the matter is Frank Brushaber was the U.S. agent for a group of foreigners who had stock in the Union Pacific Railroad. Under the 16th Amendment he (Brushaber) and the Union Pacific Railroad were both made withholding agents and were both ordered by the government to deduct, withhold and pay over the income tax to the government, on the foreigners' income from the stock.

Now, Frank Brushaber filed this suit on behalf of his foreign principals, who had no standing as foreigners in the U.S. courts to file themselves, and that is why Brushaber's name is on the decision. The foreigners lost the suit. The foreigners were essentially told by the courts that it was a privilege to be allowed to have access to the United States marketplace and earn income there. That privilege is granted by the U.S. government, which is given, in the Constitution, full authority over foreigners in America and foreign affairs with other nations. The Court determined that it is the U.S. government that allows foreigners the privilege of earning money in America, therefore; any income that they earn under that extended privilege is taxable income, and the Citizen who acts as the foreigner's agent has to withhold and pay the income tax to the federal Government. In this case the Citizen essentially got told by the court that you have to pay the tax because you're the withholding agent for these foreigners upon whom the income tax is imposed. The first sentence of the case "write-up" clearly states that the decision is about TARIFF LAWS.

But the decision simply isn't written up so that it's clear about the circumstances of the case. You have to research it thoroughly. If you just look it up, it looks like the U.S. Citizen, Frank Brushaber, gets told by the government, "the tax is Constitutional, and you have to pay it", and, over the passage of time, the IRS has found it very easy to deceive the American people as to the true nature of this Supreme Court decision because of the way this decision is written. In fact, if you call the IRS and ask them why the income tax is Constitutional, they will answer that the Supreme Court ruled it was Constitutional in *Brushaber v. Union Pacific Railroad Co.* But they won't tell you that this was a case about tariff laws and the taxation of **foreigners, AND HAS ABSOLUTELY NOTHING TO DO WITH THE DIRECT TAXATION OF CITIZENS**, as fraudulently claimed by the IRS for over 60 years. So that everyone understands this, it should be said that Title 15 U.S.C. § 17, states:

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§ 17 Anti-trust laws... ..

The labor of a human being is not a commodity or article of commerce...

and therefore cannot be made subject to any indirect excise tax as though it were such. Finally, from the **Congressional Research Service** in 1979:

SOME CONSTITUTIONAL QUESTIONS REGARDING THE FEDERAL INCOME TAX LAWS

By

Howard Zaritsky
Legislative Attorney
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May 25, 1979

Report No. 79-131 A

... In *Brushaber v. Union Pacific R.R. Co.* (1916), the Supreme Court held that the income tax, including a tax on dealings in property, **was an indirect tax**, rather than a direct tax, and that:

"the command of the amendment that all income taxes shall not be subject to the rule of apportionment by a consideration of the source from which the taxed income may be derived forbids the application to such taxes of the rule applied in the Pollock case by which alone such taxes were removed from the great class of excises, duties, and imposts subject to the rule of uniformity and were placed under the other or direct class." 240 U.S. 1 18-19 (1916)

This same view was reiterated by the Court in *Stanton v. Baltic Mining Co.* (1916) in which the court stated that the:

"Sixteenth Amendment conferred no new power of taxation but simply prohibited the previous complete and plenary power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged." 240 U.S. 112 (1916)

Therefore, it is clear that the **income tax is an "indirect" tax** of the broad category of "Taxes, Duties, Imposts and Excises," subject to the rule of uniformity, rather than the rule of apportionment.....

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CHAPTER 2

APPLICATION

Internal Revenue Definitions

Chapter 79, from Subtitle F - Procedure and Administration, contains many of the legal definitions for the terms used in Title 26. Specifically Section 7701, which states.

§ 7701 Definitions.

(a). When used in this Title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof--

(1). **Person** - The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

...

(3) **Corporation.** The term "Corporation" includes associations; joint stock companies, and insurance companies.

(4) **Domestic.** The term "domestic" when applied to a corporation or partnership means created or organized in the United States or under the law of the United States or of any State.

(5) **Foreign.** The term "foreign" when applied to a corporation or partnership means a corporation or partnership which is not Domestic.

...

(9). **United States.** The term "United States" when used in a geographical sense includes only the States and the District of Columbia.

(10) **State.** The term "State" shall be construed to include the District of Columbia, where such construction is necessary to carry out provisions of this title. ...

(26). **Trade or business.** - The term "trade or business" includes the performance of the functions of a public office.

...

(30). **United States person.** - The term "United States person" means-

(A) a citizen or resident of the United States,

(B) a domestic partnership

(C) a domestic corporation, and

(D) any estate or trust (other than a foreign estate or foreign trust, within the meaning of section 7701(a)(31)).

(31). **Foreign estate or trust.** - The terms "foreign estate" and "foreign trust" mean an estate or trust, as the case may be, the income of which from sources without the United States which is not effectively connected with the conduct of a trade or business within the United States, is not includible in gross income under Subtitle A.

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First note that the word "person" is **not restricted** to meaning **just people**. For purposes of the application of the tax laws, "person" means **any entity subject to the tax laws**. Next, notice that the definition of *Domestic* (4) references "any State", and the definition of *State* (10) says that it includes (only) the District of Columbia.

Additionally, if one examines the statutory evolution of the definition of the word "State" in the I.R. Code, one finds in the 1939 I.R. Code (when Hawaii and Alaska were Territories) the following:

§ 3797 (a)(10). State. The term "State shall be construed to include **the Territories and the District of Columbia**, where such construction is necessary to carry out the provisions of this title. (emphasis added)

In the 1954 recodification of the I.R. Code (after Alaska became a State and Hawaii is still a territory), § 3797(a) was moved to § 7701(a), where we find:

§ 7701 (a)(10). State. The term "State shall be **construed to include the Territory of Hawaii and the District of Columbia**, where such construction is necessary to carry out the provisions of this title. (emphasis added)

And finally, in 1959 (after Hawaii became a State), the definition in the Code for the word "State" was updated, and now we find:

§ 7701 (a)(10). State. The term "State shall be construed to **include the District of Columbia**, where such construction is necessary to carry out the provisions of this title. (emphasis added)

Which is how the statute stands today. Clearly the 50 States of the union are omitted. Lest there be any question that Congress is capable of including the States in this sort of definition where it intends to, one should note carefully the statutory definition provided at 26 U.S.C. § 6103(b)(5) for "State", which does include the several (50) states.

§ 6103(b)

...
(5) State

The term "State" means -

(A) **any of the 50 States**, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, the Canal Zone, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, and

(B)

This indicates that any entity in one of the fifty States of the Union is **outside (not covered by) the jurisdiction established by this Code section (§ 7701 (a)(10)) for the purposes of applying and properly understanding** the internal revenue laws. Citizens are not under the direct territorial jurisdiction of the U.S. government, but rather, are under the jurisdiction of the STATE government, NOT THE FEDERAL. **NOW THIS DOES NOT mean that you are a non-resident alien**. It just means that **you are a Sovereign American Citizen who is outside and above the federal ability (and territorial jurisdiction) TO DIRECTLY TAX, and therefore is not subject to the control, or rule, or taxation of the Federal government on your domestic activities engaged in by Right.**

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Because of these definitions, and others, there seems to be a lot of confusion and conflicting works by authors making claims regarding these definitions and others specifically, "State" and "United States", AND "Citizen" and "nonresident alien". Many books and articles in the Patriot community in America today claim that since the legal definition of the term "United States" appears to NOT include the 50 States, because the term "State" does not actually include the 50 states, then Citizens of the 50 States are technically not Citizens of the United States *under the IR Code*, and therefore are not subject to the income tax, because the tax is only imposed on a citizen of the United States (areas of Federal jurisdiction). Thus a Citizen of a State is a non-resident alien for purposes of the tax code, and is not subject. As already explained and shown in great detail, **this argument is fatally flawed**. As we have already seen, **non resident aliens are the actual subject, and only subject, of the income tax under the 16th Amendment (besides federal employees) !** If you declare yourself to be a nonresident alien, you are declaring yourself to be subject to the tax. It will just be a matter of time before the IRS shows up at your door demanding that YOU, THE ALIEN (according to your own declaration), pay the tax. This is a destroyed legal argument and cannot succeed in the courts.

This confusion results from the fact that **there are multiple definitions** for these terms contained in the law. However, each definition is specifically attached to, and relevant for, **ONLY** certain code sections (generally one chapter, or one Code section) referenced in the definition itself. This is the wrong argument to base your legal claims on if you are going to try and take on the IRS in court, **IT IS NOT RECOGNIZED. PLEASE DO NOT DEPEND ON THIS LEGAL ARGUMENT OR YOU WILL LOSE.**

I further would point out that Citizens CAN VOTE, and ALIENS CANNOT. If you voted (or are registered (or eligible) to vote) THEN YOU ARE OBVIOUSLY A CITIZEN OF THE UNITED STATES, and cannot (and SHOULD not) claim that you are "alien" (resident or otherwise) to the government for the purpose of applying the tax laws (but not the voting laws ?)!

If you want to know how to really beat the IRS, read this whole book and join the Save a Patriot Fellowship to stay informed and help fight the tyranny destroying American liberty; because citizenship is the very best tax umbrella possible - you are not subject, if you exercise your rights, and DON'T volunteer for silly programs.

Furthermore, as pointed out, **the Constitution FORBIDS the Federal government from interfering in private contracts, like your employment contract in the private sector**. Because the Constitution FORBIDS THIS, the United States government **has no unilateral authority over either you, as an employee in the private sector, or your employer, without your/their voluntary cooperation and permission**. As you will see, the law records these legal facts

Finally, we have Title 4 U.S.C. § 72, which states:

§ 72. Public offices; at seat of government.

All offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere, except as otherwise expressly provided by law.

And what does the Supreme Court say about Federal jurisdiction in the Territories and 50 States ?

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“The laws of Congress in respect to those matters {outside of Constitutionally delegated powers} do not extend into the territorial limits of the States, but have force only in the District of Columbia, and other places that are within the exclusive jurisdiction of the national government.” [Caha v. United States, 152 US 211]

“Constitutional restrictions and limitations were not applicable to the areas of land, enclaves, territories and possession over which Congress had exclusive legislative authority” [Downes v. Bidwell, 182 US 244]

“Special provision is made in the Constitution for the cession of jurisdiction from the States over places where the Federal government shall establish forts or other military works. And it is in these places, or in territories of the United States, where it can exercise a general jurisdiction.” [New Orleans v. United States, 35 US (10 Pet.) 662 (1836)]

“It is well established principle of law that all federal legislation applies only within the territorial jurisdiction of the United States unless a contrary intent appears” [Foley Brothers, Inc. v. Filardo, 336 US 281 (1948)]

“Jurisdiction is essential to give validity to the determinations of administrative agencies and where jurisdictional requirements are not satisfied, the action of the agency is a nullity..” [City Street Improv Co. v. Pearson, 181 C 640, 185 P. (1962) O’Neil v. Dept. of Professional & Vocational Standards, 7 CA2d 393, 46 P2d 234]

“...the commerce clause...has always been understood as limited by its terms; and as a virtual denial of any power to interfere with the internal trade and business of the separate states” [United States v. DeWitt, 76 US 41 9 Wall 4, 19 L. Ed 593]

“The law requires proof of jurisdiction to appear on the record of the administrative agency and all administrative proceedings” [Hagans v. Lavine, 415 US 533]

Subtitle A - Income Tax - the Foreign Tax

Remember that the third paragraph of Treasury Decision 2313 essentially says that (withholding) "agents", or "representatives", are going to withhold tax (from nonresident aliens). But, what is the legal definition of a "Withholding Agent", who appears to be the legal entity responsible for the withholding and payment of income taxes ? Again, from 26 U.S.C. 7701(a):

§ 7701 Definitions.

...

(16). Withholding Agent. - The term "Withholding Agent" means any person required to deduct and withhold any tax under the provisions of sections 1441, 1442, 1443,, or 1461." ...

So, it appears as though a withholding agent can definitely withhold tax, can't he ? Well, let us look at what is truly authorized by these Code Sections referenced here in the definition. The first thing to point out is that all of the code sections that start with '14' are in Chapter 3 of Title 26. Chapter 3 is titled:

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“WITHHOLDING OF TAX ON NONRESIDENT ALIENS AND FOREIGN CORPORATIONS”.

These sections, 1441, 1442, 1443, and 1461, cited in the definition of a Withholding Agent, state:

§ 1441. Withholding of Tax on Nonresident Aliens.

(a) **General rule.** Except as otherwise provided in subsection (c) all persons, in whatever capacity acting having the control, receipt, custody, disposal or payment of any of the items of income specified in subsection (b) (to the extent that any of such items constitutes gross income from sources within the United States), **of any nonresident alien individual**, or of any foreign partnership shall deduct and withhold from such items a tax equal to 30 percent thereof, except that in the case of any items of income specified in the second sentence of subsection (b), the tax shall be equal to 14 percent of such item. **(emphasis added)**

(b) **Income items. ...**

Section 1441 **only** authorizes withholding from nonresident aliens.

§ 1442 . Withholding of tax on foreign corporations.

(a) **General rule.** In the case of foreign corporations subject to taxation under this subtitle, there shall be deducted and withheld at the source in the same manner and on the same items of income as is provided in Section 1441 a tax equal to 30% thereof.

(b) **Exemption.** Subject to such terms and conditions as may be provided by regulations prescribed by the Secretary, subsection (a) shall not apply in the case of a foreign corporations engaged in trade of business in the United States if the Secretary determines that the requirements of subsection (a) impose an undue administrative burden and that the collection of the tax imposed by section 881 on such corporation will not be jeopardized by the exemption.

(c) **Exception for certain possessions corporations.** For purposes of this section, the term "foreign corporation" does not include a corporation created or organized in Guam, American Samoa, the Northern Mariana Islands, or the Virgin Islands or under the law of any such possession if the requirements of subparagraphs (A), (B), and (C) of section 881(b)(1) are met with respect to such corporation.

Section 1442 only authorizes the withholding from foreign corporation.

§ 1443 Foreign Tax Exempt Organizations

(a) **Income subject to section 511.**

...

(b) **Income subject to section 4948.**

....

Section 1443 only authorizes the withholding from foreign tax exempt organizations.

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The last section referenced in the definition of a Withholding Agent, 1461, states:

§ 1461 Liability for withheld tax.

Every person required to deduct and withhold any tax under this chapter is hereby **made liable** for such tax and is hereby indemnified against the claims and demands of any person for the amount of any payments made in accordance with the provisions of this chapter. (emphasis added)

Section 1461 says withholding agents are made liable for the payment of taxes they withhold from individuals (foreigners). Well, what do you know ? Here is a code section where someone is **made liable for such tax**. And who is **made liable** ? The withholding agents are made liable for the tax, and that triggers the filing requirements of § 6011. Remember § 6011 ? We were looking for someone who was **made liable** for payment of the tax, and here it is. Section 6011 is the filing requirement for **withholding agents**, not Citizens, or even individuals. Withholding agents are made liable in § 1461 for the payment of taxes withheld, and that liability triggers the filing requirements associated with and under § 6011. And who are Withholding agents authorized to withhold income taxes from ? **Foreigners, and foreigners only**. And what else does § 1461 also say, that they are : "... *indemnified against the claims and demands of any person for the amount of any payment **made in accordance with the provisions of this chapter***".

And what Chapter is this from ? **Chapter 3** - Withholding from Foreigners. And that means that if they wrongfully withhold from someone other than a foreigner, like a Citizen, they're not indemnified from claims against them for wrongful withholding. So, U.S. Citizens who have income tax wrongfully withheld from them, can sue the withholding agent to have those moneys returned.

Who are the *Withholding Agents* ? Well, your bank is a *Withholding Agent*, your stock broker is a *Withholding Agent*, your employer is **NOT** a *Withholding Agent*. Your employer is your *employer* and employers are defined for purposes of implementing the employment taxes imposed in Subtitle C (see 26 USC 3401(d)), and they don't have anything to do with income taxes under Subtitle A, other than the fact that they are apparently authorized to withhold income taxes at the source by a W-4, which we are going to look at in a minute. It is clear that **by statutory definition** *Withholding Agents* can only withhold from foreigners, and that **they are only indemnified** for withholding under Chapter 3, which, as we have seen, is only from foreigners.

We have just examined the complete legal authority of a "Withholding Agent" to withhold taxes and, as you can see for yourself, **there is no legal authority anywhere in the law for a *Withholding Agent* to withhold subtitle A income tax from a U.S. Citizen. WHY ? Because the tax is not imposed on the domestic income of Citizens earned by Right, and therefore would never need to be withheld from them ?**

Remember the mysterious paragraph C, that nonresident aliens cannot claim, referenced in the third paragraph of Treasury Decision 2313. Here is Section 6654 - Failure by individual to pay estimated income tax. Take careful note of paragraph (e)(2)(C).

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§ 6654. Failure by individual to pay estimated income tax.

(a) **Addition to the tax.** In the case of any underpayment of estimated tax by an individual, except as provided in subsection (d), there shall be added to the tax under chapter 1 and the tax under chapter 2 for the taxable year an amount determined at an annual rate established under section 6621 upon the amount of the underpayment (determined under subsection(b)) for the period of the underpayment (determined under subsection (c)).

.....

(e) **Exceptions.**

(1) Where tax is small amount

(2) Where no tax liability for preceding taxable year.

No addition to tax shall be imposed under subsection (a) for any taxable year if -

A) the preceding taxable year was a taxable year of 12 months,

B) the individual **did not have any liability** for tax the preceding taxable year, and

C) the individual was a **Citizen** or resident of the **United States** throughout the preceding taxable year.

(3) Waiver in certain cases ... (emphasis added)

When you file a Form 1040, what you are actually doing is paying **estimated** income tax. And this Section, 6654, addresses the failure by an individual to pay estimated income tax. **Subsection (e) addresses the exceptions for that failure.** Within subsection (e), Subsection (2) provides that where there is "*no tax liability for preceding taxable year*" then "*No addition to tax shall be imposed under subsection (a) for any taxable year if*" the conditions in subparagraph (A), (B) and (C) are met.

Remember that Citizens do not have any liability for tax on domestic income, according to the Paperwork Reduction Act tables in the Code of Federal Regulations relating to the tax imposed, and the liability established, under Chapter 1 Section 1 - Tax Imposed. It is the nonresident aliens who are liable for this tax (and their *withholding agents*), according to Treasury Decisions 2313.

Now let's look at conditions (A) and (B) as well. (A) says, "*the preceding taxable year was a taxable year of 12 months*". Well, just about everyone satisfies that condition, and (B) says: "*the individual did not have any liability for tax for the preceding taxable year*". We've seen that all Citizens who do not have foreign earned income or foreign principals satisfy this condition, and then we have, again, (C) "*the individual was a Citizen or resident...*". Citizens and residents aliens are excepted from the failure to pay. Here is the mysterious paragraph C referenced in Treasury Decision 2313, excepting Citizens from the failure to file and pay estimated income tax.

If you still are skeptical and don't believe me, here's Section 1.1441-5 from The Code of Federal Regulations.

26 C.F.R. 1.1441-5 Claiming to be a person not subject to withholding.

(a) **Individuals.** For purposes of chapter 3 of the code an individual's written statement that he or she is a Citizen of the United States may be relied upon by the payer of the income as proof that such individual is a Citizen or resident of the United States. This statement shall be furnished to the withholding agent in duplicate. An alien may claim

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residence in the United States by filing form 1078 with the withholding agent in duplicate in lieu of the above statement.

(b) Partnerships and Corporations.

This corresponds to Section 1441 of the United States Code which we reviewed earlier. It clearly states:

"For purposes of chapter 3 of the Code an individual's written statement that he or she is a Citizen or resident of the United States may be relied upon by the payer of the income as proof that such individual is a Citizen or resident of the United States."

and therefore, **is not subject to the withholding of income taxes.** This is confirmed in **Publication 515**, the instruction booklet from the IRS, to the employer, on how to implement the subtitle A withholding regulations. In this booklet it states

WITHHOLDING EXEMPTIONS AND REDUCTIONS

You should withhold any required tax if facts indicate that the individual, or the fiduciary, **to whom you are to pay the income is a nonresident alien.** However, the alien may be allowed an exemption from withholding or a reduced rate of withholding as explained here.

Evidence of Residence. If an individual gives you **a written statement stating that he or she is a Citizen or resident of the United States**, and you do not know otherwise, **you do not have to withhold tax.** An alien may claim U.S. residence by filing with you, Form 1078, Certificate of Alien Claiming Residence in the United States... (emphasis added)

Why ? Because as we have seen, under the law, the tax is not imposed on the domestic income of Citizens earned by right, or resident aliens as it turns out, and therefore there is never any need to withhold this tax from those Citizens, as the instructions accurately point out. That is the extent of the Subtitle A income tax as it is actually imposed under the law. So what have you been paying ?

Subtitle C - Employment Tax - the Social Security tax

Now we are going to look at the laws implementing the Subtitle C, Employment tax, for Social Security purposes, which program, tax and subtitle first appeared in the law in the 1930s, some 23 years AFTER the *income tax* was supposedly created by the 16th Amendment (false belief as previously shown - the tax actually started in 1861).

That brings us to Title 26 , subtitle C, Chapter 24, Section 3402 - Income Tax Collected at Source. This is where most employers believe they are authorized to withhold income tax from Citizens. Please note carefully the language of subsections **(n)** and **(p)**. For some reason, however, the tax industry in America doesn't seem to be able to read more than subsection (a) of this code. But it is a canon of law that "THE LAW MUST BE CONSTRUED FROM ITS FOUR CORNERS, SO AS TO GIVE MEANING TO ALL OF ITS PARTS".

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§ 3402. Income tax collected at source

(a) Requirement of withholding. (1) In general. Except as otherwise provided in this section, every employer making payment of **wages** shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary....

...

(n) Employees incurring no income tax liability Notwithstanding any other provisions of this section **an employer shall not be required to deduct and withhold any tax under this chapter** upon a payment of wages to an employee if there is in effect with respect to such payment a withholding exemption certificate furnished to the employer by the employee certifying that the employee -

- (1) **incurred no liability** for income tax **imposed under subtitle A** for his preceding taxable year, and
- (2) anticipates that **he will incur no liability** for income tax imposed **under subtitle A** for his current taxable year.....

....

(p) Voluntary withholding agreements. The Secretary is authorized by regulations to provide for withholding -

- (1) from remuneration for services performed by an employee for his employer which does not constitute wages, and
- (2) from any other type of payment with respect to which the Secretary finds that withholding would be appropriate under the provisions of this chapter, **if the employer and the employee**, or in the case of any other type of payment the person making and the person receiving the payment, **agree to such withholding**. Such agreement shall be made in such form and manner as the Secretary may by regulations provide. For purposes of this chapter (and so much of subtitle F as relates to this chapter) remuneration or other payments with respect to which such agreement is made shall be treated as if they were wages paid by an employer to an employee to the extent such remuneration is paid or other payments are made during the period for which the agreement is in effect ...(emphasis added)

As you can see in Subsection (a) it says: "*every employer making payment of wages shall deduct and withhold upon such wages a tax...*" . If one does not read this whole section (and all the subsections) carefully, it appears that employers are authorized to withhold income taxes from your wages. But after reading subsections (n) and (p) carefully it is clear that if you tell your employer that you have no liability **under subtitle A**, and give him a Statement of Citizenship as referenced in 26 CFR 1.1441-5, and that you will not volunteer to agree to such withholding (for Social Security), because you do not voluntarily participate in Social Security for reasons of religious objection, then the employer is not required to withhold tax, and in fact **has no legal authority left in the law, under which withholding could be legally authorized or effected**.

And then there is this next section from the same chapter.

§ 3404 Return and Payment by Governmental Employer.

If the employer is the United States, or a State, or political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing, the return of the amount deducted and withheld upon any wages may be made by any officer or employee of the United States, or of such State, or political subdivision,

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or of the District of Columbia, or of such agency or instrumentality, as the case may be, having control of the payment of such wages, or appropriately designated for that purpose.

Notice carefully **HOW THE WORD "RETURN" IS USED HERE**. This is the "return of income" to the Federal government required from Federal employees under the Federal Employment "kickback" agreement, often referred to as INCOME TAX. The "return" referenced here is clearly NOT A FORM to be filed, but a "kickback" (an actual returning of funds) to the Treasury by the "employer" - The United States GOVERNMENT. **NOBODY ELSE IS REQUIRED TO KICKBACK ANYTHING to the U.S. Treasury..**

Now, who are the *employers* and the *employees* actually defined in the law, and addressed by these sections, and precisely what are *wages*. This next section is also from Title 26, Subtitle C, **Chapter 24**, where we also find Section 3401, which says:

3401 Definitions.

....

(c) Employee. For purposes of this chapter, the term "employee" includes an officer, employee or elected official of the United States, a State, or any political subdivision thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term "employee" also includes an officer of a corporation.

(d) Employer. For purposes of this chapter, the term "employer" means the person for whom an individual performs or performed any service, of whatever nature, as the employee of such person, ...

Only **FEDERAL** workers and Officers (of Federal corporations) **are statutorily defined as employees** "for purposes of this chapter". Are you a Federal employee ? **AND OF COURSE if ONLY Federal workers are employees, who is the only possible employer in this Chapter ? the Federal government.** Are you an officer of a Federal corporation or a Federal employee ? (If you are an officer of a private corporation, this statute does not affect you, but even if it did, it could only effect you in regards to the **corporate tax affairs, NOT personal matters.**) **BY DEFINITION (of "employee"), this whole chapter has nothing to do with individuals in the private sector except when they volunteer (for Social Security), It ONLY addresses Federal "employees" working for the Federal "employer".** Why ? Because Congress cannot control any employment agreement except its own (the government's).

We further see the limited federal jurisdiction, reflected by the statutorily defined areas of coverage for these subtitle C taxes, which do NOT include the 50 states, in Chapter 21 for the FICA (Federal Insurance Contributions Act) tax. Section § 3121 states:

§ 3121. Definitions.

...

(e) State, United States, and Citizen. *For purposes of this chapter*

(1) State. The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

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(2) United States. The term "United States" when used in a geographical sense includes the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa. An individual who is a Citizen of the Commonwealth of Puerto Rico (but not otherwise a Citizen of the United States) shall be considered, for purposes of this section, as a Citizen of the United States.

And again, in Chapter 23, Federal Unemployment Tax Act (FUTA), contains Section 3306, which states:

§ 3306. Definitions.

...

(j) State, United States, and American employer. *For purposes of this chapter -*

(1) State. The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(2) United States. The term "United States" when used in a geographical sense includes the States, the District of Columbia, the Commonwealth of Puerto Rico, and the Virgin Islands.

(3) American employer. The term "American employer" means a person who is -

(A) an individual who is a resident of the United States,

(B) a partnership, if two-thirds or more of the partners are residents of the United States,

(C) a trust, if all of the trustees are residents of the United States, or

(D) a corporation organized under the laws of the United States or of any State.

An individual who is a Citizen of the Commonwealth of Puerto Rico or the Virgin Islands (but not otherwise a Citizen of the United States) shall be considered, for purposes of this section, as a Citizen of the United States...

Clearly there are supposed to be distinct differences in the extent of the taxing Authority established in each of these programs (FICA & FUTA), under each of these Chapters (21 and 23). Please note the difference in these statutes, which do NOT include the 50 states, and 6103(b)(5), WHICH DOES.

However, both sections define the terms "United States" and "State" for use within their respective chapters ONLY. **AND SO WE SEE THAT CONGRESS IS CLEARLY CAPABLE of making it explicitly clear where the fifty states are included in the term "STATE" or "UNITED STATES", AND WHERE THEY ARE NOT. Obviously, where the States are NOT "included", IT IS DONE INTENTIONALLY, and not by accidental omission. THE INTENT is to document the limitation of power granted. the I.R.S. ignores all statutory limitations on their power and acts as though they are god, and you must obey them or suffer ! baloney, not according to the law !**

So which of these definitions is applicable and active in Chapter 22 ? **NEITHER !!** Chapter 22 has no Code section that REDEFINES these terms for use in that Chapter, so its definitions for those terms arise and are controlled under Subtitle F - Procedure & Administration, in Section 7701 (remember), which states:

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§ 7701. Definitions.

(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof -

...

(9) **United States** The term "United States" when used in a geographical sense includes only the States and the District of Columbia.

(10) **State.** The term "State" shall be construed to include the District of Columbia, where such construction is necessary to carry out provisions of this title.

...

So, what's really happening in the private work place? "**Voluntary withholding agreements**" under **Subsection (p)**, that's what's really happening. When you file a **W-4** with your employer, and specify the number of deductions you are claiming on it, you are voluntarily authorizing your employer to withhold income taxes from you. Naturally, he honors your voluntary request. But, if you gave him a statement of citizenship instead of a W-4 (per 26 CFR 1.1441-5), he would not have any legal authorization at all, anywhere in the law, to withhold any taxes from you. This is evidenced from the common knowledge that no tax is normally withheld from contracted consultants, who are not W-4 employees and who have NOT made a request to participate in Social Security. If the tax were mandatory, **it would be withheld from those contracted workers as well.** And the employer is instructed not to withhold income taxes under such circumstances in Publication 515, as we have seen.

To see that Section 3402 - *Income tax collected at source* isn't really a legal authority to withhold income tax mandatorily from everybody, but rather, it is an authority to withhold employment tax) on "wages" from those who have requested to participate in Social Security through the execution and provision of a W-4 voluntarily (even Section 61 doesn't include "wages" as "gross income:), one need only look as far as Section 7806.

§ Section 7806 - Construction of Title.

(a) **Cross references.** The cross references in this title to other provisions of law, where the word "see" is used, are made only for convenience, and shall be given no legal effect.

(b) **Arrangement and classification.** No inference, implication, or presumption of legislative construction shall be drawn or made by reason of the location or grouping of any particular section or provision or portion of this title, nor shall any table of contents, table of cross references, or similar outline, analysis, or descriptive matter relating to the contents of this title be given any legal effect. The preceding sentence also applies to the side notes and ancillary tables contained in the various prints of this Act, before its enactment into law.

As you can see the descriptive title of Sec. 3402. **Income Tax** Collected at Source, **HAS NO LEGAL EFFECT !** The actual legal authorities established by the law are the limited authorities established by the actual wording and language of ALL of the code section paragraphs in the statute. Section 3402(a) authorizes the collection of employment taxes on WAGES from Federal employees and voluntary participants in Social Security, not the collection of income taxes on the earnings of all persons.

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A W-4 is the "voluntary agreement" referenced in subsection (p) of § 3402. Through its execution, you voluntarily create "taxable income" in your name for Social Security purposes, and further request the withholding of income tax from your wages when you specify a number of deductions to be taken.

According to 26 CFR 1.1441-5 a Statement of Citizenship may serve as the "withholding exemption certificate" referenced in subsection (n) of § 3402. And a W-2 may be USED AS A SUBSTITUTE FOR A FORM 1040, as indicated by the Federal Register's publication (shown below). The most direct proof that the IRS violates the RIGHTS of the Citizens of the United States of America by controlling their labor through an UNLAWFUL DEBT PROCESS (not tax law), based in "voluntarily" executed legal instruments (W-4, 1040, etc.) that establish a DEBT in the name of, and under the guise and pretense, of TAX, is THEIR OWN NOTICE IN THE FEDERAL REGISTER. This notice appeared in the Federal Register dated Sept. 11, 1946 at 117A-39. It reads:

FORM W-2. Withholding statement.

This is a statement of wages paid during the calendar year and the amount of income tax withheld on such wages, if any. The original and duplicate are furnished by the employer to employee at the close of the calendar year or upon termination of his status as an employee. **The original is used as an optional Income Tax Return by the employee in lieu of Form 1040.**
(emphasis added)

The FACT that the IRS is INSTRUCTED TO ACCEPT THE W-2 FORM AS A SUBSTITUTE FORM 1040 IS PROOF that the IRS' true authority is limited to the collection of a "kickback" on Federal "wages". The term "wages" in the I.R. Code technically means ONLY covered earnings that are paid to Federal government employees for personal services. *Covered* under the Social Security provisions, and includible in gross income under Subtitle A of the I.R. Code. IF THE IRS had authority to collect on other forms of income, (i.e. interest, dividends, pensions, etc.) **THEY WOULD NOT BE INSTRUCTED TO IGNORE THESE OTHER FORMS OF INCOME AND ACCEPT THE W-2 (that the employer, the Federal government, is required to make) IN LIEU OF A FORM 1040, now would they ?.**

Wages

20 CFR 404.1041 Wages.

- (a) the term "wages" means remuneration paid to you as an employee for employment unless specifically excluded....
- (b) if you are paid wages it is not important what they are called. Salaries, fees, bonuses and commissions on sales or on insurance premiums are wages if they are paid for employment.....

20 CFR 404.1003 Employment.

Employment means, generally any service covered by social security performed by an employee for his or her employer...

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20 CFR 404.1004 What work is covered as employment.

(a) General requirements of employment. Unless otherwise excluded..., the work you perform as an employee for your employer is covered as employment under social security if one of the following situations applies:

- (1) You perform the work within the United States...
- (2) You perform the work outside the United States and you are a Citizen or resident...

OK. Is that all clear. Maybe this will help:

20 CFR 404.1001 Introduction

(a)(1) In general, your social security benefits are based on your earnings that are on our records... you receive credit only for earnings that are covered for social security purposes. The earnings are covered only if your work is covered. If you are an employee.....Some work is covered by Social Security and some work is not. Also, some earnings are covered by social security and some are not. It is important that you are aware of what kinds of work and earnings are covered so that you will know whether your earnings should be on our records.

(2) If you are an employee, your covered work is called "employment."...

(3) If your work is "employment" your covered earnings are called "wages".

I'm sorry, ISN'T THIS WHERE WE STARTED with WAGES. Don't you just love circular legal definitions that define themselves with references to variations of themselves ? I mean, I hope you don't just think I'm making this up on my own. I couldn't dream this stuff up, ever.

Discussion on Wages

The term "wages" is also defined in Section 3401 in Subtitle C, where it does not relate to anything but Employment taxes, for Social Security purposes, under Chapter 24. **wages have nothing to do with income taxes under Subtitle A.** "Wages" are "covered earnings". Covered earnings are earnings that are taxed, **at your request**, for the purpose of accumulating "credits" to be used in calculating future Social Security benefit payments to be paid to you upon your filing a claim for benefits after having attained the age (currently 62) that allows you to qualify to make the claim.

Section 3401(a) states:

§ 3401 Definitions.

(a) **Wages.** For purposes of this chapter, the term "wages" means all remuneration (other than fees paid to a public official) for services performed by an employee for his employer, including the cash value of all remunerations paid in any medium other than cash.

This definition eludes to the existence of an employment agreement between two parties. It states that *wages* are only what is received for personal services performed by an *employee* for his *employer* .

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Hence, the term "wages" does NOT extend beyond that relationship/agreement. This fact brings out the importance of knowing just WHO is an "employee", and WHO is the "employer" referred to within the Internal Revenue Code (in this chapter) and what exactly constitutes "wages", because, as we have seen, **IN THIS CHAPTER, THAT CAN ONLY BE THE FEDERAL GOVERNMENT** according to the definition of "employee".

These definitions have been expanded **BY PRESUMPTION and voluntary permissions**, NOT law, to include private sector employers participating in the Social Security program as collectors and "payers", by voluntary assumption of that status through application. So, when you have given a Social Security number to your boss on a W-4, he then becomes your "employer", by virtue of your request, and you then have "wages" (covered earnings), and you thus become an "employee", and your work is called "employment", and you become subject to the federal tax code administering the Social Security tax provisions imposed on those who voluntarily assume them under the misguided and mistaken belief that one day (somewhere, far off in the future) they will get a "benefit" from their participation. History says otherwise. Those who fail to learn the lessons of history are doomed to repeat them.

If you do not participate in Social Security or choose to NOT provide your social security number, then you are NOT "legally" an "employee", and you just have earnings, NOT "wages", and you just have a job not "employment", and you have a boss, not an "employer". Especially if you don't work for the Federal government. ALL WITHHOLDING FROM CITIZENS HINGES ON "**COVERED**" EARNINGS (wages) for the Social Security tax program.

And your boss became an "employer" when he voluntarily applied for an EIN (employment identification number) to participate in the Social Security system as a WITHHOLDER OF EMPLOYMENT TAXES (employer) under subtitle C, NOT subtitle A. Some of these definitions (descriptive paragraphs) are in Title 20 - Education, because just like public schooling, Social Security is VOLUNTARY, not mandatory (one can choose a private school, and one can choose a private retirement program, if he wishes). As a final point it should be noted that 404.1001(a)(5)(b) also states:

"...We generally do not include rules that are seldom used..."

LIKE CITIZENS THAT DON'T PARTICIPATE IN SOCIAL SECURITY !

Now, code section 26 U.S.C. § 3406, which is used to justify or order backup withholding, states:

§ 3406. Backup Withholding.

(a) Requirement to deduct and withhold.

(1) In general. In the case of any reportable payment, if -

- (A) the payee fails to furnish his TIN to the payor *in the manner required*,
- (B) the Secretary notifies the payor that the TIN furnished by payee is incorrect,
- (C) there has been a notified payee under-reporting described in subsection (c),
or
- (D) there has been a payee certification failure described in subsection (d), then the payor shall deduct and withhold from such payment a tax equal to 31 percent of such payment.

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(2) Subparagraphs (c) and (d) of paragraph (1) apply only to interest and dividend payments. Subparagraphs (C) and (D) of paragraph (1) shall apply only to reportable interest or dividend payments

So if anyone tries to **backup withhold** from your **SALARY OR WAGES**, you ask him where that's authorized in the law, because these sections **ONLY APPLY TO INTEREST AND DIVIDENDS and patronage dividends.** Section **3406** is worth examining a little closer. Paragraphs B and C within it, state that a notice is required from the Secretary; i.e. NO NOTICE = NO legal authority to "Backup Withhold" - the Secretary must make a formal request, or the payor cannot do it. Subsection A specifies a failure of a "**manner required**" to provide a number. So we will examine the "manner required" for reporting of remuneration to (uncovered) **non-employees**, which is specified in 26 U.S.C. § 6041 et. seq., dependent upon the source of the payment (bank, broker, corporation, etc.), as we will see.

Also, it is worth noting that 26 U.S.C. Section 3451 states:

§ 3451. Income Tax Collected at Source on Interest, Dividends and Patronage Dividends.

(a) Requirement of withholding. Except as otherwise provided in this subchapter, the payor of any interest, dividend or patronage dividend shall withhold a tax equal to 10 percent of the amount of the payment.

(b) Special Rules.

(1) Time of Withholding. Except as otherwise provided in this subchapter, for the purposes of this subchapter--

- (A) any payment of interest, dividend, or patronage dividend shall be treated as made, and
- (B) the tax imposed by this section shall be withheld,
at the time of such interest, dividend, or patronage dividend is paid or credited.

So, **there is NO authority, anywhere in the law, to backup withhold income tax from the payments or earnings of a United States Citizen** who is NOT an employee with covered earnings (wages), only foreigners. If you have given a Statement of Citizenship to your broker (agent), that agent cannot backup withhold from your interest and dividends legally, even if he is ordered to, because the Statement of Citizenship relieves the agent from the duty of (and destroys the legal authority to) withhold(ing) income tax from that individual, as stated in Publication 515.

The following Code Section, 6041, is where the reporting of income to **non-employees** (contracted persons) on a Form 1099 originates. It states, in pertinent parts:

§ 6041. Information at source.

(a) Payments of \$600 or more. All persons engaged in a trade or business and making payment in the course of such trade to another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or other fixed or determinable gains, profits and income (other than payments to which section 6042(a)(1), 6044(a)(1), 6047(e), 6049(a), or 6050(N)(a) applies, and other than payments with respect to which a statement is required under the authority of section 6042(a)(2), 6044(a)(2), or 6045), of \$600 or more in any taxable year, or, in the case of such payments made by the United States, the officers or employees of the United States having information as to such payments and required to make returns in regard thereto by

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the regulations, hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of such gains, profits and income, **and the name and address of the recipient** of such payment.

.....

(c) Recipient to furnish name and address. When necessary to make effective the provisions of this section, **the name and address of the recipient of income shall be furnished upon demand** of the person paying the income. **(emphasis added)**

and for brokers,

6045. Returns of brokers

(a) General rule. Every person doing business as a broker shall, when required by the Secretary, make a return, in accordance with such regulations as the Secretary may prescribe, showing the **name and address** of each customer, with such details regarding gross proceeds and such other information as the Secretary may by forms or regulations require with respect to such business...

and for banks,

6049. Returns regarding payments of interest.

(a) Requirement of reporting . Every person -

- (1) who makes payments of interest (as defined in subsection (b)) aggregating \$10 or more to any other person during any calendar year, or

- (2) who receives payments of interest (as so defined) as a nominee and who makes payments aggregating \$10 or more during any calendar year to any other person with respect to the interest so received, shall make a return according to the forms or regulations prescribed by the Secretary, setting forth the aggregate amount of such payments and the **name and address** of the person to whom paid.

and for corporate distributions,

6042. Returns regarding payments of dividends and corporate earnings and profits

(a) Requirement of reporting

(1) In general Every person -

- (A) who makes payments of dividends aggregating \$10 or more to any other person during any calendar year, or
- (B) who receives payments of dividends as a nominee and who makes payments aggregating \$10 or more during any calendar year to any other person with respect to the dividends so received, shall make a return according to the forms or regulations prescribed by the Secretary, setting forth the aggregate amount of such payments and the **name and address** of the person to whom paid...

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6044. Returns regarding payments of patronage dividends

(a) Requirement of reporting

- (1) In general. Except as otherwise provided in this section, every cooperative to which part I of subchapter T of chapter 1 applies, which makes payments of amounts described in subsection (b) aggregating \$10 or more to any person during any calendar year, shall make a return according to the forms of regulations prescribed by the Secretary, setting forth the aggregate amount of such payments and the **name and address** of the person to whom paid...

Now, do you see any requirement anywhere, in any of these code sections, to use a social security number when making reports on these types of earnings ! Why do you suppose they (banks, brokers, corporations) all try to demand a number from you ? Could it be the resulting tax and debt implications ? Can they legally require you to supply a number ? **Not according to the law !**

SO, do you see any requirement to provide an SSN, or any other number, to a payor who will be reporting your (ANY) earnings on a Form 1099, INSTEAD of on a Form W-2 ? No, its not there.

As stated, this section (6041) and the others, are the code sections where the use of the Form 1099 originates (reporting payments to individuals NOT "covered" by Social Security). Carefully note that this reporting requirement **DOES NOT REQUIRE a Social Security number**, a TIN, or any other number from the individual. These sections **ONLY** require the **NAME and ADDRESS** of the recipient (and a total amount paid). So give your clients (and/or your employer) your name and address on a Statement of Citizenship (as specified in C.F.R. 1.1441-5 Claiming to be a Person Not Subject to Withholding), refuse to supply a social security number on a W-4 (because it is voluntary), and tell them to report your earnings on a Form 1099 instead of on a Form W-2 using your name and address as specified in the United States Code. Does that really sound so tough ? Without a SSN on the Form 1099, the IRS computers will not recognize that income as **"taxable income"**, and consequently, will never try to collect tax on it, income (subtitle A) or employment (subtitle C). In fact there is some question as to whether these reports, without SSNs, ever even get entered into the IRS computer systems because without an SSN, or some other number, the record will never "link" to any "person" or "report" or earnings records, for IRS examination or audit purposes, and therefore is useless information that can never be utilized by the IRS "system".

Oh, you say, YOU ALREADY GAVE YOUR EMPLOYER A W-4. DID HE TELL YOU IT WAS VOLUNTARY, or claim it was mandatory ? If he did claim it was mandatory, that was **fraud**. Did he tell you that you can terminate the W-4 with written notice to him indicating such desire on your part ? Probably NOT. So, why not use the law **AND TERMINATE YOUR W-4 AGREEMENT tomorrow with this letter.**

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Date of Letter

Citizen's Employer
Employer's Address
City, State Zip

Re: Termination of Current W-4 Agreement.

Dear Sir,

The laws and regulations providing for the withholding of employment taxes are found in Title 26, Subtitle C, Chapters 21 through Chapter 24. The legal provisions for the implementation of the Social Security program and the withholding of tax are contained therein. In the Code of Federal Regulations at Section 31.3402, which corresponds to 26 USC 3402(p), it states in pertinent parts:

31.3402 (p) -1 Voluntary withholding agreements.

a) In general. An employee and his employer may enter into an agreement under section 3402 (p) to provide for the withholding of income tax...

b) ... an employee who desires to enter into an agreement under section 3402 (p) shall furnish his employer with Form W-4 (withholding exemption certificate) executed in accordance with the provisions of section 3402 (f) and the regulations thereunder. **The furnishing of such Form W-4 shall constitute a request for withholding** (emphasis added)...

Furthermore, 31.3402 (p) -1(b)(2)states :

"An agreement under Section 3402(p) shall be effective for such period as the employer and the employee mutually agree upon. However, **either the employer or the employee may terminate the agreement prior to the end of such period by furnishing a signed written notice to the other.**" (emphasis added)

Per the instructions provided by these regulations, this is my formal notice to you, my "employer", that based on my sincere religious beliefs regarding the biblical warnings regarding the inventorying of human flesh contained in Revelation, Chapter 13, verses 16 through 17, which read:

- 16 And he causeth all, both small and great, rich and poor, free and bond, to receive a mark in their right hand, or in their foreheads;
- 17 **And that no man might buy or sell, save he that had the mark, or the name of the beast, or the number of his name.,**

that I wish to formally terminate between us, any and all W-4 agreements on file with you, as per 26 CFR Sec. 31.3402 (p) -1(b)(2), effectively immediately. Consequently, all use of my social security number in making reports to the IRS must cease immediately, and the company must stop immediately the withholding of all employment taxes imposed under Subtitle C of Title 26, because, since I am no longer a voluntary participant in the Social Security program, I am no

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longer subject **by law or regulation** to the withholding or payment of those taxes associated with the administration of that welfare "benefits" program; because the laws and regulations implementing the Social Security program only apply to those individuals who have **voluntarily** chosen to participate in it.

The voluntary nature of the Social Security program is evidenced by the decision of the United States Supreme Court in the case of Railroad Retirement Board v. Alton Railroad Co, 295 U.S. 330, 55 S. Ct. 758 (1935), wherein the court ruled that Congress did not have authority to create a mandatory benefits program, and cannot compel U.S. Citizens to participate in any benefits program:

"The catalogue of means and actions which might be imposed upon an employer in any business, tending to the satisfaction and comfort of his employees, seems endless. Provision for free medical assistance, nursing, clothing, food, housing, and education of children, and a hundred other matters might with equal propriety be proposed as tending to relieve the employee of mental strain and worry. Can it fairly be said that the power of Congress to regulate interstate commerce extends to the prescription of any or all of these things ? It is not apparent that they are really and essentially related solely to the social welfare of the worker, and therefore remote from any regulation of commerce as such ? We think the answer is plain. **These matters obviously lie outside the orbit of congressional power.**"

I now further call your attention to the following United States Code section:

TITLE 42 - THE PUBLIC HEALTH AND WELFARE CHAPTER 7 - SOCIAL SECURITY

§ 408. Penalties

(a) In general. Whoever -

....

(8) discloses, uses, or compels the disclosure of the social security number of any person in violation of the laws of the United States; shall be guilty of a felony and upon conviction thereof shall be fined under Title 18 or imprisoned for not more than five years, or both. (emphasis added)

The fine provided for by Title 18 is \$10,000.

This letter terminates your authority to withhold from my paychecks the employment taxes imposed under Subtitle C, and to use my social security number in making reports to the IRS. If you believe that there is a statutory authority that exists for you to continue to withhold tax from my pay under Subtitle A - income taxes, and continue to use my social security number for reporting to the IRS for such Subtitle A purposes, please cite the Code section within Subtitle A (Chapters 1 through 6 of Title 26) that you believe grants you the authority to withhold income tax from a United States Citizen, and to use my social security number for such Subtitle A reporting, in your response to this letter.

If you cannot cite a statutory authority under Subtitle A to withhold tax from a United States Citizen and use my social security number in conjunction with Subtitle A tax reporting, I will presume that you understand that you no longer have any legal authority under which you may

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operate to withhold taxes from my paychecks or use my social security number, and consequently, you will cease immediately all such withholding from my pay and use of my social security number for reporting purposes. Thank you for your prompt attention to this matter.

Thank you for your prompt attention to this matter.

Sincerely,

Sovereign Citizen's Signature

NOW COULD THAT BE ANY EASIER TO DO !

If your employer (or his lawyer) is worried about IRS penalties, show them:

§ Sec. 6724. Waiver; definitions and special rules.

(a) Reasonable cause waiver . No penalty shall be imposed under this part with respect to any failure if it is shown that such failure is due to reasonable cause and not to willful neglect.

This shows that your employer and clients cannot be penalized by the IRS if you have provided the correct documentation when making your requests (see C.F.R. 1.1441-5 Claiming to be a Person Not Subject to Withholding). Certainly, being relieved of the duty of withholding tax (Publication 515) under the presentation of Statement of Citizenship is “**reasonable cause**” and not “**willful neglect**”.

It is interesting to note that section 3403 - Liability for Tax, states:

§ 3403. Liability for tax.

The employer shall be liable for the payment of the tax required to be deducted and withheld under this chapter, and shall not be liable to any person for the amount of any such payment. (emphasis added)

There you go, **the employer is liable!** The employers **are liable**, and that triggers the filing requirements of Section 6001 , remember, where "*Every person liable...*". It's the **employers who are liable**, and the **withholding agents** who are **made liable**, and both of those sections, 6001 and 6011, establishing the associated filing requirements, are there so that the government can prosecute anyone who withholds income taxes and doesn't pay them over to the Federal Treasury. Remember that Section 6001 referenced "employers" in its third sentence ? This is why, according to Section 3403 "**THE EMPLOYER SHALL BE LIABLE**", not the individuals. By its own specific language Section 6001 only relates to those "persons" who are liable - the employers.

These are the ONLY code sections in existence that establish liability for the payment of income tax, other than the limited liability for **foreign earned income** imposed and established by Chapter 1, Section 1 - Tax imposed (the income tax), which we have already examined. **There are no other Code Sections anywhere in the United States Code that establish liability for payment of the**

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income tax by individuals. And as you have seen, what the U.S. Citizens are actually liable for under the law is the payment of income tax on privileged (foreign or federal) sources, **not** domestic income earned by Right.

And from the Supreme Court on this subject:

“The reasonable construction of the taxing statutes does not include vesting any tax official with absolute power of assessment against individuals not specified in the statutes as persons liable for the tax without an opportunity for judicial review of this status before the appellation of “taxpayer” is bestowed upon them and their property seized.” [Botta v. Scanlon, 228 F. 2nd 304 (1961)] .

It is Voluntary

“Let me point this out now. Your [subtitle C “employment”] income tax is 100 percent voluntary and your [subtitle E] liquor tax is 100 percent enforced tax. Now the situation is as different as day and night. Consequently, your same rules just will not apply” Dwight E. Avis, Head of ATF, IRS - House Ways and Means Subcommittee Hearings - 1953 ...”(BUT SOMEHOW, TODAY, THE IRS CLAIMS THEY DO !)

"You are among the millions of Americans who comply with the tax law voluntarily."
(1992 Form 1040 Tax Instruction Booklet)

"Two aspects of the Federal Income Tax system - voluntary compliance with the law and self-assessment of tax - make it important for you to understand your rights and responsibilities as a taxpayer. 'Voluntary compliance' places on the taxpayer the responsibility for filing an income tax return. You must decide whether the law requires you to file a return. If it does, you must file your return by the date it is due."
(IRS Publication 21)

"The IRS's goal is to increase the rate at which taxpayers voluntarily pay their taxes from the current 82.3% to 90% by 2001." (The Washington Post front page Dec. 2, 1993 - "IRS Hopes Change")

"Each year American taxpayers voluntarily file their tax returns and make a special effort to pay the taxes they owe." (Johnie M. Walters IRS Commissioner, 1971 Form 1040 Booklet)

"Our tax system is based on individual self-assessment and voluntary compliance." (Mortimer Caplin, IRS Commissioner, 1975 IRS IR Audit Manual)

"The mission of the service is to encourage and achieve the highest possible degree of voluntary compliance." (Donald C. Alexander, IRS Commissioner, Federal Register, March 1974)

"The IRS's primary task is to collect taxes under a voluntary compliance system. (Jerome Kurtz IRS Commissioner, 1980 IR Annual Report)

"We have a voluntary compliance system." (Fred Goldberg, IRS Commissioner, Nightline with Ted Koppel, Apr.13, 1990)

and finally, from the Supreme Court of the United States of America, the highest authority in the land:

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"Our system of taxation is based on voluntary assessment and payment, not upon distraint (force)."
(United States v. Flora, 362 US 145 (1958))

This is a whole page full of statements that the IRS has made, in public, to the media and the People, regarding the "true nature of our tax situation". The sources are quoted. In these, the IRS repeatedly states over and over again that Citizens comply with the tax laws voluntarily, and that our tax system is based on voluntary compliance and self assessment, and now you know why. Because if the Citizen does not voluntarily comply, and through his own ignorance of the law, misapply the code and use the wrong form, the whole system fails. And that's why they say it's voluntary, because **under the law, it is**. And, if you do comply voluntarily, then they can use against you the information that you provided on the Form, because the courts have ruled that when you perform a voluntary self assessment (file a Form 1040), you establish the liability for payment of the tax necessary for the IRS to collect and enforce the amount assessed.

But there is no statutory liability imposed on Citizens for the payment of income tax on domestic income, only foreign income under tax treaties and on income from federal sources. You, the Citizen, create your own liability for the income tax that grants the IRS the jurisdictional authority to enforce and collect the numbers you show on your return when you voluntarily perform that self assessment using the wrong form. And, it doesn't matter that you misapplied the law or used the wrong form; you establish the liability voluntarily with the assessment, and it is then legal, and you owe it. You have to pay it, and they can enforce it if you don't. And if they find anything incorrect or fraudulent on the return, they can assess penalties and interest because the assessment was incorrect or not done properly.

I don't know if anybody noticed, but if you look back to the table in 26 CFR 602.101, where we saw the OMB Document Control Numbers required by Section 1.1-1, on the next line **1.23-5** appears, which does require the form numbered **1545-0074**, Form 1040. Some of you may have noticed this and thought I was trying to slip one by you. So, here's **1.23-5**.

26 CFR 1.23-5 Certification Procedures.

(a) Certification that an item meets the definition of an energy-conserving component or renewable energy source property. Upon request of a manufacturer of an item....the Assistant Commissioner shall certify ... that :

(1) the item meets the definition of insulation (see

This is from the Code of Federal Regulations, and it starts:

"Certification procedures. (a) Certification that an item meets the definition of an energy-conserving component or renewable energy source property..."

Section 1.23-5 is the renewable energy resource credit. If you want to claim this deduction, or that credit, you have to file Form 1040, because it's the proper legal vehicle or mechanism through which that deduction is claimed. And there are a lot of other deductions and credits and legal reasons why Form 1040 would be required. If you want to claim a refund, you have to file Form 1040, because that's the established legal mechanism through which a Citizen claims a refund. If you want to claim certain credits, or take certain deductions, you have to file Form 1040 because that is the legal mechanism through which those credits and deductions are claimed. But, if all you want to do is satisfy the liability for tax on taxable income that you as a Citizen have, without claiming any deductions, or taking any credits, then the only form that you are required to file is **Form 2555**, not Form 1040. Because **Form**

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2555 is the only form required by law, the proper vehicle for you to use to satisfy the liability you have for income tax as an individual Citizen, according to the law. So, how does the IRS get away with doing what they have been doing for so long?

Remember that if you want to claim a refund, you **MUST** file a Form 1040 because it is the legal mechanism through which a refund is claimed !! This is why they deceptively withhold from you when you are young and start working at your first job. You are young and naive, and know nothing about the tax law and they take advantage of your ignorance and withhold more than is necessary. You are gradually conditioned, or programmed, to file a return **TO GET A REFUND, NOT to pay the tax.** Then when you get older, you've been filing the Form 1040 all your life, so you continue doing what you did all along, **ignorantly**; because you are no longer filing to get a refund, **NOW YOU'RE FILING TO PAY A TAX THAT YOU ARE NOT LIABLE BY LAW TO PAY !**

IF ALL YOU WANT TO DO IS SATISFY YOUR LIABILITY, YOU DO NOT USE FORM 1040.

CITIZENS USE FORM 2555 to satisfy liability ! At least that's what the law says !

That's because, as far as individuals are concerned,

THE INCOME TAX IS STILL JUST A FOREIGN TAX !

I know old habits are hard to break, and that all of this information doesn't agree with what you have been told to believe all of your life, and in fact, doesn't seem possible, but keep reading because the truth is far stranger than fiction and the law records the truth. And, as you will see, **ignorance can be eliminated with knowledge**, its stupidity that remains forever, and **the *Truth Will Set You Free* !**

CHAPTER 3

ENFORCEMENT

Remember earlier, the question was raised: "What is taxable income ?" Section 63 is the code section that the IRS claims establishes what "taxable income" is. It states:

§ 63. Taxable income defined

(a) In general. Except as otherwise provided in subsection (b), for purposes of this subtitle, the term "taxable income" means **gross income** minus the deductions allowed by this chapter (other than the standard deduction).

(b) Individuals who do not itemize their deductions

The IRS claims that since the definition of "taxable income" references "gross income" (defined in Section 61), then everything that anybody makes that is listed in Section 61 is taxable income and must be reported. That is the complete and total argument that the IRS makes in its demand for income taxes. Section 61 states:

§ 61. Gross income defined.

(a) General definition. Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, fringe benefits and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

(b) Cross references.

For items specifically included in gross income, see part II (Sec. 71 and following). For items specifically excluded from gross income, see part III (Sec. 101 and following).

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Do you see where subsection (a) lists possible *sources* and where subsection (b) says where to find the items *specifically included in gross income*. Do you understand the difference between a possible source and an included item. What exactly are those “items specifically included” ?

Part II. Items specifically included in gross income.

- § 71. Alimony and separate maintenance payments.
- § 72. Annuities; certain proceeds of endowment and life insurance contracts.
- § 73. Services of child.
- § 74. Prizes and awards.
- § 75. Dealers in tax-exempt securities.
- (76. Repealed.)
- § 77. Commodity credit loans.
- § 78. Dividends received from certain foreign corporations by domestic corporations choosing foreign tax credit.
- § 79. Group-term life insurance purchased for employees.
- § 80. Restoration of value of certain securities.
- (81. Repealed.)
- § 82. Reimbursement of moving expenses.
- § 83. Property transferred in connection with performance of services.
- § 84. Transfer of appreciated property to political organizations.
- § 85. Unemployment compensation.
- § 86. Social security and tier 1 railroad retirement benefits.
- § 87. Alcohol fuel credit.
- § 88. Certain amounts with respect to nuclear decommissioning costs.
- (89. Repealed.)
- § 90. Illegal Federal irrigation subsidies.

I have not received any income from any of these items specifically included, have you ?

The IRS, of course, claims that the *sources* are the actual *included items*, ignoring entirely the precise language (and obvious repercussions) of subsection (b). The possible *sources* from which income may be derived include:

“compensation for services, gross income derived from business, gains derived from dealings in property, interest, rents, royalties, dividends, alimony, annuities, income from life insurance, pensions, income from discharge of indebtedness, distributive share of partnership...” etc.

BUT THEY (the *sources*) ARE NOT THE ACTUAL ITEMS INCLUDED. You can see that the definition of gross income has been written to deceptively appear to include all of these, but, I would like you to remember that in 1895 the Supreme Court ruled in *Pollock v Farmers Loan & Trust Co.* that it is unconstitutional to impose an income tax on the interest and dividends of U.S. Citizens on deposit in U.S. banks. Both of those items are listed here in section 61. *Interest* is number (4) and *Dividends* is number (7). And the Supreme Court further ruled in *Stanton v Baltic Mining Co.* in 1916, that no new power of taxation was conferred by the 16th Amendment.

So, if it was unconstitutional before the 16th Amendment, and no new power was conferred by it; How can Section 61 be constitutional when it states that interest and dividends are part of gross income

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and will be taxed ? Well, we have to look at what the law shows for how Section 61 is supposed to be implemented and applied.

This version of Section 61 that is shown above is from the current 1986 version of the Code. The previous version of the Code is from 1954. This Section, 61, is nearly identical in both versions, except for the following footnote shown in the 1954 version:

"Source: Sec. 22(a), 1939 Code, substantially unchanged"

For some reason the footnote was dropped when the law was recodified in 1986. It is not known why the footnote was dropped in 1986, but it is very important because, as you can see, the footnote identifies the source of Section 61 as being **Section 22(a)** in the 1939 code, the last codified version previous to the 1954 version. Being able to research the source of a law is very important to determining how that law is supposed to be properly applied under the law. Without a review of the source materials it is very difficult to accurately determine how a law was originally intended to be applied, and the courts, of course, only have authority over the law, under, and to the extent of, its original intent. So we go to Section 22(a) in the 1939 code, and we see that the format has changed, but indeed, the substance is pretty much the same as in 1986.

SEC. 22 GROSS INCOME.

(a) General Definition.- "Gross Income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service ... of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses commerce or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever....

But in order to understand how Section 61 is supposed to be applied today, **it is very important to know and understand how Section 22 was implemented and applied in 1939.** The two sections are inextricably linked in such relevant fashion, and the answer to our question of how Section 61 can be Constitutional, given the Pollock decision, can only be found by a thorough examination of this relationship.

If we go back to the 1918 statutes we can examine the origins of Section 22, which are found in Section 213, which states:

Sec. 213. That for purposes of this title....the term "gross income" -
(a) includes gains, profits, and income derived from salaries, wages or compensation for personal service (including in the case of **the President of the United States, the judges of the Supreme and inferior courts of the United States, and all other officers and employees, whether elected or appointed, of the United States, Alaska, Hawaii, or any political subdivision thereof, or the District of Columbia** , the compensation received as such), of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business

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carried on for gain or profit, or gains or profits and income derived from any source whatever. ...
(emphasis added)

And further insight can be gained from a review of Section 931 from the 1954 Code. It states:

Sec 931. Income from sources within possessions of the United States.

(a) General rule. In the case of individual Citizens of the United States, gross income means only gross income from sources within the United States if the conditions of both paragraph (1) and paragraph (2) are satisfied:

(1) 3-year period. If 80 percent or more of the gross income of such Citizen... was

derived from sources within a possession of the United States; and

(2) Trade or business. If 50 percent or more of his gross income ... was derived from the **active conduct of a trade or business within a possession of the United States** either on his own account or as an employee or agent of another.

...

(h) Employees of the United States. For purposes of this section amount paid for services performed by a Citizen of the United States as **an employee of the United States** or any agency thereof shall be deemed to be derived from sources within the United States. (emphasis added)

You will notice that Congress is making reference to the *gross income* WHERE THE U.S. GOVERNMENT (UNITED STATES) IS THE SOURCE of that income, or where it is the “sovereign” authority (possessions). **also carefully note that this section reveals that the term “United States”, in the I.R. code, means the “U.S. government”, not the nation or the whole country. this is very important.** It indicates that where the phrase “within the United States” or “without the United States” is used, it is NOT being used in the geographical sense (deceptively), **BUT IS BEING USED TO INDICATE THE FEDERAL GOVERNMENT as the (ONLY) lawfully affected “source” of the income ! Now go back and reread again everything to this point with that understanding and see if this doesn’t all begin to make REAL sense, as never before !**

BECAUSE they (the U.S. government) ONLY have AUTHORITY over their OWN AFFAIRS (their employment contracts). They DO NOT HAVE AUTHORITY over PRIVATE contracts in **sovereign** . So lets investigate that.

Notice how the definition of “gross income” has been vaguely re-written with each new “codification” of the law, so that without researching its history, it is virtually impossible to determine from today’s statute (61) that there is a limitation to FEDERAL SOURCES inherent in the definition of “gross income”.

Now the word “income” is not defined by itself anywhere in the Internal Revenue Code, so what has the Supreme Court said about the definition of the word/term “income” alone ?

“The word (income) must be given the same meaning in all of the Income Tax Acts of Congress that was given to it in the Corporation Excise Tax Act (of 1909)” [Merchant’s Loan and Trust Co. v. Smietanka, 255 US 509 (at pp. 518 & 519)]

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“Whatever difficulty there may be about a precise and scientific definition of ‘income’ it imports, as used here...the idea of gain or increase arising from corporate activities...[Doyle v. Mitchell, 247 US 179]

“Certainly the term ‘income’ has no broader meaning in the 1913 Act than in that of 1909” [Straton’s Independence v. Howbert, 231 US 399, 416, 417]

“...we assume that there is no difference in its meaning as used in the two Acts.”
[Southern Pacific Co. v. John Z. Lowe, Jr., 247 US 330, 335]

Furthermore, as you can see in the following table, shown here from the Code of Federal Regulations, Index of Parallel Tables - 1991 enabling regulations for the 1939 code sections, it clearly shows that **Section 22**, under the 1939 code, was implemented under Title 26, **Part 519**.

CFR INDEX PARALLEL TABLE

1991 Enabling sections

26 U.S.C. (1939 I.R.C.)	
22	26 Part 519
40	26 Part 1
62	26 Parts 509,513,514,520,521
143-144	26 Part 521
....	

The next table reveals what Part 519 is:

CHAPTER 1 - INTERNAL REVENUE SERVICE DEPARTMENT OF THE TREASURY (Parts 500 to 529)

SUBCHAPTER G - Regulations Under Tax Conventions

Part

500 [Reserved]	
501 Australia	
502 Greece	(x)
503 Germany	(x)
504 Belgium	
505 Netherlands	
506 Japan	
507 United Kingdom	
509 Switzerland	(x)
510 Norway	
511 Finland	
512 Italy	
513 Ireland.....	(x)
514 France	(x)
515 Honduras	

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516 Austria	(x)
517 Pakistan	(x)
518 New Zealand	
519 Canada	
520 Sweden	(x)
521 Denmark.....	(x)

Part 519 is the **Canadian Tax Treaty**. What Section 61 actually defines (through the inherited limitation of Section 22), under the letter of the law; are the sources of taxable income under the foreign tax treaty with Canada. It does not define the **domestic** sources of taxable income. **It defines the Canadian sources, under the Canadian Tax Treaty. Which agrees with everything else in the law that we have seen regarding subtitle A income tax, right ?**

The countries shown in the table with an '(x)' (ed.'s addition) are the countries with whom America has current tax treaties, in effect today (1996). However, since the Canadian Tax Treaty expired in 1993, Part 519 is now shown as reserved for future use in this Table, and Section 61 no longer has any legitimate application within Title 26 (IR Code) for the purpose of defining what gross income is (except, perhaps, under other tax treaties and for Federal employees subject to the "kickback" on Federal "wages" under Chapter 24).

Is there anything else in the law regarding this "source" issue that we can find to support this apparently limited application of the income tax laws that we have uncovered. Subchapter N establishes the legal limitations of the sources subject to tax, based on income from sources within or without the United States.

For U.S. citizens, the sources subjected to taxation are treated in Section 911 and 931. In Section 911, a U.S. citizen living and working abroad, and thus having sources without the U.S., is subjected to taxation. In Section 931, the sources subjected to taxation are those sources earned within a possession of the United States. For U.S. citizens, who were born in the U.S., who are domiciled in the U.S., and who have sources of income within the U.S., there is no income tax imposed on any source. From Title 26, we have:

Subchapter N. Tax based on income from sources within or without the United States

- Part I. Source rules and other general rules relating to foreign income.
- Part II. Nonresident aliens and foreign corporations
- Part III. Income from sources without the United States
(Sections 911 and 931 are contained herein)
- Part IV. Domestic international sales corporations.
- Part V. International boycott determinations.

Which Part applies to the domestic income of a U. S. Citizen ? Furthermore, the Code of Federal Regulations, at 1.861- 8(a), states:

"...The rules contained in this section apply in determining taxable income of the taxpayer from specific sources and activities under other sections of the Code referred to in this section as **operative sections**. See paragraph (f)(1) of this section for a list and description of operative sections." (Emphasis added)

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The Federal Regulations make reference to 'sources' within the United States . These are the only sources listed from which income must derive in order for it to be taxable for the purpose of the Income Tax. Paragraph (f)(1), mentioned above, states:

Code of Federal Regulations 1.861-8(f)(1)

- (i) Overall limitation to the foreign tax credit.
- (ii) [Reserved]
- (iii) DISC and FSC taxable income.
- (iv) Effectively connected taxable income. Nonresident alien individuals and foreign corporations engaged in trade or business within the U.S.
- (v) Foreign base company income.
- (vi) Other operative sections.
 - (A) ...foreign source items of tax...
 - (B) ...foreign mineral income...
 - (C) [Reserved]
 - (D) "...foreign oil and gas extraction income..."
 - (E) "...citizens entitled to the benefits of section 931 and the section 936 tax credit..."
 - (F) "...residents of Puerto Rico..."
 - (G) "...income tax liability incurred to the Virgin Islands..."
 - (H) "...income derived from Guam..."
 - (I) "...China Trade Act corporations..."
 - (J) "...income of a controlled foreign corporation..."
 - (K) "...income from the insurance of U.S. risks..."
 - (L) "...international boycott factor...attributable taxes and income under section 999..."
 - (M) "...income attributable to the operation of a agreement vessel under section 607 of the Merchant Marine Act of 1936..."

As you can see there aren't any sources actually listed from within the fifty states. The regulation is merely deceptively titled (without effect) to make you think that there are some (domestic sources). This is very important in light of the fact that the U.S. Supreme Court has determined that the Congress acts intentionally and purposely in the inclusion or exclusion of something in a law. Or simply, if a particular source is not on the list, it is effectively 'excluded' from 'Gross Income'. There are no other "operative" sections.

But, most Citizens are ignorant of the law, they're ignorant of the application of the law, they're ignorant of the history of the law and these Court rulings, and the IRS relies on and takes advantage of that ignorance. The IRS relies on your ignorance, and your wrongfully self assessing the tax by using the wrong form. And legitimately, under the law, that's not the way the law is actually applied, nor was it ever intended to be applied in such fashion.

ENFORCEMENT

POSITIVE LAW

All of the laws of the United States have been codified into what is called the United States Code (USC). There are 50 Titles within the Code. The Titles that have been passed into what is known as "positive" law, are the Law of the nation, and can be legitimately used as "evidence" of statutory

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violations that result in formal "charges" against persons in our society. This can be seen to be true if one reviews Title 1 USC Section 204, which states:

§ 204. Codes and supplements as evidence of the laws of United States and District of Columbia; citation of Codes and supplements.

(a) United States Code... Provided, however that **whenever titles of such Code shall have been enacted into positive law the text thereof shall be legal evidence of the laws therein contained, in all courts of the United States**, the several states, and the territories and insular possessions of the United States. (emphasis added)

Each Title that has been passed into positive law records and indicates such passage within the Title itself. The 50 Titles (Positive Titles with *) and their Subjects are listed on the next page.

The Fifty Titles

- * Title 1 General Provisions
- Title 2 The Congress
- * Title 3 The President
- * Title 4 Flag and Seal, Seat Of Government, and the States
- * Title 5 Government Organization and Employees
- Title 6 Surety Bonds (repealed-Title 31)
- Title 7 Agriculture
- Title 8 Aliens and Nationality
- * Title 9 Arbitration
- * Title 10 Armed Forces
- * Title 11 Bankruptcy
- Title 12 Banks and Banking
- * Title 13 Census
- * Title 14 Coast Guard
- Title 15 Commerce and Trade
- Title 16 Conservation
- * Title 17 Copyrights
- * Title 18 Crimes and Criminal Procedure
- Title 19 Customs Duties
- Title 20 Education
- Title 21 Food and Drugs
- Title 22 Foreign Relations and Intercourse
- * Title 23 Highways
- Title 24 Hospitals and Asylums
- Title 25 Indians
- Title 26 Internal Revenue Code
- Title 27 Intoxicating Liquors
- * Title 28 Judiciary and Judicial Procedure
- Title 29 Labor
- Title 30 Mineral Lands and Mining
- * Title 31 Money and Finance
 - * Title 32 National Guard
- Title 33 Navigation and Navigable Waters
- Title 34 Navy (repealed-Title 10)
 - * Title 35 Patents
- Title 36 Patriotic Societies and Observances
- * Title 37 Pay and Allowances Of the Uniformed Services
- * Title 38 Veterans' Benefits
- * Title 39 Postal Service
- Title 40 Public Buildings, Property, and Works
- Title 41 Public Contracts
- Title 42 The Public Health and Welfare
- Title 43 Public Lands
- * Title 44 Public Printing and Documents
- Title 45 Railroads
- Title 46 Shipping
- Title 47 Telegraphs, Telephones, and Radiotelegraphs
- Title 48 Territories and Insular Possessions
- * Title 49 Transportation
- Title 50 War and National Defense

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All persons living under the laws of the United States are bound by the "positive" laws in the Titles of the U.S. Code, whereas those Titles that are not passed into positive law appear to be limited in application to specific classes of persons and places. This is because the Federal government **does not have territorial jurisdiction over all people (sovereigns) or places (STATES), for ALL matters.** Title 26, the Title containing the I.R. Code, **has never been passed into positive law** and therefore **does not appear to apply to all people because according to this statute, it is not legal "evidence of the laws...of the United States"** and therefore **cannot have general applicability to the public without first being published in the Federal Register** (as we will see).

Who does this Title apply to, then, if NOT all people? Title 44, Section 1505 sheds some light on this issue, it states:

§ 1505. Documents to be published in Federal Register

(a) Proclamations and Executive Orders; Documents Having General applicability and Legal Effect; Documents Required To Be Published by Congress.

There shall be published in the Federal Register -

(1) Presidential proclamations and Executive orders, **except those not having general applicability and legal effect, or effective only against Federal agencies or persons in their capacity as officers, agents, or employees thereof;** (emphasis added)

Basically this section provides that **before** ANY ACT OF GOVERNMENT becomes binding on ALL PERSONS in the nation, **that, if regulations are specified, those regulations must be PUBLISHED in the Federal Register.** If this publication is not done and were not required, then we would be governed by unknown secret laws. Title 26 has **NEVER** been passed into positive law, **nor** have many of its regulations (specifically deficiency, lien, levy and enforcement regulations) ever been printed in the Federal Register as being invocable or applicable under Title 26. Therefore, those unpublished regulations, from this non-positive title, **CANNOT LAWFULLY BE APPLIED TO ANYONE EXCEPT FEDERAL EMPLOYEES**, as provided for in 44 USC §1505 and 1 USC § 204. Are you a Federal Employee ? Would you like to see what has been published in the Federal Register regarding Title 26 Section 1 (the subtitle A income tax) ? How's this:

[**Federal Register: April 22, 1996** (Volume 61, Number 78)]

[Proposed Rules]

[Page 17614-17667]

From the Federal Register On-line via GPO Access [wais.access.gpo.gov]

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1, 31, 35a, 301, 502, 503, 509, 513, 514, 516, 517, 520, and 521

[INTL-O62-90; INTL-0032-93; INTL-52-86; INTL-52-94]

RINS 1545-AO27; 1545-AR90; 1545-AL99; 1545-AT00

General Revision of Regulations Relating to Withholding of Tax on

Certain **U.S. Source Income Paid to Foreign Persons** and Related

Collection, Refunds, and Credits; Revision of Information Reporting and

Backup Withholding Regulations; and Removal of Regulations Under Part

35a and of Certain Regulations **Under Income Tax Treaties**

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AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Notice of proposed rulemaking and withdrawal of notice of proposed rulemaking.]

NOW ISN'T THAT EXACTLY WHAT I TOLD YOU, and showed you earlier !

Furthermore, the Supreme Court has established that where the enforcement authority of the laws in the Internal Revenue Code (Title 26) is **dependent upon the regulations promulgated** by the Secretary, they must be published in the Federal Register:

"we think it is important to note that the Act's **civil and criminal penalties attach only upon violation of regulations promulgated by the Secretary**; if the Secretary were to do nothing, the Act itself would impose no penalties on anyone."

California Bankers Assn. v. Schultz, 416 U.S. 21,26 (1974) (emphasis added)

Without published regulations (where regulations are statutorily required) **there is no legitimate legal enforcement authority held by the IRS.** Now, the Code of Federal Regulations (CFR), Index and Finding Aids - Parallel Table of Authorities shows the location (statutory association) of the published regulations. All regulations with general applicability to the American public **must be published in the Federal Register under their authorizing Title and Part.** The statutes applicable to assessment, collection and enforcement laws in Title 26 (I.R. Code), and their STATUTORY APPLICABILITY are shown as follows: in that table:

PUBLISHED REGULATIONS

Section	Published Regulation in:	Description
6020	27 CFR Part 53,70	Return Prepared by Sec.
6201	27 CFR Part 70	Assessment Authority
6203	27 CFR Part 70	Method of Assessment
6212	NO REGULATION	Notice of Deficiency
6213	NO REGULATION	...Petition To Tax Court
6214	NO REGULATION	Determinations By Tax Court
6215	NO REGULATION	Assessment ... By Tax Court
6301	27 Part 70,24,25,250,270,275	Collection Authority
6303	27 Part 70	Notice & Demand For Tax
6321	27 Part 70	Liens For Tax
6331-43	27 Part 70	Levy and Dstraint
6651	27 Part 70,24,25,194	Failure to File or Pay
6671	27 Part 70	Penalty Assessed
6672	27 Part 70	Failure to Collect and Pay Over
6701	27 Part 70	Penalties For Understatement
7201	NO REGULATION	Attempt to Evade or Defeat
7203	NO REGULATION	Willful Failure to File...
7207	27 Part 70	Fraudulent Returns
7212	27 Part 170,270,275,285,290,295,296	Interference with I.R. Laws
7401	27 Part 70	Judicial Proceedings Authority
7402	NO REGULATION	Court's Jurisdiction to Enforce
7403	27 Part 70	Judicial Action To Enforce Lien

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(cont.)

Section	Published Regulation in:	Description
7454	NO REGULATION	Burden of Proof ... Transferee Cases
7601	27 Part 70	Canvass of District....
7602	27 Part 70,170,296	Examination of Books
7603	27 Part 70	Service of Summons
7604	27 Part 70	Enforcement of Summons
7605	27 Part 70	Time & Place For Examination
7608	27 Part 70,170,296	Authority of Enforcement Officers

As you can see NONE of the published implementing regulations are associated with Title 26, and THERE ARE NO REGULATIONS AT ALL PUBLISHED FOR 6212 - Deficiencies, 6213, 6214, 6215 - Tax Court, 7201, 7203 - Evasion & Willful failure penalties, 7402 Jurisdiction to enforce. Which of course means that **they appear to only apply to federal employees (transferees) who must return income to the Treasury as part of their employment agreement** (under 4 USC 111) and Foreigners in America under government control. **all of the published authorities are for Title 27** Alcohol, Tobacco & Firearms. **they do not and cannot apply anywhere else until published in the Federal Register under Title 26** as being applicable to all Citizens, under Title 26.

This is confirmed at 26 C.F.R. 601.702., where it addresses and specifies the consequences of a failure to publish in the Federal Register. It states therein:

“(ii) Except to the extent that a person has actual and timely notice of the terms of any matter referred to in subparagraph (1) of this paragraph which is required to be published in the Federal Register, **such person is not required in any matter to resort to, or be adversely affected by, such matter if it is not so published or is not incorporated by reference therein** pursuant to subdivision (1) of this subparagraph. **Thus, for example, any such matter which imposes an obligation and which is not so published or incorporated by reference will not adversely change or affect a person’s rights.**”

And finally from the Supreme Court on this issue:

“Failure to adhere to agency regulations may amount to denial of due process: if regulations are required by Constitution or statute.” [Curley v. United States, 791 F. Supp. 52]

“**for federal tax purposes, federal regulations govern.**”
[Dodd v. United States, 223 F Supp 785, Lyeth v. Hoey, 305 US 186., 59 S. Ct 155]

“...these regulations called for by the statute itself, have the force of law, and violations thereof incur criminal prosecutions, just as if all the details had been incorporated into the congressional language. **The result is that neither the statute nor the regulations are complete without the other, and only together do they have any force.** In effect, therefore, the construction of one necessarily involves the construction of the other.” [United States v. Mersky 361 U.S. 438].

THE TRUTH ABOUT THE INCOME TAX

Assessment Authority

So, what does the IRS do ? The IRS claims that Section 6201 grants them the authority to assess income taxes directly. It states:

§ 6201. Assessment authority.

(a) Authority of Secretary. The Secretary is authorized and required to make the inquiries, determinations, and assessments of all taxes imposed by this title, or accruing under any former internal revenue law, **which have not been duly paid by stamp** at the time and in the manner provided by law. Such authority shall extend to and include the following:

- (1) Taxes shown on return.** The Secretary shall assess all taxes determined by the taxpayer or by the secretary as to which returns or lists are made under this title.
- (2) Unpaid taxes payable by stamp.**
 - (A) Omitted stamps. ...
 - (B) Check or Money Order not duly paid. ...
- (3) Erroneous income tax prepayment credits.**

.....
(b) Amount Not To Be Assessed.

- (1) Estimated income tax.** No unpaid amount of estimated income tax required to be paid under section 6654 or 6655 shall be assessed.....

Are income taxes “**paid by stamp**”? **NO !** Now, are you beginning to understand why the IRS wants you to voluntarily file a return ? Because subparagraph (a)(1) here gives them the authority to assess taxes shown on returns. But, let’s suppose you don’t file a return; what authority is left to assess ? Well, Subsections 2 and 3 are left: “**(2) Unpaid Taxes Payable By Stamp**”, (again, are income taxes payable by stamp) and: “**(3) Erroneous Income Tax Prepayment Credits**” (erroneously withheld tax). That’s it. That’s the true extent of the authority to assess taxes under the law “**1- Taxes shown on returns (done voluntarily), 2 - unpaid taxes payable by stamp (stamp taxes on alcohol and tobacco products, and 3- prepayment credits. So where is the legal authority to assess income taxes NOT shown on a return made by a Citizen (for individuals who do not file) ? IT DOES NOT EXIST ANYWHERE IN THE LAW.**

Now, it’s interesting to note, down at the bottom of 6201, it also states “*(b) Amount Not To Be Assessed. (1) Estimated income tax.-No unpaid amount of estimated income tax required to be paid under section 6654 or 6655 shall be assessed*”. Remember, **6654 (e)(2)(C)**, your exception to the failure to file? Right here under 6201 their claimed authority, it states that if **6654** applies, no unpaid amount of estimated income tax assessed here is required to be paid.

So, if there is no return, the IRS has no legal authority to assess income taxes, and surprisingly enough, they admit that. So they just claim Section 6020 applies. The IRS claims that Section 6020 allows them to prepare and file a Form 1040 return for those individuals who refuse to do so voluntarily. It states:

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§ 6020. Returns prepared for or executed by Secretary.

(a) **Preparation of return by Secretary.** If any person shall fail to make a return required by this title or by regulation prescribed thereunder, **but shall consent** to disclose all information necessary for the preparation thereof, then, and in that case, the Secretary may prepare such return, which being signed by such person, may be received by the Secretary as the return of such person.

(b) Execution of return by Secretary.

(1) **Authority of Secretary to execute return.** If any person fails to make any return required by any internal revenue law or regulation made thereunder at the time prescribed therefore, or makes, willfully or otherwise, a false or fraudulent return, the Secretary shall make such return from his own knowledge and from such information as he can obtain through testimony or otherwise.

(2) **Status of returns.** Any return so made **and subscribed by the Secretary** shall be prima facie good and sufficient for all legal purposes. (emphasis added)

As you can see Subsection (a) says:

*"but shall **consent** to disclose all information necessary in that case, the Secretary may prepare such return..."*

Subsection (a) **clearly requires consent** from the Citizen. So the IRS claims that Subsection (b) is what applies in non-consensual circumstances. Subsection (b) says:

*"if any person fails to make any return required by any internal revenue law or regulation made thereunder at the time prescribed therefore, or makes, willfully or otherwise, a false or fraudulent return, **the Secretary shall make such return** from his own knowledge and from such information as he can obtain through testimony or otherwise."*

Here, the *Secretary* is authorized, **in fact required**, to file forms for individuals if they fail to do so. So, if the Secretary was required; why do they charge Citizens with the failure to file ? The only requirement that can be found in the law is for the Secretary. It's the **secretary** that fails the requirement to file the assessment forms, **not the Citizen. it is virtually impossible under the law to legitimately charge any citizen in the country with failure to file a Form 1040, because this requirement (the Secretary's) is the only requirement to file that can be found in the law, and the W-2 is supposed to "substitute" for a Form 1040 when none is provided by the taxpayer according to the publications in the Federal Register.** Also note that the Secretary must sign (subscribe) the return for it to be valid (prima facie). **THEY REFUSE** to sign their own work. Why would they do that if they thought it was legitimate?

Here's why. The IRS claims that 6020(b) authorizes them to file a Form 1040 for a Citizen who refuses to do so voluntarily. However, the Internal Revenue Manual, in Chapter 5200, addresses the proper legal use and invocation of 6020(b). It states:

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5290. Refusal to file - IRC 6020(b) Assessment Procedure.

5291. Scope

(1) This procedure applies to employment, excise and partnership returns the following returns will be involved:

- (a) Form 940** - Employer's Annual Federal Unemployment Tax Return
- (b) Form 941** - Employer's Quarterly Federal Tax Return
- (c) Form 942** - Employer's Quarterly Tax Return for Household Employees
- (d) Form 943** - Employer's Annual Tax Return for Agricultural Employees
- (e) Form 11-B** - Special Tax Return - Gaming Devices
- (f) Form 720** - Quarterly Federal Excise Tax Return
- (g) Form 2290** - Federal Use Tax Return on Highway Motor Vehicles
- (h) Form CT-1** - Employer's Annual Railroad Retirement Tax Return
- (i) Form 1065** - U.S. Partnership Return of Income

It clearly states that:

*"This procedure applies to **employment, excise and partnership tax returns**".*

Does that say that 6020(b) applies to individual returns ? **No**, it doesn't. It applies to **employment excise and partnership tax returns**. And look at what forms it states they are authorized to file under 6020(b):

"Form 940 ... 941 ... 942 ... 943 ... 11-B ... 720 ... 2290 ... CT-1 ... and ... 1065"

End of list. Is **Form 1040** listed here? No, it is not! Form 1040 is not one of the forms that the IRS is actually authorized to file under Section 6020(b), according to the Internal Revenue Manual itself! 26 USC § 6020(b) is authorized **only for employment, excise & partnership tax returns**.

Why? Because, the tax is not imposed in a direct fashion on the domestic income of U.S. Citizens and Form 1040 **IS NOT REQUIRED BY LAW FROM ANYONE who is not a Withholding Agent, or non-resident alien, or federal employee**. And, again in the Internal Revenue Manual (IRM), at Section 5293.1 it states:

Returns Prepared Under IRC 6020(b)

5293.1

General.

(1) If the taxpayer fails to file **employment, excise and partnership tax returns** by the specified date, **the return should be prepared under the authority of IRC 6020(b).....**

Does that say individual returns ? No ! Again it emphasizes **employment, excise and partnership** returns only, **not individual returns**.

Finally at **IRM 5293.1 (7)** it states:

(7) In unable to locate situations when the proprietors, partners or responsible officers and assets cannot be located and:

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- (a) when their SSNs can be determined process the returns and follow the guidelines in IRM 5263 for returns without full payment; or
- (b) **when their SSNs cannot be determined, close the delinquency** using TC (transaction code) 593 with the proper closing code. (see the guidelines in IRM 5235(2)(c).

Now, what do subtitle C Social Security numbers have to do with delinquencies under subtitle A ? Why would they close a delinquency simply because there is no Social Security number for the individual ? Why is a Social Security number necessary to have an income tax delinquency ? Social security numbers, under the law, have nothing at all to do with income taxes under Subtitle A ! They (SSNs) are only to be used for the administration of the Subtitle C - Employment Tax laws contained in chapters 21 through 25, according to the law.

The improper use of 6020(b) can be further exposed by a review of Sections 6061 and 6065.

§ 6061. Signing of returns and other documents. Except as otherwise provided by sections 6062 (Signing of corporation returns) and 6063 (Signing of partnership returns) , any return, statement, or other document required to be made under any provision of the internal revenue laws or regulations **shall be signed** in accordance with forms or regulations prescribed by the Secretary.
(emphasis added)

§ 6065. Verification of returns. Except as otherwise provided by the Secretary, any return, declaration, statement, or other document required to be made under any provision of the internal revenue laws or regulations shall contain or be verified by a written declaration that it is made under the penalties of perjury.

Section 6061 states:

*"any returns, statements or other documents required to be made under **any** provision of the internal revenue laws or regulations **shall be signed** in accordance with forms or regulations".*

And **Section 6065** states:

*"any return declaration, statement, or other document required to be made under any provision of the internal revenue laws or regulation **shall contain or be verified by a written declaration that it is made under the penalties of perjury**".*

Ever seen one ? Furthermore, Section 6020 subsection (b)(2) stated:

*"Any return so made **and subscribed by the Secretary** shall be prima facie good and sufficient for all legal purposes."*

I have never seen a substitute Form 1040, prepared by the IRS, that was either signed, or sworn to. Obviously that would be a violation of these laws. The IRS is required by law to sign these documents, but they refuse to do so, because they know they're acting outside the authority authorized under the law and actually contained within the Revenue Manual. They know that if they sign the documents, they will assume the liability for the wrongful claims made on them. They do not want to do that, so they refuse to

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sign. They fill it all out and send it to you, for you to sign. They refuse to validate their own work with a signature as required under the law. but they demand that you, the Citizen, honor this fraudulent work with payment, without anyone from the government ever validating it for you or swearing that it's true. It is a violation of the law, but the Citizens generally accede to the demands, and out of ignorance, they comply. But the fact of the matter is: the law supports you, the Citizen, and does **not** support the United States government. Finally the **Delegation Orders** actually filed at the District offices, delegating the Authority to prepare and execute returns under 6020(b) read:

INTERNAL REVENUE SERVICE
SOUTHWEST REGION
OKLAHOMA CITY DISTRICT

Order No. DD-OKC-150, Rev. 5
CR: SD-61

DELEGATION ORDER

Date of issue: Nov 27 1987
Effective Date: Nov 27 1987

Subject:

AUTHORITY TO EXECUTE RETURNS

Authority is redelegated to Revenue Officers, GS-9 and above to prepare and execute the following returns on behalf of the District Director under Section 6020(b) of the Internal Revenue Code.

Form 940, Employer's Annual Federal Unemployment Tax Return;
Form 941, Employer's Quarterly Federal Tax Return;
Form 942, Employer's Quarterly Tax Return for Household Employees;
Form 943, Employer's Annual Tax Return for Agricultural Employees;
Form 11-B, Special Tax Return - Gaming Services;
Form 720, Quarterly Federal Excise Tax Return;
Form 2290, Federal Use Tax Return on Highway Motor Vehicles;
Form CT-1, Employer's Annual Railroad Retirement Tax Return; and
Form 1065, U.S. Partnership Return of Income

This authority may not be redelegated.

This order supersedes Delegation Order DD-OKC-150 (Rev. 4) dated December 13, 1984

Reference: Treasury Regulations 301.6020-1 (b)
Commissioner Delegation Order No. 182 (rev. 1)
IRM 5292

K. J. Sawyer
District Director

This list agrees completely with the Forms shown as authorized under 6020(b) in the Internal Revenue Manual itself. **The IRS cannot produce a delegation order for any district in the country authorizing the preparation or execution of a Form 1040.** Although this Delegation Order is for Oklahoma City, the Orders for the other District Offices are exactly the same. So, how does the IRS

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get away with the fraud that they have been perpetrating on the American People. WE ARE IGNORANT. Amazingly enough, the IRS computer systems have been properly programmed and will not trigger or initiate a collection action against a Citizen of the United States of America, **UNLESS THEY ARE FED FRAUDULENT INFORMATION by an IRS employee.**

This is, of course, exactly what the IRS does, IT ROUTINELY USES FRAUD BY COMPUTER FRAUD AS A MATTER OF STANDARD OPERATING PROCEDURE ! If you have ever received a letter from the IRS you can look and see, usually in the upper right hand corner area, what the CP number of the letter is. CP stands for Computer Paragraph. All of the IRS's collection correspondence is generated by computers, and under the Paperwork Reduction Act all of it must be documented and properly authorized. The Internal Revenue Manual contains an explanation relating the proper legal use of each of these CP codes and corresponding letters. The Manual clearly shows that the letters generated by the computers **that relate to individuals** carry a TWO DIGIT CP CODE. The Manual further shows that all **BUSINESS** accounts are addressed with letters that use a **THREE DIGIT CP CODE. All of the three digit CP Code Letters ARE RESERVED FOR USE WITH BUSINESSES.** It is the those Business letters that individuals wrongfully receive that threaten enforced collection of the income tax. If you have one, see what the CP Code on your letter is. If it carries three digits: **you are the victim of IRS ANARCHY, FRAUD and attempted EXTORTION BY COMPUTER FRAUD.** What the IRS illegally does is post a computer code (or fraudulent assessment date without actually executing any formal assessment documents) on your Individual Master File (IMF) in the computer, that **deceives the computer into believing that YOU ARE AN (assessed) BUSINESS** instead of an individual. That fraudulent entry is used by the computer systems to **wrongfully trigger a collection action** against a Citizen, which action is, in reality, **reserved for use ONLY against businesses, because the computer knows that Citizens are not actually liable.**

THE IRS MUST DEFRAUD ITS OWN COMPUTER SYSTEM TO INITIATE A COLLECTION ACTION AGAINST A CITIZEN. Once that fraudulent business code or assessment date is illegally, fraudulently posted on your IMF, that IMF, the IRS's own document, can be used as prima facie evidence in court against them to expose the fraudulent and illegal nature of their activities and actions.

If you are ignorant, and unaware of the fraud that they have committed you will not be able to stop their illegal theft of your property, perpetrated under this fraudulent deception of their own computer systems. **THERE OUGHT TO BE A LAW !** OOPS, actually there is: Title 18 U.S.C:

§ 1030. Fraud and Related Activity in Connection With Computers.

- (a) Whoever -
 - (5) intentionally accesses a Federal interest computer without authorization, and by means of one or more instances of such conduct alters, damages, or destroys information in any such Federal interest computer, or prevents authorized use of any such computer or information, and thereby -
 - (A) causes loss to one or more others of a value aggregating \$1,000 or more during any one year period; or...
- (b) Whoever attempts to commit an offense under subsection (a) of this section shall be punished as provided in subsection (c) of this section....

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In America, all persons are entitled to due process of law under the Administrative Procedures Act. The provisions of this Act within the law apply to ALL government agencies, including the IRS. Title 5 U.S.C. 556, part of this Act, states:

§ 556. ...Burden of Proof...

...

(c) Subject to PUBLISHED rules of the agency and within its powers, employees presiding at hearings may,

(d) Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof. ... (emphasis added)

and § 558 states:

§ 558. ... Imposition of sanctions...

(a) This section applies, according to the provisions thereof, to the exercise of a power or authority.

(b) A sanction may not be imposed or a substantive rule or order issued except within jurisdiction delegated to the agency and as authorized by law.
(emphasis added)

And what have the Courts said about the Due Process requirements ?

“Due process in administrative hearings includes a fair trial conducted in accordance with fundamental principles of fair play and applicable procedural standards established by law, and administrative convenience or necessity cannot override this requirement.”
[Russell-Newman Mfg. Co. v. N.L.R.B., C.A. Tex 1966, 370 F2d 980]

“Due process requires that when government adjudicate or make binding determinations which directly affect legal rights of individuals, they use procedures which have traditionally been associated with judicial process.” [Amos Treat & Co. v. Securities & Exchange Commission, 306 F2d 260 (1962), 113 US App. D.C. 100]

“Although administrative agencies may be relieved from the observance of strict common law rules of evidence, their hearings must still be conducted consistently with fundamental principles which are intrinsic to due process of law.” [Southern Stevedoring Co. v. Voris, C.A. Tex 1951, 190 F2d 275]

“Administrative due process requires: (1) opportunity to be heard, (2) due notice of hearing, (3) fair conduct of hearing, (4) support in record for decision, (5) submission of proposed findings and tentative report, and (6) opportunity to file and to be heard upon exceptions to the report.
[Ideal Farm, Inc. v. Benson, D.C. N.J. 1960, 181 F Supp 62, affirmed 288 F2d 608, Certiorari denied 83 Sct 1087, 327 US 965, 10 Led2d 128]

“The requirement of fair trial is binding on administrative agencies as well as on the courts” [U.S. v. Brad, D.C. Cal 1968]

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“The fair hearing essential to meet minimal requirements of due process includes not only rudimentary fairness in conduct of hearing when and where held, but also reasonable fair opportunity to be present at time and place fixed to cross-examine any opposing witnesses, to offer evidence, and to be heard at least briefly in defense.” [Jeffries v. Olsen, D.C. Cal 1954, 121 Fsupp 163]

“A full hearing is one in which ample opportunity is afforded to all parties to make, by evidence and argument, a showing fairly adequate to establish the propriety or impropriety, from the standpoint of justice and law, of the step to be taken.” [Boston and M.R.R. v. U.S., D.C. Mass. 1962, 208 Fsupp 661]

“Agencies have latitude to expedite hearings in the public interest and to dispense with evidentiary hearings in view of the nature of questions raised after a notice of action is requested, but an agency cannot act on mere inspection of a file without giving notice and opportunity to request a hearing, except in a narrow class of real emergency cases.” [Pennsylvania Gas & Water Co. v. Federal Power Commission, 427 F2d 568 1970, 138 U.S. App. D.C.]

“Under the Administrative Procedures Act, the proponent of a rule or order has the burden of proof. Burden of proof means going forward with the evidence.” [Bosma v. U.S. Dept. of Agriculture, C.A. 9, 1984, 754 F2d 804]

(I guess I mean a law or ruling that the courts are willing to enforce rather than ignore.) The Courts and the judges are choosing to ignore these facts of law and rulings, which they are aware of, but which they will not address, because they have consciously chosen to derive their living from your ongoing suffering, and they don't really care about the Constitution, America or a Limited government. They pay lip service to these words, but their revenue related rulings and decisions have ignored them, and are obviously more concerned with an expansion of their own Communist-Socialist-Fascist agenda under an unauthorized and unconstitutional expansion of government powers, including their own to re-write the laws as passed by Congress. The courts have no authority to create new legislation, or re-write existing laws simply because the courts deem those laws susceptible of improvement. **Article 1, Section 1, Clause 1** of the Constitution specifically states:

"All legislative powers herein granted shall be vested in a Congress ..."

No legislative powers or authority, to create new laws or alter existing ones, are granted to the courts in the Constitution.

After the IRS illegally makes up a return that they illegally refuse to sign, and fraudulently deceive the computers into initiating the correspondence related to a collection action, they illegally create a deficiency within that return.

§ 6211. Definition of a deficiency.

(a) In general. For purposes of this Title in the case of income, estate, and gift taxes imposed by subtitles A and B and excise taxes imposed by chapters 41, 42, 43, and 44, the term "deficiency" means the amount by which the tax imposed by subtitle A or B, or chapter 41, 42, 43, or 44, exceeds the excess of -

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- (1) the sum of
 - (A) the amount shown as the tax by the taxpayer upon his return, if a return was made by the taxpayer and an amount was shown as the tax by the taxpayer thereon, plus
 - (B) the amounts previously assessed (or collected without assessment) as a deficiency, over -
- (2) the amount of rebates, as defined in subsection (b)(2), made....

This section clearly states: "... *in the case of income, estate, and gift taxes imposed by Subtitles A & B ...*". Deficiencies are clearly based on Subtitle A and Subtitle B taxes (and the excise taxes in Chapters 41, 42, 43 & 44 - Subtitle D). **So why is the IRS using the record of earnings collected under Subtitle C (Employment Taxes) in order to calculate deficiencies ?** That is what the IRS uses in its demands for tax payments. The record of earnings or wages paid and reported by your employer and the withholding agents under your SSN (subtitle C). The IRS is wrongfully and illegally using the record of earnings created under the Subtitle C Employment Tax laws, for Social Security purposes and foreigners, to demand that you, the Citizen, pay income tax on those domestic earnings. And that record of earnings **does not come from any income tax withholding or payment requirements under Subtitles A or B**. It comes from the employment taxes imposed in Subtitle C. The record of earnings belonging to the Citizen is coming from their voluntary participation in the social security program; whereby a social security number is provided to an employer on a W-4, who then withholds the taxes on wages for social security purposes under Subtitle C authorizations. We've already seen that income tax can **only** be withheld from foreigners, not from Citizens, unless it is requested on a Form W-4 (where you specify deductions) !

Then the IRS takes that Subtitle C information and wrongfully and illegally uses it to demand Subtitle A Income taxes on those Subtitle C records of earnings. But this code section, § 6211, states that a deficiency can only be based on Subtitle A and Subtitle B requirements, **not Subtitle C**. So the IRS is in violation of the law to claim that there is a deficiency based on that record of earnings. But that's what they do and they will continue to do it as long as you allow a record of earnings to accumulate under your name and social security number. As long as payers have your social security number and make reports to the IRS using that social security number the IRS is going to wrongfully and illegally use the information created under those subtitle C regulations to demand that you pay income taxes imposed under Subtitle A on foreigners. So after they illegally "manufacture" a deficiency by creative claim, they send it to you:

§ 6212. Notice of Deficiency.

(a) In general. If the Secretary determines that there is a deficiency in respect of any tax imposed by subtitle A or B or chapter 41, 42, 43, or 44, he is authorized to send notice of such deficiency to the taxpayer by certified mail or registered mail.

....

But remember, there are no implementing regulations or published notice associated with this Code section, so it can ONLY apply To Federal Employees for purposes of "assessing" the return of income (kickback) due from Federal sources.

Now, Document 6209 is used to decode the computer codes on the "Individual Master File" (IMF) records ! It clearly shows the meaning of these obscure and little known codes, **which are**

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extremely important. If you receive a "Notice of Deficiency" you should immediately, formally request a copy of your IMF, because 99 times out of 100 it contains a CODE 01, which means:

IMF Filing Requirement Codes Form 1040- U.S. Individual Income Tax Return

- 00 No return filed
- 01 Return not required to be mailed or filed.**
- 02 Form 1040A or 1040EZ filer it. (Package 50)
- 03 Form 1040, with Schedule A and B only. Principal non-business filer (Package 10)
- 04 Form 1040, Schedules A, B, D and E. Full non-business filer (Package 20).
- 05 Form 1040, Schedules A, B, D, E, C and F. Form 1040 business filer (Package 30).
- 06 Form 1040SS filer (Virgin Islands it (DO 66), Guam, and American Samoa-DO 98).
- 07 Form 1040PR it filer (Puerto Rico-DO 66)
- 08 Account is inactive. Return not required to be mailed or filed.
- 09 Form 1040NR filer.
- 10 Form Schedule F Business with Farm Package. (Package 40)
- 11 IMF Child Care Credit present. (Package 00)
- 12 Schedule R / R P present. (Package 80)

That's right, CODE 01 means "RETURN NOT REQUIRED TO BE MAILED OR FILED". It is RIGHT THERE on YOUR IMF, waiting to PROVE YOUR CASE, if you make one.

After fraudulently creating a deficiency (that goes unpaid) the IRS wrongfully levies your property in third party hands, and files a debt lien on your property at the county courthouse.

§ 6321. Lien for taxes.

If any person liable to pay any tax neglects or refuses to pay the same, after demand, the amount (including any interest, additional amount, addition to tax, or assessable penalty, together with any costs that may accrue in addition thereto) shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person. (emphasis added)

The IRS refuses to say how, or under what code section, they have determined that individual Citizens are **LIABLE** for tax on **DOMESTIC** income, **THEY JUST PRETEND** you are, and hope you don't know any better !

The next thing the IRS tries to do is levy property held by third parties. The Authority they claim for this is Section 6331.

§ 6331 Levy and distraint.

(a) Authority of Secretary. If any person liable to pay any tax neglects or refuses to pay the same within ten days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is

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a lien provided in this chapter for the payment of such tax. **Levy may be made upon** the accrued salary or wages of **any officer, employee, or elected official**, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia by serving a notice of levy on the employer (as defined in section 3401 (d)) of such officer, employee or elected official. (emphasis added)

This clearly states:

*"Levy made be made upon the accrued salary or wages of **any officer, employee, or elected official of the United States**, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia."*

Subsection (a) establishes the authority of the Secretary that limits the authority of all the other Subsections (b), (c), (d), (e,) and (f) in this Code section. Who does Subsection (a) say levy may be made on? *"Officers, employees or elected officials of the United States government"*.

Furthermore, it is a CANON of LAW that:

"A cardinal rule of statutory construction is that **a statute be construed from its four corners and not by singling out a particular word or phrase.**" Commonwealth Natural Resources, Inc. v. Commonwealth, 219 Va. 529, 536, 248 S.E. 2d 791, 795 (1978).

and that further, a legislative enactment:

"should be interpreted, if possible, in a manner which gives meaning to every word." Monument Assoc. v. Arlington County Bd., 242 Va. 145, 149, 408 S.E. 2d 889, 891 (1991)

I also note that it is a canon of common-law that

"the intent of the law is the force of the law"

Note 5 in the Annotated Code (U.S.C.A.) for Title 26 U.S.C.A. § 6331 states the **LAWFUL INTENT** of the Congressional legislators in creating this statute. It states:

*"**Note 5. Purpose.** This section was enacted to subject salaries of federal employees to the same collection procedures as are available against all other taxpayers, including employees of a state."*

Does this section apply to Citizens or individuals? No, it does not. It explicitly states who it does apply to, and Citizens are not included. It only grants an authorization to levy **federal employees**. But this subsection is being wrongfully invoked all over the country to seize property from American Citizens who don't really owe income tax on domestic income, but who are too ignorant of the law to defend themselves from a wrongful government attack.

This section was specifically enacted to subject **just** federal employees to levy. Now it references the *"same collection procedures as are available against all other taxpayers"* but, the IRS refuses to site them or establish what they may be. Apparently they feel that Section 6331 is the only code section in Title 26 that they can rely on for levy, and clearly, it does not apply to U.S. Citizens, only

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federal employees. And, as it turns out, it only applies to federal employees who are living and working in federal territories or federal states, like the Virgin Islands, Puerto Rico, Marianna Islands etc.; so that the IRS can collect income tax from federal employees who are enjoying the privilege of working and being protected in those foreign territories. And what has the Supreme Court said about this issue, when wrongfully used in the private sector:

“the idea of wage garnishment in advance of judgment, of trustee process, of wage attachment, or whatever it is called is a most inhuman doctrine”... in a vast number of cases the debt is a fraudulent one, saddled on a poor ignorant person who is trapped ... in which he is charged double for something he could not pay for even if the proper price was called for, and then hounded into giving up his pound of flesh...” [Sniadach v. Family Finance Corp., 395 U.S. 340, 341]

Sound familiar ?.

The Criminal Investigative Division

It states in the Internal Revenue Manual (IRM), in Chapter 1100, at Section 1132.75:

1132.75 Criminal Investigative Division

The Criminal Investigative Division enforces the criminal statutes applicable to income, estate, gift, employment, and excise tax laws involving **United States Citizens residing in foreign countries and nonresident aliens** subject to Federal income tax filing requirements.
(emphasis added)

Now you show me the corresponding section, anywhere in the law or the IRM, that would provide authority over Citizens **NOT RESIDING IN FOREIGN COUNTRIES", but living and working in America !**

This, of course, supports and agrees completely with the claim that the income tax is **STILL JUST A FOREIGN TAX**, as it is accurately recorded in the law. It also supports the charge that the IRS is exceeding the LIMITED authorities established for it under the law and illegally operating in an anarchistic fashion.

There has never been a LEGAL criminal investigation of any U.S. Citizen living and working in the United States of America in the history of the IRS. C.I.D. HAS NO LEGAL AUTHORITY OVER THE DOMESTIC AFFAIRS OR ACTIVITIES OF CITIZENS IN AMERICA, at least that is what the law records. Everything the IRS does to Citizens in America is illegal, occurring within a complete vacuum of law, MUCH THE SAME AS THE GESTAPO OPERATED IN NAZI GERMANY !

That brings us to CHAPTER 75. - . CRIMES, OTHER OFFENSES AND FORFEITURES, and Sections 7201 and 7203, which are typically the statutory charge(s) in a court of law against a Citizen. They state:

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§ 7201. Attempt to evade or defeat tax.

Any **person** who willfully attempts in any manner to evade or defeat any tax imposed by this Title or the payment thereof shall, in addition to other penalties provided by law, be guilty of a felony and, upon conviction thereof, shall be fined not more than 100,000 (\$500,000 in the case of a corporation), or imprisoned not more than 5 years, or both, together with the costs of prosecution.

and:

§ 7203. Willful failure to file return, supply information, or pay tax.

Any **person** required under this title to pay any estimated tax or tax, or required by this title or by regulations made under authority thereof to make a return, keep any records, or supply any information, who willfully fails to pay such estimated tax or tax, make such return, keep such records, or supply such information, at the time or times required by law or regulations, shall, in addition to other penalties provided by law, be guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than \$25,000 (\$100,000 in the case of a corporation) or imprisoned not more than 1 year, or both, together with the costs of prosecution. In the case of any person with respect to whom there is failure to pay any estimated tax, **this section shall not apply to such person with respect to such failure if there is no addition to tax under section 6654 or 6655 with respect to such failure.** In the case of a willful violation of any provision of section 60501, the first sentence of this section shall be applied by substituting "felony" for "misdemeanor", and "5 years" for "1 year". (emphasis added)

Now, it's worth pointing out that these Sections are penalty statutes, and that the government tries to skip right over the part of a trial where they identify an actual violation of law and charge you with it. They try to skip right over the requirement to explain what actual statutory violation has occurred, and leap right to the penalty phase. When accused, one has the right to demand to know what the underlying statutory infraction is, that has caused and justified the invocation of the penalty statute. One should demand to know what statutory violations the IRS has based the penalty charge on, and guess what; the IRS cannot cite a statutory violation upon which the penalty is based, given the facts of law presented in this book.

I'd further like to point out that both of these sections specifically say,

"Any person required under this title..."

This next section, **also from Chapter 75**, redefines the term "**person**" for use in **Chapter 75**.

§ 7343. Definition of the term person.

The term "person" as used in this chapter **includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee or member is under a duty to perform the act in respect of which the violation occurs.** (emphasis added)

Now does this say that the term 'person' includes ALL individuals ? No! The term "person" is redefined for purposes of use within Chapter 75 to mean only **government employees** and (government)

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corporate officers. But it is not redefined right up there in **Section 7203** where it says, "any person"; you have to read through the whole chapter to get to the redefinition of the term "person" at the end of the chapter in order to recognize that Section 7203 was never intended to be applied against any Citizen, who didn't, or wasn't, acting in the capacity of a government employee or corporate or partnership officer with legal responsibility for (corporate) tax liability ?

Section 7203 is here to file against the Federal employees who commit fraud in regards to the Federal employee "kickback", and against corporate officers who fail to honor their legal responsibilities to report and pay the tax on the privileged income that the **corporation** may be making, and to pursue withholding agents who take tax from foreigners and do not turn those moneys over to the Treasury. It is not a statutory section that authorizes criminal penalties against the common Citizen, or even individuals, in association with failure related to DOMESTIC activities engaged in BY RIGHT.

Furthermore, this Section clearly states:

"... this section shall not apply to such person with respect to such failure if there is no addition to tax under section 6654 ..."

Do you remember § **6654 (e)(2)(C)**, the Citizen's exception to the failure to pay, where no addition to tax shall be imposed if there is no liability and the individual was a Citizen or resident ? The same paragraph C referenced in Treasury Decision 2313 ? How can Section 7203 possibly be used against individual Citizens, given this specific language within the statute itself ? Do you remember that the Secretary is "required" under 6020(b) ? Do you remember that a W-2 is supposed to SUBSTITUTE for a Form 1040 ? Do you really need a lawyer to read these English sentences and understand what they mean ? Can't you see for yourself how **fraudulent** and wrongful, in fact, **criminal**, all of this Federal **persecution** is ? And how many people in America have answered the doorbell only to find a band of jack-booted, gun toting IRS thugs at the door to seize their property, books and records, supposedly in enforcement the subtitle A income tax laws. What does the law really say about that ?

§ 7608. Authority of internal revenue enforcement officers.

(a) Enforcement of subtitle E and other laws pertaining to liquor, tobacco, and firearms

Any investigator, agent, or other internal revenue officer by whatever term designated, whom the Secretary charges with the duty of enforcing any of the criminal, seizure, or forfeiture provisions of subtitle E or of any other law of the United States pertaining to the commodities subject to tax under such subtitle for the enforcement of which the Secretary is responsible may

(1) carry firearms;

(2) execute and serve search warrants and arrest warrants, and serve subpoenas and summonses issued under authority of the United States;

(3) in respect to the performance of such duty, make arrests without warrant for any offense against the United States committed in his presence, or for any felony cognizable under the laws of the United States if he has reasonable grounds to believe that the person to be arrested has committed, or is committing, such felony;

(4) in respect to the performance of such duty, make seizures of property subject to forfeiture to the United States.

(b) Enforcement of laws relating to internal revenue other than subtitle E

(1) Any criminal investigator of the Intelligence Division or of the Internal Security Division of the Internal Revenue Service whom the Secretary charges with the duty

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of enforcing any of the criminal provisions of the internal revenue laws, any other criminal provisions of law relating to internal revenue for the enforcement of which the Secretary is responsible, or any other law for which the Secretary has delegated investigatory authority to the Internal Revenue Service, is, in the performance of his duties, authorized to perform the functions described in paragraph (2).

(2) The functions authorized under this subsection to be performed by an officer referred to in paragraph (1) are -

(A) to execute and serve search warrants and arrest warrants, and serve subpoenas and summonses issued under authority of the United States;

(B) to make arrests without warrant for any offense against the United States relating to the internal revenue laws committed in his presence, or for any felony cognizable under such laws if he has reasonable grounds to believe that the person to be arrested has committed or is committing any such felony; and

(C) to make seizures of property subject to forfeiture under the internal revenue laws.....

So where is *carry firearms* in subsection (b) as an authority to enforce Subtitle A ? It doesn't exist in the law. **NO IRS agents**, who are involved with subtitle A enforcement procedures in the field, **ARE LEGALLY AUTHORIZED TO CARRY FIREARMS DURING SUCH DUTY, and it is a violation of the law for them to do so !**

Do you really think this is the America our founders envisioned for this era ? And finally, concerning Federal criminal prosecutions in the States, the Supreme Court says:

“...the Federal government has nothing approaching a police power.”

[United States v. Lopez, No. 93-1260, 115 S. Ct. 1624, 131 L. Ed. 2d 626]

Title 18 - Federal Crimes

All TRUE LAWFUL crimes (by the general public) against the United States are spelled out in Title 18 (Chapters 1 through 121), which is **positive** law. In order to be a legitimate, lawful, and valid (Constitutional) criminal charge by the Federal Government against an individual, the violation of the laws in the other Titles must be linked to a crime listed and spelled out in Title 18. **THERE IS NO SUCH LINK FOR ALLEGED TITLE 26 VIOLATIONS.**

It is a fact that there are only **THREE** Federal Crimes provided for in the Constitution: treason, piracy and counterfeit. The Interstate Commerce Act has been used to expand the authority of the Federal government over inter-state activities, **but Title 26 charges do not relate to interstate activities.** You cannot be **legally** arrested, charged or tried in a federal court because the Federal government has no territorial jurisdiction over you because they are not the Sovereign government authorized to enforce law in the lands of the 50 states. **You are not a federal employee, not a federal transferee, and Title 26 has never been passed into positive law or published in the Federal Register as generally applicable**, therefore it does not and cannot legally apply to you. You cannot be tried legally or legitimately by a federal court for this charge. Welcome to the new world order - no laws that the government must obey, just you and me, while the government claims unlimited power over everything that exists in the nation.

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Now you show me the tax crimes provided for in the positive laws of Title 18 - **Federal Crimes**. It is not there. If you **DO NOT CHALLENGE THEIR (inherent) CLAIM OF TERRITORIAL JURISDICTIONAL AUTHORITY OVER YOU** (and claim of Federal crime committed) and fail to **refute their presentment** of such claim properly, then it is legally presumed that such jurisdiction and charge do in fact exist legitimately, when in fact, they do not.

The record of court actions, called **case law**, shows how U.S. judges have imposed their personal (rather than LAWFUL) discretion and opinions upon persons through the corrupt process of making "new law" under "personal" precedent, and not lawful or judicial precedent. In so doing they ignore Due Process of Law and make it possible to illegally control the lives, liberties and property of naive/ignorant persons present in the courtroom, who do NOT understand the legal limitations imposed on the Federal government by our Constitution, or who, for some unstated reason, choose not to make those limitations part of their defense arguments before the jury. **Case law is only binding on the litigants in the case out of which the ruling comes. Case law cannot be expanded to apply to other complaints or cases because Article I of the Constitution says "all legislative powers shall be vested in a congress", which of course means that judges can't create or make up new laws as they have been fraudulently doing. Only Congress can make new law, or alter existing law.** (It does say "all legislative powers", NOT 'some' or 'most'.)

These NON positive laws and unpublished regulations (imposed only on certain classes of people in certain places) have been enforced as though every person is required under them. By misusing the rules of the court, the judges are providing themselves with a self-serving personal discretionary power outside of the law, effectively, fraudulently and illegally, usurping authority over the matter, and your life and property.

The evidence begins with Rule 1 in the Federal Rules of Procedure.

Rule 1. Scope.

These rules govern the procedure in all criminal proceedings in the courts of the United States as defined in Rule 54(c);...

The term "Courts of the United States" is not specifically defined, so Rule 1 puts us on notice that the scope of the criminal proceedings cognizable in the Courts of the United States is found in the definitions in Rule 54(c). Omitting irrelevant definitions, Rule 54(c) states:

Rule 54(c) Application of terms. As used in these rules the following terms have the designated meanings.

...

"Act of Congress" includes any act of Congress locally applicable to and in force in the **District of Columbia, in Puerto Rico, in a territory or in an insular possession.**

...

"Federal Magistrate" means a United States magistrate as defined in 28 USC Sec. 631-639. a judge of the United States or another judge or judicial officer specifically empowered by statute in force **in any territory or possession, the Commonwealth of Puerto Rico, or the District of Columbia**, to perform a function to which a particular rule relates.

...

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"Judge of the United States" includes a judge of a district court, court of appeals, or the Supreme Court....

...

"State" includes **District of Columbia, Puerto Rico, territory and insular possessions.** (emphasis added)

Were you in any of these places when you were arrested (or taxed) ?

By use of the word "includes", in the definition of "State", those things NOT explicitly listed are EXCLUDED. This means that not one of the fifty States of the United States of America is included in this definition of the term "State". With this we are told that criminal proceedings in the courts of the United States are limited to the District of Columbia, Puerto Rico, and a territory or in an insular possession; which is backed by the definition of "Act of Congress" and confirms the knowledge of the U.S. courts that Congress is limited to making laws applicable to its own employees and the District of Columbia, Puerto Rico, territories and insular possessions of the United States government, by virtue of its limited territorial jurisdiction most recently reflected in United States v. Lopez (supra).

I know that this is not what attorneys are taught to argue, **but this is what they should be arguing in defense of their clients' best interests, rather than allow the government's presumption of authority over them (the client).**

STATE TAXATION

Actually this part is easy. Title 18 USC § 8 and Title 12 USC § 411 both state that "Federal Reserve Notes are United States obligations":

18 U.S.C. § 8 Obligation or other security of the United States defined.

The term "obligation or other security of the United States" includes all bonds, certificates of indebtedness, national bank currency, **Federal Reserve notes**, Federal Reserve bank notes, coupons, United States notes, Treasury notes, gold certificates, silver certificates, fractional notes, certificates of deposit, bills, checks, or drafts for money, drawn by or upon authorized officers of the United States, stamps and other representatives of value, of whatever denomination, issued under any Act of Congress, and canceled United States stamps.

12 U.S.C. § 411. Issuance to reserve banks; nature of obligation; redemption.

Federal reserve notes, to be issued at the discretion of the Board of Governors of the Federal Reserve System for the purpose of making advances to Federal reserve banks through the Federal reserve agents as hereinafter set forth and for no other purpose, are authorized. **The said notes shall be obligations of the United States** and shall be receivable by all national and member banks and Federal reserve banks and for all taxes, customs, and other public dues. They shall be redeemed in lawful money on demand at the Treasury Department of the United States, in the city of Washington, District of Columbia, or at any Federal Reserve bank.

And Title 31 USC § 3124 clearly states:

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§ 3124. Exemption from taxation

(a) Stocks and **obligations of the United States Government are exempt from taxation by a State** or political subdivision of a State. The exemption applies to each form of taxation that would require the obligation, the interest on the obligation, or both, to be considered in computing a tax, except -

- (1) a nondiscriminatory franchise tax or another non-property tax instead of a franchise tax, imposed on a corporation; and
- (2) an estate or inheritance tax. (emphasis added)

So, now don't you get paid in Federal Reserve Notes ? So how can your State tax them ? Furthermore, most of the State Codes invoke and incorporate by direct reference Section 61 of the United States Code as the State definition of "gross income". So, all of the Section 61 arguments shown previously become applicable and relevant to the proper and legal administration of the State tax laws and procedures.

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CHAPTER 4

SUPPORTING EVIDENCE

§ 7214. Offenses by officers and employees of the United States

(a) Unlawful acts of revenue officers or agents

Any officer or employee of the United States acting in connection with any revenue law of the United States -

- (1) **who is guilty of any extortion or willful oppression under color of law**; or
- (2) who **knowingly demands other or greater sums than are authorized by law**, or receives any fee, compensation, or reward, except as by law prescribed, for the performance of any duty; or
- (3) who **with intent to defeat the application of any provision** of this title fails to perform **any of the duties** of his office or employment; or
- (4) who conspires or colludes with any other person **to defraud** the United States; or
- (5) who knowingly makes opportunity for any person to defraud the United States; or
- (6) who does or omits to do any act with intent to enable any other person to defraud the United States; or
- (7) who **makes or signs any fraudulent entry** in any book, or makes or signs any fraudulent certificate, return, or statement; or
- (8) who, having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report, in writing, such knowledge or information to the Secretary; or
- (9) who demands, or accepts, or attempts to collect, directly or indirectly as payment or gift, or otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law, except as expressly authorized by law so to do; shall be dismissed from office or discharged from employment and, upon conviction thereof, shall be fined not more than \$10,000, or imprisoned not more than 5 years, or both. The court may in its discretion award out of the fine so imposed an amount, not in excess of one-half thereof, for the use of the informer, if any, who shall be ascertained by the judgment of the court. The court also shall render judgment against the said officer or employee for the amount of damages sustained in favor of the party injured, to be collected by execution.

Since no formal, legal "Certificate of Assessment", Form 23C, can be shown to exist as the legal basis for IRS claims (because they are never actually executed (signed by a human)), it is absolutely clear that no proper, legal assessment has ever been made or executed (subscribed) as required by 26 USC § 6020(b)

The Best Kept Secret in America

As you can see, the laws regarding Income taxes under Subtitle A and Employment taxes under Subtitle C, their corresponding authorities and powers, are being illegally mixed and wrongfully invoked

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in a fraudulent and improper fashion against all U.S. Citizens. That means that you, as a Citizen, can disable and prevent that wrongful use of the information simply by handling your financial affairs in a particular fashion.

The law specifically states that you do not have to give your social security number to anyone except the Social Security Administration. You must also show it on the forms that you file with the IRS. But, as we've seen, you don't **have** to legally file any forms with the IRS, unless you have foreign earned income under a tax treaty or foreign principals with domestic income. And if you refuse to supply your social security number to your employer on a W-4, or if you revoke your application for a Social Security number and rescind your participation in the Social Security program; then you have no legal requirement to supply a social security number to anyone at all; and there will never be any record of any earnings that is created under Subtitle C employment tax laws that the IRS can wrongfully and illegally use to demand that you pay income tax on.

But, the most important thing to understand, and **the secret to living and working in the United States of America tax free, without repercussions or harassment from the IRS, is understanding that Social Security is a voluntary program and that people who do not use a social security number NEVER RECEIVE CORRESPONDENCE FROM THE IRS regarding the collection of tax, because that correspondence is never issued by the IRS computer systems.**

There is no law that requires you to participate in social security, and if you wish, you can opt out of the program, or conversely, you can just exercise your rights under the law and refuse to disclose your social security number to your employer, or anyone, for that matter, except the Social Security Administration. Thereby totally disabling, in a completely legal fashion, the information collection mechanism that the IRS relies upon to wrongfully AND CRIMINALLY demand income tax payments from Citizens. If the IRS insists on illegally misusing the information collected under Social Security, we, the People, are left with no other legal option but to legally prevent its collection in the first place, in order to prevent its misuse against us. What has the Supreme Court said about religious rights ?

"A person may not be compelled to choose between the exercise of a First Amendment right and participation in an otherwise available public program. It is true that the Indiana law does not compel a violation of conscience, but **where the state conditions receipt of an important benefit upon conduct proscribed by a religious faith, or where it denies such a benefit because of conduct mandated by religious belief, thereby putting substantial pressure on an adherent to modify his behavior and to violate his beliefs, a burden upon religion exists.** While the compulsion may be indirect, the infringement upon free exercise is nonetheless substantial." THOMAS v. REVIEW BD., IND. EMPL. SEC. DIV., 450 U.S. 707 (1981)

and;

"The door of the Free Exercise Clause stands tightly closed against any governmental regulation of religious beliefs as such, Cantwell v. Connecticut, 310 U.S. 296, 303. Government may neither compel affirmation of a repugnant belief, Torcaso v. Watkins, 367 U.S. 488; nor penalize or discriminate against individuals or groups because they hold religious views abhorrent to the authorities, Fowler v. Rhode Island, 345 U.S. 67; nor employ the taxing power to inhibit the dissemination of particular religious views, Murdock v. Pennsylvania, 319 U.S. 105; Follett v. McCormick, 321 U.S. 573; cf. Grosjean v. American Press Co., 297 U.S. 233.(emphasis added)

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"It is too late in the day to doubt that the liberties of religion and expression may be infringed by the denial of or placing of conditions upon a benefit or privilege. 6 American [374 U.S. 398, 405] Communications Assn. v. Douds, 339 U.S. 382, 390; Wieman v. Updegraff, 344 U.S. 183, 191-192; Hannegan v. Esquire, Inc., 327 U.S. 146, 155-156. For example, in Flemming v. Nestor, 363 U.S. 603, 611, the Court recognized **with respect to Federal Social Security benefits that "[t]he interest of a covered employee under the Act is of sufficient substance to fall within the protection from arbitrary governmental action afforded by the Due Process Clause."** In Speiser v. Randall, 357 U.S. 513, we emphasized that **conditions upon public benefits cannot be sustained if they so operate, whatever their purpose, as to inhibit or deter the exercise of First Amendment freedoms.**" (emphasis added)

"Twenty-three years ago in Cantwell v. Connecticut, 310 U.S. 296, 303, the Court said that both the Establishment Clause and the Free Exercise Clause of the First Amendment **were made wholly applicable to the States** by the Fourteenth Amendment. In the intervening years several cases involving claims of state abridgment of individual religious freedom have been decided here - most recently Braunfeld v. Brown, 366 U.S. 599, and Torcaso v. Watkins, 367 U.S. 488." (emphasis added)

all from : SHERBERT v. VERNER, 374 U.S. 398 (1963)

and:

"Certain aspects of religious exercise cannot, in any way, be restricted or burdened by either federal or state legislation. Compulsion by law of the acceptance of any creed or the practice of any form of worship is strictly forbidden. The freedom to hold religious beliefs and opinions is absolute." Cantwell v. Connecticut, 310 U.S. 296, 303; Reynolds v. United States, 98 U.S. 145, 166" (emphasis added)

"For religious freedom - **the freedom to believe and to practice strange and, it may be, foreign creeds - has classically been one of the highest values of our society.** See, e. g., Murdock v. Pennsylvania, 319 U.S. 105, 115 (1943); Jones v. City of Opelika, 319 U.S. 103 (1943); Martin v. City of Struthers, 319 U.S. 141 (1943); Follett v. Town of McCormick, 321 U.S. 573 (1944); Marsh v. Alabama, 326 U.S. 501, 510 (1946).

all from: BRAUNFELD v. BROWN, 366 U.S. 599 (1961)

and;

"We conclude then that government regulation that indirectly and incidentally calls for a choice between securing a governmental benefit and adherence to religious **beliefs is wholly different from governmental action or legislation that criminalizes religiously inspired activity or inescapably compels conduct that some find objectionable for religious reasons.** Although the denial of government benefits over religious objection can raise serious Free Exercise problems, these two very different forms of government action are not governed by the same constitutional standard. A **governmental burden on religious liberty is not insulated from review simply because it is indirect,** Thomas v. Review Board of Indiana Employment Security Div., 450 U.S. 707, 717-718 (1981) (citing Sherbert v. Verner, 374 U.S., at 404); [476 U.S. 693, 707] **but the nature of the burden is relevant to the standard the government must meet to justify the burden"**

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"Where the state conditions receipt of an important benefit upon conduct proscribed by a religious faith, or where it denies such a benefit because of conduct mandated by religious belief, thereby putting substantial pressure on an adherent to modify his behavior and to violate his beliefs, a burden upon religion exists."
Thomas v. Review Bd. of Indiana Employment Security Div., 450 U.S. 707, (1981).

all from: BOWEN v. ROY, 476 U.S. 693 (1986)

This is conclusive.

Neither the private employer nor the Withholding Agent, in any of the 50 States of America, may lawfully make manifest a condition of involuntary servitude on any Citizen, NOR may they effect a condition of virtual peonage upon any person, wherein the labor of that person is controlled by an unidentified and/or unspecified alleged obligations, under the guise and pretense of federal tax, through colorable use of the statutes.

As irrefutable proof that Social Security is indeed a voluntary program, I offer the following:

In Texas, the Justice Department argued for the EEOC (Equal Employment Opportunity Commission) against an employer who had, under IRS advice, refused to hire an individual who would not provide a social security number. The complaint was styled as a DISCRIMINATION action. The discrimination involves both religious persecution, because of a person's personal religious convictions, and national origins (Americans are not required).

In this case the IRS refused to appear in court to defend its advice to the employer, who immediately folded when confronted in court with a team of Justice Department lawyers suing him for discrimination. (Who wants to be in court against the Justice Department without any legal facts to stand on and no witness to call ?) The IRS typically passes out incorrect or misleading information to the employer, and then refuses to appear in the court room to defend the advice that the Employers are acting on.

The case proves beyond the shadow of any doubt what-so-ever that it is NOT necessary to use a social security number in association with your personal finances and earnings, IF YOU CHOOSE NOT TO !

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EXCERPTS FROM
EEOC v. Information Systems Consulting
CA3-92-0169-T
IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

1. From the EEOC's Letter of Determination, Dated May 2, 1990 (p.2)

The evidence supports the charge that there is a violation of Title VII of the 1964 Civil Rights Act, as amended,... Section 706(b) of Title VII requires that if the commission determines there is a reasonable cause to believe that the charge is true, is shall endeavor to eliminate the alleged unlawful employment practice by informal methods, of conference, conciliation, and persuasion, having determined there is reasonable cause to believe the charge is true, the Commission now invites the parties to join with it in a collective effort toward a just resolution of this matter.

2. From the Affidavit of Tim Fitzpatrick, September 29, 1989 (p.3):

After discussions with the IRS, the company discovered that if Mr. Hanson did not provide the company with a Social Security number, the company would be in violation of the Internal Revenue Regulations and subject to various penalties.

3. From the Plaintiff's Response to Defendant's Motion to Dismiss, April 1, 1992 (p.8-9)

"...the Internal Revenue Code and the Regulations promulgated pursuant to the code do not contain an absolute requirement that an employer provide an employee social security number to the IRS. Internal Revenue Code Section 6109(a)(3) states:

Any person required under the authority of this title to make a return, statement or other document with respect to another person, shall request from such person, and include in any such return, statement or document, such identifying number as may be prescribed for securing proper identification of such person.

26 U.S.C. 6109(a)(3) (Supp. 1992)"

The IRS regulation interpreting section 6109 provides:

"If he does not know the taxpayer identifying number of the other person, he shall request such number of the other person. A request should state that the identifying number is required to be furnished under the law. When the person filing the return, statement, or other document does not know the number of the other person, and has complied with the request provision of this paragraph, he shall sign an affidavit on the transmittal document forwarding such returns, statements, or other documents to the Internal Revenue Service so stating..

Treas. Reg. 301.6109-1 (c) (1991)"

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"The applicable IRS statute and regulation place a duty on the employer to request a taxpayer identifying number from the employee. If document must be filed and the employer has been unable to obtain the number but has made the request then the employer need only include as affidavit stating that the request was made."

The Government also avers that:

"In 1989, Internal Revenue Code Section 6676, 26 U.S.C. and 6676 (1989), set forth the penalties for failing to supply the IRS with identifying numbers as required by the code....a \$50.00 penalty will be imposed for failure of an employer to provide an identifying number on any document filed with the IRS unless it is shown that the failure was due to reasonable cause and not willful neglect. The Treasury Regulation interpreting the Statute states:

Under Section 301.609-1 (c) a payor is required to request the identifying number of the payee. If after such a request has been made, the payee does not furnish the payor with his identifying number, the penalty will not be assessed against the payor.

Treas. Reg. 3106676-1 (1989)"

"Public Law 101-239, Title VII, Section 7711(b)(1), Dec. 19, 1989, 103 Stat. 2393, repealed Section 6676 of the Internal Revenue Code, 26 USC 6723 (Supp. 1992) has governed the failure to comply with information reporting requirement. However, Internal Revenue Code Section 6724, 26 USC 6724 (Supp. 1992), provides for a waiver of any penalties assessed under the code upon a showing of reasonable cause. Section 6724(a) provides:

No penalty shall be imposed under this part with respect to any failure if it is shown that such failure is due to reasonable cause and not willful neglect.

26 USC 6724(a) (Supp. 1992)"

4.) From the Consent Decree, dated November 4, 1992 (p.4)

The defendant ... shall be **permanently enjoined from terminating an employee or refusing to hire an individual for failure to provide a social security number....** If an employee or applicant for employment advises the defendant that he does not have a social security number....., the defendant shall request, pursuant to Section 6724 of the Internal Revenue Service Code {sic}, 26 USC 6724, a waiver of any penalties that may be imposed for failing to include an employee social security number on forms and documents submitted to the IRS.

OBVIOUSLY, SOCIAL SECURITY IS VOLUNTARY - NOT MANDATORY !

Social Security is a fraudulent, **PONZI PYRAMID** con game. There is no money in any "social security" account, anywhere in the country. NOT ONE security is held anywhere in the world by the social security system. If Congress does not make an annual appropriation for Social Security payments EVERY YEAR, the program ends, JUST LIKE THAT. "What happened to all the money in my account", you may wonder ? THERE IS NO MONEY IN YOUR ACCOUNT, THERE NEVER WAS. IT WAS ALL SPENT THE DAY IT ARRIVED AT THE SOCIAL SECURITY ADMINISTRATION.

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Congress has used your retirement money to fund its deficit spending and wasteful boondoggles. They gave it to the Emir of Kuwait (to fight Saddam), they gave it to Saddam Hussein (to fight Iran), they gave it to Iran (to support the Shah), they gave it to the Shah to fight China, now they are giving it to CHINA, in a most favored nation trade status, to show how much the America People REALLY OBJECT TO and HATE COMMUNISM. They gave it to everyone in the world, except you, the rightful owner, the American Citizen. You get **asset forfeiture, direct taxation, regulatory seizure of private property, undeclared wars**, the responsibility and bills for a **global police force** (while foreign natives (in that country) make money without bothering to defend their own country. Remember Kuwait ?). Americans get Social Insecurity, WelFraud, WACO, Ruby Ridge, the DNC, an unconstitutional banking monopoly, worthless fiat paper money, a Congress bought and sold and run by PACs and special (corporate & foreign) interest groups, Government Hell-th Care, Schools that can't education, Police that can't protect, prisons that can't confine, immunity (or short sentences and ridiculously small fines given how much was stolen) for ultra-wealthy criminals (the oligarchic aristocrats), a President with the morality (or lack thereof) of A WHORE, and a Federal Mafia, consisting of the whole alphabet - IRS, ATF, DEA, FBI, NSC, CIA, HUD, EPA, DOE, DOT, FAA, FCC, DOA, FRB, NRC, EEOC, OSHA, (how many more can you think of, how many of these did you vote for ?) etc., to enforce it all and ram it down our throats, just like HITLER did to Germany. All focused on stealing our wealth and prosperity, and enslaving our minds, bodies and spirits to an unconstitutional system and socialist way of life, bereft of faith in God and in complete denial of the authority of any perceived entity other than that of government law; all in the name of, for the sake of, and for the good of, "the children". Now who can argue with that ? **POLITICIANS NEVER DO ANYTHING FOR THE CHILDREN, CHILDREN AREN'T OLD ENOUGH TO VOTE !** Do you feel represented, or do you feel deceived ? Janet Reno MURDERED 82 people, many of them peaceful WOMEN and CHILDREN, in Waco, Texas. Is that the kind of protection YOU want for YOUR children ? If so. move to China under our MOST FAVORED NATION TRADE STATUS re-granted to them by President Clinton.

Carlos dePonzi was a Count in the early 1900s who "operated" the first fraudulent "Ponzi Pyramid" investment cons; wherein money from later investors is directly and immediately used to "pay off" earlier investors, WITHOUT EVER INVESTING IN ANY REAL THING. Each "level" of "investors" is successively promised higher and higher rates of return, with the testimony of earlier "investors", "documenting" how well the program worked for them, as part of the sales pitch, until there are no more "investors" (read fools, or pigeons) left to enroll in the "pyramid". Of course, at that point in the con the "operators", and all the money "invested", disappear forever, never to be seen again ! **Congress of course made these fraudulent cons illegal for anyone to operate, EXCEPT THE GOVERNMENT, who has been doing it ever since under the name "Social Security". They just got rid of the private competition !**

In summary, if you allow earnings to be reported under your Social Security number to the IRS, the IRS will illegally use that social security information to demand that you pay income tax on those earnings. This demand is NOT supported by the law.

If you are less then 40 years of age, and you believe that you will ever see, even a dime, from Social Security, perhaps you had better go back and read again the preceding paragraphs ! Or, maybe, you really deserve your "social security", and the "benefits" you receive from it.

THE BEST KEPT SECRET IN AMERICA is that the IRS NEVER contacts or issues tax collection correspondence regarding income tax to Citizens who don't have, or don't use, a social security number in connection with their financial affairs and earnings ! This correspondence is never received because it is never issued by the IRS computers. It is never issued because the IRS computers have no

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earnings records upon which a fraudulent entry may be made by an IRS employee to cause the initiation of any collection action.

BUT THE STORY GETS EVEN MORE SHOCKING ! Did you know that the assets "recorded" under the social security numbers (real estate, stocks, bonds, bank accounts, LABOR, etc.) are being used as the surety guarantee to the Federal Reserve Bank for the collective national debt and deficits. **That's right, your property is the government's collateral to be forfeited to the private corporation known as the Federal Reserve Bank when the government defaults on the collective national debt** (which can never be repaid at this point) , **incurred through the process of borrowing currency (federal reserve notes) for America to use, instead of controlling our own money, as provided in the constitution. why are foreigners in control of America's money ? Where is that in the Constitution ? Don't you think those bankers are rich enough already ? How much more of our wealth are we going to let them illegally (and unconstitutionally) steal from us ?**

UNCERTAINTY OF THE FEDERAL INCOME TAX LAWS, KNOWLEDGE OF THE FEDERAL TAX LAWS, AND THAT CONFLICT IN THE STATE AND FEDERAL COURTS

Former Federal District Judge Harry Claiborne admitted that, while he was a federal judge he knew nothing of federal tax law, yet decided tax cases.

In *Bursten v. US*, 395 f 2d 976, 981 (5th. Cir., 1968), the court acknowledged:

"We must note here, as matter of judicial knowledge, that most lawyers have only scant knowledge of the tax laws."

In *Lord v. Kelly*, 240 FSupp 167, 169 (D. Mass., 1965), it states the judges are under IRS scrutiny.

Even though the judges and lawyers admittedly do not know the tax laws, they sit in judgment and prosecute and/or defend the average Citizen. Even though this is the case, the Citizen being charged with a tax crime is supposed to have more knowledge than the law professionals and is held accountable by these professionals.

Under the criminal law, a criminal defendant has a right to rely upon decisions of the courts and this is a separate defense; see the Albertini case from the 9th Circuit. But further, if these decisions concerning a specific point of law are themselves conflicting, there is the additional defense of uncertainty of the law.

The nature of the income tax is itself conflicting. At the state level, most of the state courts hold that the tax is an excise, while a minority line of authority holds that it is a direct property tax. The reverse is true at the federal level, with most appellate courts holding that it is a direct tax and a minority holding that it is an excise; see the attached list. Since there is no doubt that this conflict is present within the cases, this demonstrates a very serious due process problem of uncertainty in the law.

To violate a clearly known legal duty, one must plainly know the law. But when the law itself is unclear, there correspondingly cannot be a clearly known legal duty. What kind of legal environment do we have when the law itself is uncertain ? We have every right to politically complain about the split and to promote one line of authority over the other. This clearly appears to be the case with the Save A

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Patriot Fellowship; its members face a split in authority which makes the law uncertain. For that the Fellowship and its members have every right in the world to advocate that a particular line of authority prevails at the end of the contest over the opposing line of authority.

Treason In The Government

The Truth about the Income Tax is that **everything you have EVER been taught about it by your government is a lie !** The Truth is that **it does not exist to fund the operation of the government or to pay for its programs. The Truth is:**

IT EXISTS SO THAT YOU CANNOT RESIST !

It exists so that you **CANNOT oppose the government's policies whether you feel represented by them or not !** The Truth is that **for over forty years it has NOT been necessary for the government to tax the income of the Citizens to pay for the government's activities or needs, and the income tax is NOT used for purposes of raising revenue for the government, as is mistakenly believed by most of the good American People. The Truth is that raising money was never the intended purpose of the income tax.**

The Truth about the Income Tax is that it is the mechanism that has been used by the government to SEIZE CONTROL of America and its People ! The Truth is that it is the mechanism that has been used by the government to reverse the role of government in America as the servant of We the People, **who are supposed to be the Masters of the "house". The Truth about the income tax is that it is the reason why we are now RULED by the government, rather than REPRESENTED by them !**

The Truth about the income tax "system" in America today is that while the letter of the law, **as it is actually written in the law, is Constitutional, the IRS does NOT enforce the written Law,** it enforces a myth that does not actually exist in law. The truth of the matter is that the collection and enforcement system that the IRS operates **blatantly violates BOTH the written Law AND the Constitution !** Specifically, its **twice specified prohibitions on direct taxation.**

So, in summary we can see that the fundamental problem with the income tax "system" in America today is that **it blatantly violates the Constitution** because it does not enforce the actual written law, which is Constitutional, but goes far beyond the written law in order to enforce the myth. There is no doubt but that certain elements of the government itself are irreconcilably in conflict with the Supreme Law of the land, the Constitution of the United States of America. They are actively engaged in an outright rebellion against the Constitutional provisions prohibiting direct taxation of the People (unless apportioned to the States for collection). The limitations on direct taxation in Article I of the Constitution have never been repealed or amended, but they are ignored. The government willfully and intentionally violates these provisions of the Constitution, choosing to intentionally ignore the controlling clauses of Article I prohibiting direct taxation, and thereby rendering meaningless these provisions of the Constitution.

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Specifically, the Circuit Courts and the Executive Branch of the government have chosen to use an obviously faulty and incorrect interpretation of the 16th Amendment to enter into a conspiracy of Treason against the American People in order to operate and propagate an unconstitutional tax system of intimidation and theft that gives far more power to the government than it is authorized by the Constitution to possess.

The Supreme Court, in the Stanton and Brushaber decisions of 1916, declare that the income tax, under the newly enacted 16th Amendment, does not create for the government any new power to tax. Ruling that because the tax is without apportionment (by virtue of the wording of the Amendment itself) then the tax that is authorized by the Amendment **must be an Indirect tax** because the provisions of Article I, at Section 2 - Clause 3, and Section 9 - Clause 4, still prohibit any direct tax from being laid unless it is apportioned to the States for collection. Since these pre-existing prohibitions on direct taxation in Article I were not repealed, annulled, or amended in conjunction with the passage of the 16th Amendment, clearly Congress never intended to remove this restriction/prohibition on direct taxation. Therefore, in order for the Constitution to remain consistent and not become inherently contradictory it is absolutely necessary to interpret the 16th Amendment as authorizing an Income Tax as an INdirect tax, NOT a direct one.

Article I still today absolutely prohibits the Federal government from taxing the American People directly unless the tax is apportioned to the State governments for collection. We the People have as much right, if not more, to rely on this Constitutional guarantee of protection from heavy-handed (direct) taxation, as the government has to rely on the 16th Amendment to allege a tax is due.

The Circuit courts and the Executive Branch of the government have chosen to operate in direct contradiction to this finding/ruling since Franklin Roosevelt was president. This rebellion within the government has, to this day, gone unannounced, remains unpublicized, and is still unaddressed by the American People. But the havoc and tyranny and despotism unleashed upon the American People by these treasonous snakes is obvious and apparent to anyone today familiar with the horror known as IRS tax collection operations.

The 1916 Supreme Court decisions were sound because the court recognized the potential inherent conflict created by the passage of the 16th Amendment - i.e. Article 1 demands that direct taxes be apportioned and prohibits direct taxation unless apportioned, while the 16th Amendment lays the income tax as a tax without apportionment. If the income tax is construed to be a direct tax, we have **engineered the creation of an inherent contradiction** within the Constitution **by interpretation** not actual language of the document, and thus rendered it worthless as a foundation at law upon which We the People can rely upon for the protection of our Rights and property. (Does it protect you from the takings of the IRS today ?).

In order to maintain the consistency of the Constitution, and in order to prevent it from coming into direct conflict with itself, the Court determined that 16th Amendment **does not create any new power to tax**, i.e.: the power to tax directly and without apportionment. So, as a tax without apportionment, the income tax must be laid as an INdirect tax, not a direct tax in order to not violate the other provisions of the Constitution regarding direct taxation.

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Now, Indirect taxes are divided into three categories by the Constitution. Imposts, duties and excises. Imposts and duties are primarily related to the import and export of goods into and out of the country, and are mostly collected at the border - so excise is the only category of Indirect taxation left for the income tax to "fit" into. Excise taxes are taxes that are assumed by those persons who engage in activities that are made subject to the excise tax, and thus arise the claims that the tax is "voluntary" i.e - must be assumed by (voluntarily) engaging in some taxable activity. If one does not want to pay the tax, he simply can choose not to participate in the taxable activity.

The IRS today however, alleges and operates as if, and under the claim that, the 16th Amendment did indeed authorize the income tax as a direct tax without apportionment. This position is based on a number of obviously erroneous Circuit Court (INFERIOR) rulings that have been handed down AFTER 1916 - when the SUPREME COURT ESTABLISHED THE CONSTITUTIONAL TRUTH (as laid out above). In these Circuit Court rulings, constitutionally ignorant or consciously treasonous judges rule that the 16th Amendment did authorize a new power to tax - i.e.: directly and without apportionment, foolishly reasoning that since the tax is authorized by the Amendment to be without apportionment it must be Direct (**even though the Amendment does NOT say that**), **while ignoring the inherent conflict engineered within the Constitution by virtue of their ruling**, and while ignoring the explicit correct logic, reasoning and decision of the SUPREME Court handed down earlier, which should stand as the FINAL WORD from the legal system. The Circuit Courts have apparently chosen to IGNORE the Supreme Court's rulings and controlling decisions and have created a line of decisions that are in direct conflict with BOTH the Supreme Court and any consistent interpretation or reading of the Constitution of the United States of America, and that is a crime against America that must be addressed by the People of this great Nation.

So, the Circuit Courts and the Executive Branch (Treasury/IRS) have apparently chosen to ignore the Constitution and the Supreme Court, and operate in direct contradiction to, and in conflict with, the actual written law, the Constitution, and the Supreme Court rulings, in outright rebellion against all of them.

This rebellion within the government itself remains unpublicized and unaddressed to this day, and therein lies the heart of the conflict in America today over the income tax laws. It's not the laws, or Section 61, or Section 1, or Section 6012, or anything else the government may allege in its futile attempts to undermine the People's knowledge of the Truth, **it is this rebellion within the government itself**, and the conflict between the People and the government over this issue will never be resolved until this treasonous rebellion within the government (by the judicial and executive branches) is recognized and addressed, and HALTED, restoring a Constitutional operation to our government's existence and tax collection systems.

Personally, I know the Supremes got it right in 1916. The income tax authorized by the 16th Amendment MUST be construed as an indirect excise tax or we have allowed the effective destruction (by interpretation) of the Constitution and one of its most important protections from the hand of the tyrant of our Rights and private property - unlimited and continuous, arbitrary, and heavy handed takings by the "State" in the name of taxation.

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Might I remind you that **income tax is the 2nd plank of the Communist Manifesto** and no one can be forced to practice a particular political philosophy. However, the government seems to have discovered that the People can indeed be induced/forced to "voluntarily" practice and support a political philosophy that they obviously do not understand, if even only a few of them are intimidated, threatened, robbed, and arbitrarily imprisoned enough to scare the others (herd mentality - panic everyone into running in the same direction by killing a few on the edges).

The government (and our court's) duplicitous behavior concerning the income tax is despicable, amoral, and in the end - unlawful and unconstitutional, and ultimately, History will condemn all those who participated in engineering and maintaining this monumental fraud in the name of tax under mere color of law against the American People.

VIOLETION OF THE SEPARATION OF POWERS CLAUSE

Finally, there is clearly an even more obvious violation of the Constitution that is occurring – or rather, being committed by the IRS and the Judiciary. The 16th Amendment states in part:

"Congress shall have power to lay and collect taxes on income....

Under the current tax system and IRS operation there is a clear violation of the separation of powers clause of the Constitution. Specifically, the Constitution establishes three separate branches of the government, the Congressional, the Executive and the Judiciary. Each branch is given specific powers and responsibilities within the Constitution, and NO branch may exercise the powers of the other two branches. Briefly, Congress and the Executive cannot conduct trials – that is reserved to the Judiciary, the Judiciary and the Executive cannot enact Law – that is reserved to the Congress, and the Congress and the Judiciary cannot try to run the government on a day to day basis – that is reserved to the Executive. Now each branch also has other specific powers given to it, but the above is a very brief outline of the system of checks and balances created by the Founding Fathers to try and ensure that our government would never become too heavy handed or oppressive by exercising too much power against the citizens in an arbitrary or capricious manner.

Now, the I.R.S. is part of the Treasury, which is a Cabinet level position. And the "Cabinet" is part of the Executive Branch of the government – all appointed by the President. So, **because the I.R.S. is organized within the Treasury, it is formally a part of the Executive Branch of the government, NOT the Congressional branch.**

Now for all the other types of taxes (other than the income tax) the Treasury is in charge of tax collections – and rightly so – the money goes in the Treasury, so why shouldn't they be the ones collecting it ?. So, while it may seem completely normal and usual for the Treasury (in the form of the I.R.S.) to collect the taxes that must be deposited in the Treasury – **The Income Tax is explicitly ordered to be handled differently than other taxes by the language of the authorizing Amendment**, which says:

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"CONGRESS shall have power to lay AND COLLECT...

Congress must collect the Income Tax – not the Executive branch of government !!!

Clearly, this Constitutional ORDER is being ignored – it is not being followed. Congress lays the tax, BUT the Executive, **NOT THE CONGRESS**, is collecting it – in clear violation of the specific language of the Amendment. It is a clear and obvious VIOLATION of the Separation of Powers clause for the IRS to try and enforce the collection of the income tax.

The reason why this is so important is because by allowing the Executive branch to do the dirty work (collection & enforcement), CONGRESS escapes their ultimate responsibility for the horrors of what the system has become. You see – **we could vote the ENTIRE CONGRESS OUT OF OFFICE IN JUST TWO YEARS if the American People realized that it is Congress and Congress alone that is responsible for the tyranny and criminality of the I.R.S.**

By separating the two tasks (lay and collect) – NO ONE BECOMES RESPONSIBLE FOR the intrusions, thefts and travesties being committed by the I.R.S. Congress says – we just pass the laws – we don't enforce; and the Executive says – we don't make the law, we just enforce what we think it says. Each points the finger at the other (how convenient) and ultimately no one in the government is held responsible or accountable for the criminal trespasses committed against the citizens by the "system" in the name of tax.

Passage of the 16th Amendment (income tax) was very controversial and the intent was to frame responsibility, for whatever system that would ultimately be enacted, all under one roof of the government that would alone be accountable to the American People for both the level of taxation imposed and the nature and tactics of the collection and enforcement operations. Since Congress makes the law – they were tasked with the ENTIRE OPERATION of the income tax system, laying and collection – NOT JUST LAYING THE TAX. That way, it was felt, that if things got out of hand, the People could vote the collective Congress out of office in just two years and elect new candidates that had promised to change the (what had become over time) now oppressive tax collection operations.

By being allowed to un-constitutionally separate themselves from the collection operation Congress has been illegally allowed to escape its ultimate responsibility and total accountability for the crimes being committed against the American People by the unlawful and tyrannical acts of the I.R.S.

And, surprise, surprise, the Judiciary does absolutely nothing to uphold the Constitutional requirement that Congress, NOT THE EXECUTIVE, conduct and manage these collection activities – ABSOLUTELY CRIMINAL !

As a final note I would like to ask why the money allegedly collected for this tax is not actually deposited in the U.S. Treasury as required by law at Title 26 USC § 7809, but instead is routed around the Treasury to the coffers of the private corporation known as the Federal Reserve bank,

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which in reality is no more Federal than Federal Express or Federated Department Stores? Where does the Constitution authorize a tax to be paid to (or collected by or for) a private corporate bank ?

Tax Avoidance vs. Tax Evasion

Apparently, many people in America are not aware of the difference between tax avoidance and tax evasion. Simply put, **tax avoidance is legal, tax evasion is a crime**. Tax avoidance is the legal art of "arrangement", i.e. - using the provisions of the statutes of law to minimize tax liabilities and indebtedness.

Tax evasion is the art of lying. It generally involves the falsification of records and documents, or fraudulent reporting of facts, for the purpose of reducing or eliminating existing tax liability or debt imposed under the law. There is a billion dollar industry in America practicing **Tax Avoidance**. It is what ALL accountants and tax lawyers are asked, and paid, to do for their clients. Citizens can practice tax avoidance too. You do not have to retain a lawyer to practice perfect tax avoidance. All you have to do is know what the law actually says and provides for, so that you may claim the exemptions provided in the law that apply to you as a Citizen, the true **Sovereign Power** in America !

Life is really very simple. People like to pretend that it is not, but it is. You have two choices in life: you can accept what you find, or you can work to change what you find into something better. You can stand up and fight, or you can lie down and die. Fail to do the one, and the other becomes inevitable. You choose for yourself,

"The battle, sir, is not to the strong alone; it is to the vigilant, the active, the brave, ... It is vain, sir, to extenuate the matter. Gentlemen cry peace, peace - but there is no peace. The war is actually begun ! The next gale that sweeps from the north will bring to our ears the clash of resounding arms ! Our brethren are already in the field ! Why stand we here idle ? What is it that gentlemen wish ? What would they have ? Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery ? Forbid it, Almighty God ! I know not what course others may take; but as for me, give me liberty, or give me death !"

Patrick Henry

Collective hysteria, paranoia and insanity are the planned result of Government propaganda, issued under the pretense of "protecting the children", in order to effect rule by Government Anarchy (outside the law), without protest from the people. Their propaganda has been very effective here in America, wouldn't you agree ? Fortunately, like ALL government propaganda; NONE OF IT IS TRUE, and surely any government's claim to be acting to protect the children is exposed as PURE FRAUD when that same government actually repeatedly murders its own people's children (WACO & RUBY RIDGE).

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KNOW YOUR ENEMIES

Karl Marx describes in his communist manifesto the ten steps necessary to destroy a free enterprise system and replace it with a system of omnipotent government power to effect a communist socialist state. Those ten steps are known as the Ten Planks of the communist manifesto. They read:

THE COMMUNIST MANIFESTO

- 1. Abolition of property in land and the application of all rents of land to public purposes.**
(zoning laws are the first step to government property ownership)
- 2. A heavy progressive or graduated income tax.** (need we say anything !)
- 3. Abolition of all rights of inheritance.** (read inheritance taxes)
- 4. Confiscation of the property of all emigrants and rebels.**
(read the accused, not the convicted - Asset forfeiture laws, DEA, IRS, ATF etc...).
- 5. Centralization of credit in the hands of the state, by means of a national bank with State capital and an exclusive monopoly.** (read Federal Reserve Bank, Fiat Paper Money and fractional reserve banking)
- 6. Centralization of the means of communications and transportation in the hands of the State.**
(read DOT, FAA, FCC etc...)
- 7. Extension of factories and instruments of production owned by the state, the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.** (read "controlled" or "subsidized", rather than "owned")
- 8. Equal liability of all to labor. Establishment of industrial armies, especially for agriculture.**
(read Minimum Wage and Slave Labor. You know, like in China, our Most Favored Nation trade partner. Can you figure out why we are partnered with communists ?)
- 9. Combination of agriculture with manufacturing industries, gradual abolition of the distinction between town and country, by a more equitable distribution of population over the country.** (read forced relocation and forced sterilization programs, you know, like in China.)
- 10. Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production.** (so that all children can be indoctrinated and inculcated with the government propaganda, like "majority rules", and "pay your fair share". I defy you to show me the words "fair share" anywhere in the Constitution, Bill of Rights or the Internal Revenue Code (Title 26). ANYWHERE !! The whole philosophical concept of "fair share" comes from the Communist maxim, "From each according to their ability, to each according to their need ! The very concept is pure socialism.)

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NATIONAL PRESS RELEASE

An Everett attorney, Steffan M. Bertsch, has spent over eighteen months examining the Internal Revenue Code and its regulations and has concluded that there is no authority for the IRS to seize any personal or real property in Washington State for alleged income tax liabilities from most Citizens. Bertsch charges that the agency has been seizing property for decades through numerous deceptions and strong arm methods, and has conducted an ongoing fraud that nearly everyone in the State believes is legal. The state of affairs is this: The IRS is operating outside the law and has placed the Citizens of Washington State under governmental anarchy.

Beginning in March of 1996, Bertsch sought the aid of the Attorney General of Washington, Christine Gregoire, in exposing the fraud. Ms. Gregoire's office researched the issue and attempted to defend the unlawful acts of the agency, but has been totally unable to rebut Bertsch's charge of fraudulent conversion of property by the IRS.

On May 1, 1996, Bertsch also sought the aid of Edward Shea, the president of the Washington State Bar Association, to expose the fraudulent activity of the IRS seizing property without lawful authority. To date, the Bar Association has remained silent, which, considering the gravity of the charges, is most troubling. However, since the bar association, with the entire legal brain trust of the state at its disposal has been unable to respond, it is reasonable to assume that the bar association cannot defend the charges against the IRS in Washington State made by Bertsch.

In April of 1996, Bertsch began correspondence with Governor Lowrey in an effort to halt the illegal seizures by the IRS in Washington State. The governor responded that "Because the issue raised is federal matter, it is out of my jurisdiction as governor." Governor Lowrey added that, "I hope your efforts to resolve this matter prove worthwhile.

The fraud Bertsch charges is too severe for the Bar Association to acknowledge, too egregious for the Attorney General to defend it, and originates from too great a power for the governor to act upon it. The duty of exposing a systematic fraud that only Charles Ponzi could admire falls upon the media.

The Washington State Bar Association

The text below is transcribed from a letter from Stefan Bertsch, Attorney at Law, to Edward Shea, President of the Washington State Bar Association, dated June 14, 1996.

Dear Mr. Shea,

On May 1, 1996 I sent you a letter charging a terrible, ongoing fraud being committed in Washington State by the Internal Revenue Service. I assert most adamantly that the IRS is seizing property for alleged income tax liabilities by using the excise tax authority. There is no authority to seize the property for income tax liabilities of ordinary Citizens. The action of the IRS amounts to governmental anarchy.

On May 9, 1996 I sent you a follow-up letter, but have heard nothing in response to either. By the total silence from the bar association I must presume that either my accusations have been dismissed as absurd, or that the bar has discovered what I charge is correct and true. There was a fellow in twentieth century who instructed political

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leaders that the method of addressing irrefutable truth from opponents was to absolutely ignore it and let silence kill the argument. This noble advice is found in Mein Kampf. (authored by Adolph Hitler, ed.)

I cannot overstate how serious the situation is. I have information the IRS has every federal judge in the country under criminal investigation, monitoring among other things, their court actions and the sentences they hand down from the bench. This fact alone, if borne out by investigation to be true, renders the entire federal court system a mockery, a shill for the IRS. Yet, the bar, by its silence, seems not to care. The silence appears to condone the destruction of the judiciary created by Article III of the Constitution.

I have included a copy of a press release that I will be distributing on July 3, 1996 to all media sources. If the bar association desires any input concerning the language of the release, please let me know as soon as possible. If I hear nothing from your office before July 3, 1996, I will presume that the language of the release is acceptable to you.

Sincerely,
Steffan M. Bertsch

Title 31 USC, Subtitle I, Chapter 3 is entitled:

CHAPTER 3 - DEPARTMENT OF THE TREASURY

SUBCHAPTER I - ORGANIZATION

- § 301. Department of the Treasury.
- § 302. Treasury of the United States.
- § 303. Bureau of Engraving and Printing.
- § 304. Bureau of the Mint.
- § 305. Federal Financing Bank.
- § 306. Fiscal Service.
- § 307. Office of the Comptroller of the Currency.
- § 308. United States Customs Service.
- § 309. Office of Thrift Supervision.
- § 310. Continuing in office.

SO WHERE IS THE IRS in this list if the agency actually was established in LAW, and exists by legitimate lawful creation of Congress ?

Summary Of The Power of Jury Nullification

The concept and philosophy, embraced by the Founding Fathers, wherein **the American People, as members of a trial Jury, are the actual Supreme Judges of the Law, not the judges of the Judiciary.** Which means that **the Jury has the Power to declare a law Unconstitutional if any juror believes it is, and can legitimately refuse to convict a defendant regardless of what the law says,** despite the fact that the Judge says it's all OK. (Like in IRS trials.)

Furthermore, **this power can be exercised by a single individual** serving on a jury, who deadlocks the deliberations and refuses to change his mind about his opinion that the law (or action) is unconstitutional, and therefore **not** prosecutable before a Jury with a true American on it !

It is your Right and Duty as an American Citizen to stop these fraudulent IRS trial convictions by refusing to convict any person charged with these fraudulent tax crime accusations.

A History of Jury Nullification

"If a juror accepts as the law that which the judge states, then that juror has accepted the exercise of absolute authority of a government employee and has surrendered a power and right that once was the citizen's safeguard of liberty." (1788) (2 Elliots Debates, 94, Bancroft, History of the Constitution, 267)

"Jury nullification of law," as it is sometimes called, is a traditional American right defended by the Founding Fathers. Those Patriots intended the jury to serve as one of the tests a law must pass before it assumes enough popular authority to be enforced. Thus the Constitution provides five separate tribunals with veto power representatives, senate, executive, judges and jury that each enactment of law must pass before it gains the authority to punish those who choose to violate it. Thomas Jefferson said, "I consider trial by jury as the only anchor yet imagined by man, by which a government can be held to the principles of its constitution."

From Magna Carta to Edward Bushell

The power of the jury to judge the justice of the law and to hold laws invalid by a finding of "not guilty" for any law a juror felt was unjust or oppressive, dates back to the Magna Carta, in 1215. At the time of the Magna Carta King John could pass any laws any time he pleased. Judges and executive officers, appointed and removed at his whim, were no more than servants of the King. The oppression became so great that the nation rose against the ruler and the barons of England compelled their king to pledge that he would punish no freeman for a violation of any laws

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without the consent of his peers.

King John violently protested when the Magna Carta was shown to him, "and with a solemn oath protested, that he would never grant such liberties as would make himself a slave." Afterwards, fearing seizure of his castle and the loss of his throne, he granted the Magna Carta to the people, placing the liberties of the people in their own safe-keeping. (*Echard's History of England, p. 106-107 [Spooner]*)

The Magna Carta was a gift reluctantly bestowed upon his subjects by the King. Its sole means of enforcement, the jury, often met with hostility from the Crown. By 1664 English juries were routinely fined for acquitting a defendant. Such was the case in the 1670 political trial of William Penn for preaching Quakerism to an unlawful assembly. Four of the twelve jurors voted to acquit and continued to acquit even after being imprisoned and starved for four days. The jurors were fined and imprisoned until they paid the fines. One juror, Edward Bushell, refused to pay the fine and brought his case before the Court of Common Pleas. Chief Justice Vaughan held that jurors could not be punished for their verdicts. *Bushell's Case* (1670) was one of the most important developments in the common law history of the jury.

Jurors exercised their power of nullification in 18th century England in trials of defendants charged with sedition and in mitigating death penalty cases. In the American Colonies jurors refused to enforce forfeitures under the English Navigation Acts. The Colonial jurors' veto power prompted England to extend the jurisdiction of the non-jury admiralty courts in America beyond their ancient limits of sea-going vessels. Depriving "the defendant of the right to be tried by a jury which was almost certain not to convict him [became] . . . the most effective, and therefore most disliked" of all the methods used to enforce the acts of trade. (*Holdsworth, A History of English Law (1938) XI, 110*)

John Hancock, "the wealthy Massachusetts patriot and smuggler who as President of the Continental Congress affixed the familiar bold signature which adorns the parchment Declaration of Independence" was prosecuted through this admiralty jurisdiction in 1768 for a fine of £9,000 triple the value of the goods aboard his sloop Liberty which had been previously forfeited. (*U.S. v One 1976 Mercedes Benz 280S 618 F2d 453 [1980]*) John Adams eloquently argued the case chastising Parliament for depriving Americans of their right to trial by jury. Adams later said of the juror, "it is not only his right, but his duty . . . to find the verdict according to his own best understanding, judgment, and conscience, though in direct opposition to the direction of the court." (*Yale Law Journal, 1964:173*)

The Zenger Trial

Earlier in America, jury nullification had decided the celebrated seditious libel trial of John Peter Zenger. (*Zenger's Case, 1735*) His newspaper had criticized the royal governor of New York. The law made it a crime to publish any statement, true or false, criticizing public officials, laws or government. The jury was only to decide if the material in question had been published; the judge was to decide if the material was in violation of the statute. The defense asked the jury to make use of their own consciences and, although the judge ruled that the truth was no defense,

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the jury acquitted Zenger. The jury's nullification in this case is praised in history textbooks as a hallmark of freedom of the press in the United States.

At the time of the American Revolution, the jury was considered the judge of both law and fact. In a case involving the civil forfeiture of private property by the state of Georgia, first Supreme Court Justice John Jay, instructed jurors that the jury has "a right to determine the law as well as the fact in controversy." (*Georgia vs. Brailsford*, 1794:4)

The Fugitive Slave Law

Until the middle of the 1800s, federal and state judges often instructed the juries they had the right to disregard the court's view of the law. (*Barkan, citing 52 Harvard Law Review, 682-616*) Then northern jurors refused to convict abolitionists who had violated the 1850 Fugitive Slave Law. In response judges began questioning jurors to find out if they were prejudiced against the government, dismissing any who were. In 1852 Lysander Spooner, a Massachusetts lawyer and champion of individual liberties, complained "that courts have repeatedly questioned jurors to ascertain whether they were prejudiced against the government. . . . The reason of this . . . was that 'the Fugitive Slave Law, so called' was so obnoxious to a large portion of the people, as to render a conviction under it hopeless, if the jurors were taken indiscriminately from among the people." Modern treatments of abolitionism praise these jury nullification verdicts for helping the anti-slavery cause rather than condemn them for undermining the rule of law and the uniformity of justice.

Labor Verses Big Business

In 1895, the Supreme Court, under pressure from large corporations, ruled in a bitter split decision that courts no longer had to inform juries they could veto an unjust law. The giant corporations had lost numerous trials pressed against labor leaders trying to organize unions. Striking was against the law at that time. "Juries also ruled against corporations in damage suits and other cases, prompting influential members of the American Bar Association to fear that jurors were becoming too hostile to *their clients* and too sympathetic to the poor. As the American Law Review wrote in 1892, jurors had 'developed agrarian tendencies of an alarming character.' . . ." (*Barkan, Jury Nullification in Political Trials, 1983*) [emphasis added]

Prohibition

Despite the courts' refusal to inform jurors of their historical veto power, jury nullification in liquor law trials was a major contributing factor in ending alcohol prohibition. (Today in Kentucky jurors often refuse to convict under the marijuana prohibition laws.)

Fewer incidences of jury veto actions occurred as time increased after the courts began concealing jurors' rights from American citizens and falsely instructing them that they may consider only the facts as admitted by the court. Researchers in 1966 found that jury nullification occurred only 8.8 percent of the time between 1954 and 1958, and suggested that "one reason why the jury exercises its very real power [to nullify] so sparingly is because it is officially told it

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has none." (California's charge to the jury in criminal cases is typical: "It becomes my duty as judge to instruct you concerning the law applicable to this case, and it is your duty as jurors to follow the law as I shall state it to you . . . You are to be governed solely by the evidence introduced in this trial as the law as stated to you by me.") Today no officer of the court is allowed to tell the jury of their veto power.

The Vietnam War

Counsels for Vietnam War protest defendants tried to introduce moral and political arguments on the war to gain jury sympathy. Most often the jury was given instructions such as "You must apply the law that I lay down." (*Conspiracy trial of Benjamin Spock et al., 1969*) Jurors receiving such instructions usually convicted while feeling the pang of conscience expressed by the typical responses from Spock trial jurors: "I had great difficulty sleeping that night . . . I detest the Vietnam War. . . . But it was so clearly put by the judge." And "I'm convinced the Vietnam War is no good. But we've got a Constitution to uphold. . . . Technically speaking, they were guilty according to the judge's charge." But in the few anti-Vietnam war trials where juries were allowed to hear of their power they acquitted.

Jury acquittals in the colonial, abolitionist and post-Civil War eras helped advance political activist causes and restrained government efforts at social control. Legal scholar Steven Barkan suggests that the refusal of judges during the Vietnam War to inform juries of their power to disregard the law frustrated the anti-war goals. As Lysander Spooner pointed out regarding the questioning of jurors to eliminate those who would bring in a verdict according to conscience (a practice effectively accomplished today through the juror's oaths and *voir dire*) "The only principle upon which these questions are asked, is this that no man shall be allowed to serve as juror unless he be ready to enforce any enactment of the government, however cruel or tyrannical it may be. . . . A jury like that is palpably nothing but a mere tool of oppression in the hands of the government."

Those whose interests lie in maintaining government control of social behavior may argue that the Constitution provides the necessary protection of liberties. But legislative bodies will always confirm the constitutionality of their own acts. And the oaths sworn to uphold the Constitution by judges and public servants have historically been only as good as the power to enforce such oaths. Nor are free elections adequate to prevent tyranny without jury veto power, because elections come only periodically and give no guarantee of repealing the damage done. Additionally, the second body of legislators are likely to be as bad as the first since they are exposed to the same temptations and use the same tactics to gain office.

Protecting Minorities from the Majority

Further, the jury's veto power protects minorities from "the body of the people, operating by the majority against the minority." (*James Madison, June 8, 1789*) Twelve men taken randomly from the population will represent both friends and opponents of the party in power. With fully informed juries the government can exercise no powers over the people without the consent of the people. Trial by jury is trial by the people. When juries are not allowed to judge law it

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becomes trial by the government. "In short, if the jury have no right to judge of the justice of a law of the government, they plainly can do nothing to protect the people against the oppressions of government; for there are no oppressions which the government may not authorize by law." (*Lysander Spooner, "Jury Power" by L. & J. Osburn*)

For more information on the **Fully Informed Jury Association** contact:

Fully Informed Jury Association
FIJA, P.O. Box 59
Helmville, MT 59843

Tel: (406) 793-5550.

Web site: <http://www.fija.org>

Copies of this pamphlet are available at 5¢ apiece (add \$2.00 shipping on orders under 500 pieces).

An ISIL companion pamphlet on this subject: "New Hope For Freedom: Fully Informed Juries" is also available.

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TAKING BACK CONTROL OF AMERICA

In order to regain and take back our nation's heritage of Liberty and Freedom, there are a number of things that We the People need to correct. Specifically, we need to take back control over:

- 1.) **Our Broadcast Airwaves** – which do not really serve us as a nation because they are privately owned,
- 2.) **Our Politicians** – who do not represent us because they are bought and sold by the wealthy and the corporations, and
- 3.) **Our Money system** – which needlessly and foolishly enslaves us to the re-payment of an ever increasing debt.

I believe that as long as we allow the network broadcast companies to control the elections by charging the politicians money for air time, we will never have an honest government again, because only the corrupt (or willing to be corrupted) can raise the sums of money necessary to carry (buy) an election in today's political reality. More and more, only millionaires run for (higher) office(s), and only they have any real chance of winning against an incumbent. Our elections are no longer won or lost on new ideas or philosophical differences, those elements of the political debate have been completely removed from the political system by the money-ed interests that do not want those elements involved in their control over the existing political reality.

Our broadcast networks (ABC, NBC, CBC, FOX etc.) were given their national broadcast network licenses because they promised to do public service in exchange for being given the exclusive (monopolistic) broadcast licenses. Unfortunately, their idea of public service turns out to be nothing more than government propaganda nonsense (like eggs frying in a pan are your brains on drugs). Mindlessly distributing government propaganda is **not a public service**, it is a **public dis-service**.

My opinion is that the only true public service the broadcast companies can possibly perform in exchange for being given the broadcast licenses, is to put every qualified candidate in every election on the air for exactly the same amount of time FOR FREE !

We need to remove completely the element of money and wealth from our elections and election process, so that the wealthy and corrupt will no longer be able to buy our elected offices, which is clearly what is happening today. By forcing the networks to put every candidate on the air for exactly the same amount of time (many hours), and forbidding the purchase of any other air time by the candidates or their supporters, we can remove money from the election equation completely, and restore the balance that comes from choosing the candidates that are the most qualified by their ideas and capabilities instead of simply those that are the richest and have the most to spend. We need to remove money from the election process because otherwise the cost of running for office will prevent any ordinary persons from ever running. We will only get

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very, very, very wealthy candidates, who will never represent the common man, thus eventually destroying the representative system of government provided by the Constitution.

This corruption of the election system is already nearly complete, and it is probably too late for America to prevent from happening what the rich have planned for you, but if not, this is what must be done, because if we can get the money out of the elections (**take back our air waves**), we can elect candidates that will represent us (**take back our politicians**), who will change the damn Federal Reserve fractional reserve banking (**take back our money system**) whose corruption is destroying our nation, its productivity, and its solvency.

Now, I'm not suggesting that we change the corporate status of the broadcast companies, I'm simply saying that they should be required to provide a large block of air time to each qualified candidate, and prevented by law from selling more time than the free block provides, so that every candidate in the election has equal access and equal opportunity, and so that the elections will no longer be bought and sold by the money-ed interests controlling the American political landscape today.

God's True Plan For Mankind: FREEDOM

The Virginia Act For Establishing Religious Freedom

Thomas Jefferson, 1786

This document is a modification of a bill originally written by Jefferson in 1777 which was passed into legislation in Virginia in 1786 by the forceful actions of James Madison. Jefferson was in France at the time, but monitored the progress of the bill closely. Madison was as adamant as Jefferson about religious freedom and was fighting against the establishment of state religion and a proposal by Patrick Henry to to levy taxes to support religious institutions in the state of Virginia.

"Well aware that Almighty God hath created the mind free; that all attempts to influence it by temporal punishments or burdens, or by civil incapacitations, tend only to beget habits of hypocrisy and meanness, and are a departure from the plan of the Holy Author of our religion, who being Lord both of body and mind, yet chose not to propagate it by coercions on either, as was in his Almighty power to do; that the impious presumption of legislators and rulers, civil as well as ecclesiastical, who, being themselves but fallible and uninspired men, have assumed dominion over the faith of others, setting up their own opinions and modes of thinking as the only true and infallible, and as such endeavoring to impose them on others, hath established and maintained false religions over the greatest part of the world, and through all time; that to compel a man to furnish contributions of money for the propagation of opinions which he disbelieves, is sinful and tyrannical; that even the forcing him to support this or that teacher of his own religious

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persuasion, is depriving him of the comfortable liberty of giving his contributions to the particular pastor whose morals he would make his pattern, and whose powers he feels most persuasive to righteousness, and is withdrawing from the ministry those temporal rewards, which proceeding from an approbation of their personal conduct, are an additional incitement to earnest and unremitting labors for the instruction of mankind; that our civil rights have no dependence on our religious opinions, more than our opinions in physics or geometry; that, therefore, the proscribing any citizen as unworthy the public confidence by laying upon him an incapacity of being called to the offices of trust and emolument, unless he profess or renounce this or that religious opinion, is depriving him injuriously of those privileges and advantages to which in common with his fellow citizens he has a natural right; that it tends also to corrupt the principles of that very religion it is meant to encourage, by bribing, with a monopoly of worldly honors and emoluments, those who will externally profess and conform to it; that though indeed these are criminal who do not withstand such temptation, yet neither are those innocent who lay the bait in their way; that to suffer the civil magistrate to intrude his powers into the field of opinion and to restrain the profession or propagation of principles, on the supposition of their ill tendency, is a dangerous fallacy, which at once destroys all religious liberty, because he being of course judge of that tendency, will make his opinions the rule of judgment, and approve or condemn the sentiments of others only as they shall square with or differ from his own; that it is time enough for the rightful purposes of civil government, for its officers to interfere when principles break out into overt acts against peace and good order; and finally, that truth is great and will prevail if left to herself, that she is the proper and sufficient antagonist to error, and has nothing to fear from the conflict, unless by human interposition disarmed of her natural weapons, free argument and debate, errors ceasing to be dangerous when it is permitted freely to contradict them .

Be it therefore enacted by the General Assembly, That no man shall be compelled to frequent or support any religious worship, place, or ministry whatsoever, nor shall be enforced, restrained, molested, or burdened in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief; but that all men shall be free to profess, and by argument to maintain, their opinions in matters of religion, and that the same shall in nowise diminish, enlarge, or affect their civil capacities.

Add though we well know this Assembly, elected by the people for the ordinary purposes of legislation only, have no powers equal to our own and that therefore to declare this act irrevocable would be of no effect in law, yet we are free to declare, and do declare, that the rights hereby asserted are of the natural rights of mankind, and that if any act shall be hereafter passed to repeal the present or to narrow its operation, such act will be an infringement of natural right."

Read *PIERCING THE ILLUSION* by John Baptist Kotmair, Jr. for more information on God's True Plan for Mankind

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PATRIOT COMMUNITY INUNDATED WITH FALSE INFORMATION

Almost every patriot will agree that there is a lot of confusion in the patriot community as to what is true and what is not true about the so-called "income" tax. Most patriots will agree that much of the information which is floating around the patriot community is false information. What patriots will have a difficult time agreeing upon, however, is which information is true and which information is false.

DESTROYED ARGUMENTS by Larry Becraft

I. The Money Issue:

In the seventies and early eighties, advocates of the specie provisions under Art. 1, §10, cl. 1 of the U.S. Constitution made a concerted effort to educate people about this constitutional provision, consequently people began litigating the issue. The courts have rendered the following adverse decisions on this issue:

ADVERSE FEDERAL DECISIONS ON MONEY ISSUE:

1. Koll v. Wayzata State Bank, 397 F.2d 124 (8th Cir. 1968).
2. United States v. Daly, 481 F.2d 28 (8th Cir. 1973).
3. Milam v. United States, 524 F.2d 629 (9th Cir. 1974).
4. United States v. Scott, 521 F.2d 1188 (9th Cir. 1975).
5. United States v. Gardiner, 531 F.2d 953 (9th Cir. 1976).
6. United States v. Wangrud, 533 F.2d 495 (9th Cir. 1976).
7. United States v. Kelley, 539 F.2d 1199 (9th Cir. 1976).
8. United States v. Schmitz, 542 F.2d 782 (9th Cir. 1976).
9. United States v. Whitesel, 543 F.2d 1176 (6th Cir. 1976).
10. United States v. Hurd, 549 F.2d 118 (9th Cir. 1977).
11. Mathes v. Commissioner, 576 F.2d 70 (5th Cir. 1978).
12. United States v. Rifin, 577 F.2d 1111 (8th Cir. 1978).
13. United States v. Anderson, 584 F.2d 369 (10th Cir. 1978).
14. United States v. Benson, 592 F.2d 257 (5th Cir. 1979).
15. Nyhus v. Commissioner, 594 F.2d 1213 (8th Cir. 1979).
16. United States v. Hori, 470 F.Supp. 1209 (C.D.Cal. 1979).
17. United States v. Tissj, 601 F.2d 372 (8th Cir. 1979).
18. United States v. Ware, 608 F.2d 400 (10th Cir. 1979).
19. United States v. Moon, 616 F.2d 1043 (8th Cir. 1980).
20. United States v. Rickman, 638 F.2d 182 (10th Cir. 1980).
21. Birkenstock v. Commissioner, 646 F.2d 1185 (7th Cir. 1981).
22. Lary v. Commissioner, 842 F.2d 296 (11th Cir. 1988).

ADVERSE STATE DECISIONS ON MONEY ISSUE:

1. Chermack v. Bjornson, 302 Minn. 213, 223 N.W.2d 659 (1974).
2. Leitch v. Oregon Dept. of Revenue, 519 P.2d 1045 (Or.App.1974).
3. Radue v. Zanaty, 293 Ala. 585, 308 So.2d 242 (1975).
4. Rush v. Casco Bank & Trust Co., 348 A.2d 237 (Me. 1975).

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5. Allen v. Craig, 1 Kan.App.2d 301, 564 P.2d 552 (1977).
6. State v. Pina, 90 N.M. 181, 561 P.2d 43 (N.M. 1977).
7. Dorgan v. Kouba, 274 N.W.2d 167 (N.D. 1978).
8. Trohimovich v. Dir., Dept. of Labor & Industry, 21 Wash.App.243, 584 P.2d 467 (1978).
9. Middlebrook v. Miss. State Tax Comm., 387 So.2d 726 (Miss.1980).
10. Daniels v. Arkansas Power & Light Co., 601 S.W.2d 845 (Ark.1980).
11. State v. Gasser, 306 N.W.2d 205 (N.D. 1981).
12. City of Colton v. Corbly, 323 N.W.2d 138 (S.D. 1982).
13. Epperly v. Alaska, 648 P.2d 609 (Ak.App. 1982).
14. Solyom v. Maryland-National Capital Park & Planning Comm., 452A.2d 1283 (Md.App. 1982).
15. People v. Lawrence, 124 Mich.App. 230, 333 N.W.2d 525(Mich.App. 1983).
16. Union State Bank v. Miller, 335 N.W.2d 807 (N.D. 1983).
17. Richardson v. Richardson, 332 N.W.2d 524 (Mich.App. 1983).
18. Cohn v. Tucson Elec. Power Co., 138 Ariz. 136, 673 P.2d 334(1983).
19. First Nat. Bank of Black Hills v. Treadway, 339 N.W.2d 119 (S.D. 1983).
20. Herald v. State, 107 Idaho 640, 691 P.2d 1255 (1984).
21. Allnut v. State, 59 Md.App. 694, 478 A.2d 321 (1984).
22. Spurgeon v. F.T.B., 160 Cal.App.3d 524, 206 Cal.Rptr. 636 (1984).
23. Rothaker v. Rockwall County Central Appraisal Dist., 703 S.W.2d 235 (Tex.App. 1985).
24. De Jong v. County of Chester, 98 Pa. Cmwlt. 85, 510 A.2d 902 (1986).
25. Baird v. County Assessors of Salt Lake & Utah Counties, 779 P.2d 676 (Utah 1989).
26. State v. Sanders, 923 S.W.2d 540 (Tenn. 1996).

II. Wages Are Not Income:

Back in about 1979 or 1980, Bob Golden and Pete Soehnlén published a work entitled *Are You Required*, which persuasively advocated the argument that wages are not income. However, desperate people championed this issue and lost in the following cases:

1. United States v. Romero, 640 F.2d 1014 (9th Cir. 1981).
2. Lonsdale v. CIR, 661 F.2d 71 (5th Cir. 1981).
3. United States v. Lawson, 670 F.2d 923 (10th Cir. 1982).
4. Granzow v. CIR, 739 F.2d 265 (7th Cir. 1984).
5. Hansen v. United States, 744 F.2d 658 (8th Cir. 1984).
6. Perkins v. CIR, 746 F.2d 1187 (6th Cir. 1984).
7. Schiff v. CIR, 751 F.2d 116 (2nd Cir. 1984).
8. United States v. Latham, 754 F.2d 747 (7th Cir. 1985).
9. Hyslep v. United States, 765 F.2d 1083 (11th Cir. 1985).
10. Coleman v. CIR, 791 F.2d 68, 70 (7th Cir. 1986).
11. Wilcox v. CIR, 848 F.2d 1007, 1008 (9th Cir. 1988).
12. United States v. Gerards, 999 F.2d 1255, 1256 (8th Cir. 1993).

Jeff Dickstein, lawyer "extraordinaire" from California, later Alaska, Montana, Tennessee and now Oklahoma, has written a book entitled *Judicial Tyranny*, which

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discusses this issue in great detail, including all the adverse decisions on this issue through 1989. When Jeff and I were about to start the conspiracy trial of Vern Holland and Dave Mauldin in Tulsa in August, 1990, Jeff announced that his book was hot off the press. When we got the first copy and looked at his book just days before we were to start that trial in federal court in Tulsa, we noticed that the front cover contained the seal of the local federal court as well as a likeness of one of the local federal judges. At times, Jeff can be harrowing. However, we got a hung jury in that case and afterwards, 6 of the jurors, including the forelady, came and joined Vern's patriot organization.

III. The IRS is a Delaware corporation:

Back in 1982 or 1983, somebody started circulation of the argument that the IRS was a private corporation which had been created in Delaware in 1933. This is indeed a frivolous argument and has properly been rejected by the courts; see Young v. IRS, 596 F.Supp. 141, 147 (N.D. Ind. 1984).

IV. The IMF Argument:

Some contend that the Secretary of the Treasury is in reality a foreign agent under the control of the IMF; the argument has been rejected by the courts.

1. United States v. Rosnow, 977 F.2d 399, 413 (8th Cir. 1992).
2. United States v. Jagim, 978 F.2d 1032, 1036 (8th Cir. 1992).
3. United States v. Higgins, 987 F.2d 543, 545 (8th Cir. 1993).

V. Non-resident Aliens:

Some contend we are for tax purposes non-resident aliens; again, this improper argument has been correctly rejected by the courts.

1. United States v. Sloan, 939 F.2d 499, 501 (7th Cir. 1991).
2. United States v. Jagim, 978 F.2d 1032, 1036 (8th Cir. 1992).
3. United States v. Hilgeford, 7 F.3d 1340, 1342 (7th Cir. 1993).

VI. The Form 1040 is Really a Codicil to a Will:

This argument was rejected in Richey v. Ind. Dept. of State Revenue, 634 N.E. 2d 1375 (Ind. 1994), along with other popular arguments of that date.

VII. Filing 1099s against IRS Agents:

At one time, some asserted that when an agent of the government inflicted damaged upon somebody, the proper response should be filing a Form 1099 against the agent because the agent was "enriched" by the damaged so inflicted. Parties doing this went to jail.

1. United States v. Yagow, 953 F.2d 423 (8th Cir. 1992).
2. United States v. Kuball, 976 F.2d 529 (9th Cir. 1992).
3. United States v. Dykstra, 991 F.2d 450 (8th Cir. 1993).

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VIII. Land Patents:

Back in 1983 and 1984, Carol Landi popularized an argument that the land patent was the highest and best form of title and that by updating the patent in your own name, you could defeat any mortgages. This contention violated many principles of real property and when Carol started trying to get patents for most of the land in California brought up into her own name, she went to jail. Others who have raised this crazy argument lost the issue.

1. Nixon v. Individual Head of St. Joseph Mtg. Co., 612 F.Supp.253 (N.D. Ind. 1985).
2. Nixon v. Phillipoff, 615 F.Supp. 890 (N.D. Ind. 1985).

IX. Not a "Person" Under the Tax Code:

Some have contended that they were not "persons" under the Internal Revenue Code, an argument which has been lost.

1. United States v. Karlin, 785 F.2d 90, 91 (3d Cir. 1986).
2. United States v. Price, 798 F.2d 111, 113 (5th Cir. 1986).
3. United States v. Silevan, 985 F.2d 962, 970 (8th Cir. 1993).

X. Notice of Levy:

A popular argument currently circulating is that a mere notice of levy is not equal to a levy and thus may not be used for tax collection purposes. The courts have not accepted this idea.

1. United States v. Eiland, 223 F.2d 118, 121 (4th Cir. 1955).
2. Rosenblum v. United States, 300 F.2d 843, 844-45 (1st Cir. 1962).
3. United States v. Pittman, 449 F.2d 623, 627 (7th Cir. 1971).
4. In re Chicagoland Ideal Cleaners, Inc., 495 F.2d 1283, 1285 (7th Cir. 1974).
5. Wolfe v. United States, 798 F.2d 1241, 1245 (9th Cir. 1986).

XI. The UCC Argument:

Some assert that some unknown treaty back in the 1930s placed us under the control of the "international bankers," thus every action filed in this country, both civil and criminal alike, is for the benefit of the bankers. Under these facts, when the government attacks a patriot, he should assert the UCC argument; this silly contention has been rejected.

1. United States v. Stoecklin, 848 F.Supp. 1521 (M.D. Fla. 1994).
2. United States v. Greenstreet, 912 F.Supp. 224 (N.D.Tex.1996)(also raised flag and common law court issues).
3. United States v. Klimek, 952 F.Supp. 1100 (E.D.Pa. 1997)(also raised nom de guerre and flag issues).

XII. The CFR Cross Reference Index (where no regulation required by statute):

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The Code of Federal Regulations contains a separate volume which list various statutes and the regulations which implement those statutes. This is not an exclusive list nor is it an admission made by the government that there are no regulations for Title 26, U.S.C. Parties making this argument have suffered defeat.

1. United States v. Cochrane, 985 F.2d 1027, 1031 (9th Cir. 1993).
2. Russell v. United States, 95 CCH Tax Cases ¶ 50029 (W.D. Mich.1994).
3. Reese v. CIR, 69 TCM 2814, TC Memo 1995-244 (1995)
(this and several other arguments described as "legalistic gibberish").
4. Morgan v. CIR, 78 AFTR2d 96-6633 (M.D.Fla. 1996).
5. Stafford v. CIR, TCM 1997-50.

XIII. The Flag Issue:

A current popular argument is that the gold fringed flag indicates the admiralty jurisdiction of the court. Naturally, pro se have made this argument and lost.

1. Vella v. McCammon, 671 F.Supp. 1128, 1129 (S.D. Tex. 1987)(the argument has "no arguable basis in law or fact").
2. Comm. v. Appel, 652 A.2d 341, 343 (Pa.Super. 1994)(the contention is a "preposterous claim").

XIV. Common Law Court:

These courts have been declared non-existent.

1. Kimmel v. Burnet County Appraisal Dist., 835 S.W.2d 108, 109 (Tex.App. 1992).

XV. "Nom de Guerre":

According to a book written by Berkheimer, a "nom de guerre" is a war name symbolized by a given name being written in capital letters. The argument contends that because of events in 1933, we have been made "enemies" and government indicates our status as enemies by the nom de guerre. If this is true, then why have the styles of the decisions of the United States Supreme Court since its establishment been in caps? This argument has gotten lots of people in trouble. For example, Mike Kemp of the Gadsden Militia defended himself on state marijuana charges with this argument and he was thrown into jail. I have not even seen a decent brief on this issue which was predicated upon cases you can find in a common law library. In any event, at least one case has rejected this argument; see United States v. Klimek, 952 F.Supp. 1100 (E.D.Pa. 1997).

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Other Supreme Court Decisions

"The income tax system is a self-reporting and self-assessing one. It is based upon voluntary assessment and payment not distraint" Flora v. United States, 362 U.S. 145 176

"Doubt relative to statutory construction should be resolved in favor of the individual, not the government" Greyhound Corp. v. United States, 495 F2d 863

"The legal right of an individual to decrease or altogether avoid his/her taxes by means which the law permits cannot be doubted" Gregory v. Helvering, 293 U.S. 465

"Congress cannot by any definition (of income in this case) it may adopt, conclude the matter, since it cannot by legislation alter the Constitution, from which alone it derives its power to legislate, and within whose limitations alone that power can be lawfully expressed." Eisner v. Macomber, 252 U.S. 189

"Treasury regulations can add nothing to income as defined by Congress" Blatt Co. v. United States, 59 S. Ct. 472

"The extension of tax by implication is not favored" Reinecke v. Gardner, 277 U.S. 239

"All laws, rules and practices which are repugnant to the Constitution are null and void" Marbury v. Madison, 5th US (2 Cranch) 137, 180

"It is the duty of the courts to be watchful for the Constitutional rights of the citizen and against any stealthy encroachments thereon" Boyd v. United States, 116 U.S. 616, 635

"The 16th Amendment does not justify the taxation of persons or things previously immune. It was intended only to remove all occasions for any apportionment of income taxes among the states. It does not authorize a tax on a salary" Evans V. Gore, 253 U.S. 245

"In numerous cases where the IRS has sought enforcement of its summons pursuant to statute, courts have held that a taxpayer may refuse production of personal books and records by assertion of his privilege against self-incrimination." Hill v. Philpott, 445 F2d 144, 146

"To penalize the failure to give a statement which is self-incriminatory, is beyond the power of Congress" United States v. Lombardo, 228 F. 980,981

"The requirement of an offence committed willfully is not met, therefore, if a taxpayer has relied in good faith upon a prior decision of this court" United States v Bishop, 412 U.S. 346, 361

"A personal right that is not transferable or assignable is also not taxable. Damages for alienation of affections, defamation of personal character do not constitute income" United States v. Kaiser, 80 S.Ct. 1264

"Income means gains/profit from property severed from capitol, however invested or employed. Income is not a wage or compensation fro any type of labor" Stapler v. United States, 21 F.Supp 737 at 739

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"Tax on income derived from property was the equivalent of a direct tax on the income-producing property itself and must be apportioned in accordance with provisions of Article I of the Constitution" Home Mutual Insurance Co v. Commissioner of Internal Revenue, 639 F2d 333

"Where rights secured by the Constitution are involved, there can be no rule making or legislation which would abrogate them" Miranda v. Arizona, 384 U.S. 436, 491

"Because Federal courts are limited in jurisdiction, the presumption is that it is without jurisdiction unless the contrary affirmatively appears." Grace v. American Central Insurance Co., 109 U.S. 278

"Courts have no power to rewrite legislative enactments to give effect to their ideas of policy and fitness or the desirability of symmetry in statutes." Busse v. Commissioner of Internal Revenue, 479 F2d 1143

"The Fifth Amendment applies alike to criminal and civil proceedings" McCarthy v. Arndstein, 266 U.S. 34

"If the defendant had a subjective good faith belief, no matter how unreasonable, that he was not required to file a tax return, the government cannot establish that the defendant acted willfully" Cheek v. United States, 498 U.S. 192

"The primary and general rule of statutory construction is that the intent of the lawmaker is to be found in the language that he has used. He is presumed to know the meaning of the words and the rules of grammar" United States v. Goldenberg, 168 U.S. 95

"Special provision is made in the Constitution for the cession of jurisdiction from the states over places where the federal government shall establish forts or other military works. And it is only in these places, or in territories of the United States, where it can exercise a general jurisdiction" [New Orleans v. United States, 35 U.S. (10 Pet.) 662 (1836)]

"All legislation is prima facie territorial" [American Banana Co. v. U.S. Fruit, 213, U.S. 347 at 357-358]

"There is a canon of legislative construction which teaches Congress that, unless a contrary intent appears [legislation] is meant to apply only within territorial jurisdiction of the United States." [U.S. v. Spelar, 338 U.S. 217 at 222]

"the United States never held any municipal sovereignty, jurisdiction, or right of soil in Alabama or any of the new states which were formed ... The United States has no Constitutional capacity to exercise municipal jurisdiction, sovereignty or eminent domain, within the limits of a state or elsewhere, except in the cases in which it is expressly granted ..." [Pollard v. Hagan, 44 U.S.C. 212, 221, 223]

"... the states are separate sovereigns with respect to the federal government" [Heath v. Alabama, 474 U.S. 82]

"No sanction can be imposed absent proof of jurisdiction" [Stanard v. Olesen, 74 S. Ct.768]

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"Once challenged, jurisdiction cannot be 'assumed', it must be proved to exist."
[Stuck v. Medical Examiners, 94 Ca2d 751.211 P2s 389]

"Jurisdiction, once challenged, cannot be assumed and must be decided." [Maine v. Thiboutot, 100 S. Ct. 250]

"... Federal jurisdiction cannot be assumed, but must be clearly shown." [Brooks v. Yawkey, 200 F. 2d 633]

"The law requires proof of jurisdiction to appear on the record of the administrative agency and all administrative proceedings" [Hagans v. Lavine, 415 U.S. 528]

"If any tribunal finds absence of proof of jurisdiction over person and subject matter, the case must be dismissed." [Louisville R.R. v. Motley, 211 U.S. 149, 29 S. Ct. 42]

"Decency, security and liberty alike demand that **government officials shall be subjected to the same rules of conduct that are commands to the citizen**. In a government of laws, existence of **the government will be imperiled if it fails to observe the law scrupulously**"....Our Government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example....Crime is contagious. **If the Government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy**. To declare that, in the administration of the criminal law, the end justifies the means -- to declare that the Government may commit crimes in order to secure the conviction of a private criminal -- would bring terrible retribution. Against that pernicious doctrine this Court should resolutely set its face. [Olmstead v. United States, 277 U.S. 438 (1928)]

Conclusion

The evidence is overwhelming, so you draw your own conclusions.

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**Save-A-Patriot Fellowship
Piercing the Illusion
12 Carroll St.
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