REBUTTED VERSION OF THE IRS PUBLICATION:
"*THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS*"

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PREFACE

This document is a rebutted version of the following document downloaded from the IRS Website at:

The Truth About Frivolous Tax Arguments http://www.irs.gov/pub/irs-utl/friv_tax.pdf

We provide our rebuttals to the false arguments presented by the IRS in brown Times New Roman text surrounded by a box. IRS comments use Arial black font. These rebuttals are based on information freely available on the worldwide web within the following resources:

1. *Flawed Tax Arguments to Avoid*, Form #08.004
   http://sedm.org/Forms/FormIndex.htm
2. *Rebutted Version of Congressional Research Service Report 97-59A: Frequently Asked Questions Concerning the Federal Income Tax*, Form #08.006
   http://sedm.org/Forms/FormIndex.htm
3. *Rebutted Version of Tax Resister FAQs by Dan Evans*, Form #08.007
   http://sedm.org/Forms/FormIndex.htm
4. *Policy Document: Rebutted Arguments Against This Website*, Form #08.011
   http://sedm.org/Forms/FormIndex.htm
5. *Test for Federal Tax Professionals*, Form #03.009
   http://sedm.org/Forms/FormIndex.htm
6. *Tax Deposition Questions*, Form #03.016-expanded version of We The People Truth in Taxation Hearing Questions and evidence
   http://sedm.org/Forms/FormIndex.htm

We encourage you to send a copy of this document to your Congressman and/or the IRS and politely tell them you want some answers as to the following important questions:

1. Where the IRS gets the authority to regulate private conduct, such as YOUR conduct at work. The only thing the government can lawfully regulate is "public conduct" and not "private conduct". The Supreme Court has held that the ability to regulate private conduct is "repugnant to the constitution".

   > *"The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to provide modes of redress" against offensive state action, was "repugnant" to the Constitution. Id., at 15. See also United States v. Reese, 92 U.S. 214, 218 (1876); United States v. Harris, 106 U.S. 629, 639 (1883); James v. Bowman, 190 U.S. 127, 139 (1903). Although the specific holdings of these early cases might have been superseded or modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964); United States v. Guest, 383 U.S. 745 (1966), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not been questioned."*
   > *[City of Boerne v. Flores, Archbishop of San Antonio, 521 U.S. 507 (1997)]*

   The above explains why:
   1.1. Everyone who participates in federal franchises has to become a "public officer". See:

Government Instituted Slavery Using Franchises, Form #05.030 http://sedm.org/Forms/FormIndex.htm

   1.2. All "taxpayers" are "public officers" within the government.
   1.3. The tax is upon a "trade or business", which is defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office".
   1.4. You cannot earn "income" unless an information return is filed against you and 26 U.S.C. §6041(a) says that these information returns cannot lawfully be filed against you unless you are engaged in a "trade or business".
   1.5. Those not engaged in the "trade or business"/"public office" franchise and not receiving government payments cannot earn "gross income" or "taxable income".
   1.6. Those eligible for Social Security are referred to in the code as "federal personnel". See 5 U.S.C. §552a(a)(13).

1.7. Social Security Numbers are identified not as YOUR property, but that of the government. 20 CFR §422.103(d) says that the numbers belong not to YOU, but to the Social Security Administration. If someone asks you what is YOUR number, if you give them an answer, you just admitted that you work for the Social Security Administration and that you are a government employee on official business. It is ILLEGAL to use public property for a private use.

1.8. IRS envelopes say prominently in the upper left corner "Penalty for private use $300". They are sending the letter to a "public officer" called a "taxpayer" who is engaged in a government franchise or "public right"!

For details, see:

Why Statutory Civil Law if Law for Government and Not Private Persons, Form #05.037 http://sedm.org/Forms/FormIndex.htm

2. How can Congress lawfully delegate its power to COLLECT taxes conveyed under Constitution Article 1, Section 8, Clauses 1 and 3 to an ostensibly Executive Branch bureau within the Treasury? America was founded on the requirement for taxation with representation. The TAXING and the REPRESENTATION must concur in the SAME physical person, and that person was supposed to be in the House of Representatives. That is why the Constitution requires all spending bills to originate in the House of Representatives: Because those who raise the funds within their district are supposed to be the SAME ones who spend it! That is also why members of the House are reelected every two years: because if they get too greedy at tax collection, we can fire the bastards.

2.1. The separation of powers does not permit Congress to:

2.1.1. Delegate ANY of its functions to the Executive Branch.

> *". . .a power definitely assigned by the Constitution to one department can neither be surrendered nor delegated by that department, nor vested by statute in another department or agency. Compare Springer v. Philippine Islands,277 U.S. 189, 201, 202, 48 S.Ct. 480, 72 L.Ed. 845."*
> *[Williams v. U.S., 289 U.S. 553, 53 S.Ct. 751 (1933)]*

2.1.2. Separate the taxation and the representation functions in two different branches of the government.

2.2. The reason the IRS can be in the Executive Branch without violating the Constitutional separation of powers and the reason it is a "bureau" rather than an "agency" within the Treasury Department, is because it collects kickbacks from federal officers, instrumentalities, and employees (see 26 U.S.C. §6331(a)) who work for the government, and may not interact directly with the private public. Bureaus serve agencies within the government while agencies interact directly with the public. That is why it is called the INTERNAL Revenue Service: It may only lawfully collect kickbacks disguised to look like legitimate taxes from employees and instrumentalities of the government and not the public at large. Below is an admission of this from the Dept. of Justice:

Figure 1: Admission by Warren S. Derbridge, U.S. Attorney

The Department of Treasury is the agency, Internal Revenue Service is a bureau within Treasury. See also 5 United States Code § 105 which defines the term Executive agency and Hancock v. Egger, 848 F.2d 87 (6th Cir. 1988).

Sincerely,

Warren S. Derbidge
Assistant U.S. Attorney

3. Exactly what a "trade or business" is, so that those who don't wish to engage in this privileged, excise taxable activity can exercise their free choice by lawfully avoiding it. See:

The "Trade or Business" Scam, Form #05.001 http://sedm.org/Forms/FormIndex.htm

4. Why the DOJ are not prosecuting private persons not lawfully engaged in a public office in the government for criminally impersonating a public officer in the U.S. government in violation of 18 U.S.C. §912 and for fraud pursuant to 26 U.S.C. §§7206 and 7207.

4.1. The IRS 1040 Instruction Booklet deliberately does not admit that the form is only for use by those engaged in a "trade or business", even though this is the case. The 1040 form is trying to impose an excise tax on the "trade or business" franchise and make the existence of the franchise invisible through indirection. See: 26 U.S.C. §864(c)(3) and 26 U.S.C. §871(b)(2).

4.2. 26 U.S.C. §7701(a)(26) defines a "trade or business" as "the functions of a public office" in the U.S. government. Nowhere are private earnings or private labor mentioned in the definition and therefore they are purposefully excluded pursuant to the rules of statutory construction:

> *"**Expressio unius est exclusio alterius**. A maxim of statutory interpretation meaning that **the expression of one thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."*
> *[Black's Law Dictionary, Sixth Edition, p. 581]*

4.3. Everything that goes on the 1040 Form is subject to "trade or business" deductions under 26 U.S.C. §162 and therefore MUST be associated with the "trade or business" excise taxable activity and franchise.

4.4. I.R.C. Section 1 imposes a tax on "taxable income" but very conveniently doesn't indicate the excise taxable "trade or business" franchise as the REAL subject of the tax.

4.5. You have to go all the way to 26 U.S.C. §871(b)(1) to find out that everything in I.R.C. Section 1 is associated with the "trade or business" excise taxable franchise.

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART II > Subpart A > § 871*
> *§ 871. Tax on nonresident alien individuals*
>
> *(b) Income connected with United States business—graduated rate of tax*
>
> *(1) Imposition of tax*
>
> *A nonresident alien individual **engaged in trade or business within the United States during the taxable year shall be taxable as provided in section 1 or 55** on his taxable income which is effectively connected with the conduct of a trade or business within the United States.*

4.6. 18 U.S.C. §912 makes it a crime to impersonate a "public officer", and by implication a "taxpayer" for those who are not lawfully occupying a public office. No tax form can lawfully be used to CREATE any new public offices. The only thing the IRS can do is tax those ALREADY lawfully occupying said office to pay a kickback on their earnings back to the mother corporation.

5. How they the IRS say you have a tax debt or place a lien on your property if the Supreme Court says "taxes" are NOT "debts"?

> ***"The assessment of taxes does not create a debt that can be enforced by suit, or upon which a promise to pay interest can be implied. It is a proceeding* in invitum."**
>
> *The next case was that of the* City of Camden v. Allen, *[Footnote 8] 1857. That was an action of debt brought to recover a tax by the municipality to which it was due. The language of the Supreme Court of New Jersey was still more explicit: **"A tax, in its essential characteristics," said the court, "is not a debt nor in the nature of a debt. A tax is an impost levied by authority of government upon its citizens or subjects for the support of the state. It is not founded on contract or agreement. It operates* in invitum. *A debt is a sum of money due by certain and express agreement. It originates in and is founded upon contracts express or implied."***
> *[Lane County v. Oregon, 74 U.S. 7 Wall. 71 71 (1868)]*

6. Why the IRS won't publish the following truths in their publications about withholding and reporting:

6.1. That all earnings recorded on IRS Form W-2 are legally classified by the IRS as "gifts" and not taxes. IRS Document 6209, Section 4 classifies the W-2 form as Tax Class 5, meaning "Estate and gift taxes". Income taxes are Tax Class 2. See:

Great IRS Hoax, Section 5.6.8 http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm

6.2. That IRS has no authority to convert a Tax Class 5 "gift" into Tax Class 2 income tax and that only the owner of the earnings can do that by attaching the W-2 "gift statement" to a 1040 form and assessing him or her self. See:

Great IRS Hoax, Section 5.6.15 http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm

6.3. That the IRS Form W-4 is an *agreement* that cannot be coerced and that if a private employer coerces it, he is liable for a conspiracy against rights, theft, and racketeering as an officer of the government called a "withholding agent". 26 CFR §31.3401(a)-3(a), 26 CFR §31.3402(p)-1.

> *"An agreement [consensual contract] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not exercising his free will, and the test is not so much the means by which the party is compelled to execute the agreement as the state of mind induced.* [1] *Duress, like fraud, rarely becomes material, except where a contract or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract or conveyance voidable, not void, at the option of the person coerced,* [2] *and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it.* [3] *However, duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so, is generally deemed to render the resulting purported contract void.* [4]*"*
> *[American Jurisprudence 2d, Duress, Section 21]*

6.4. That those who refuse to sign and submit such a W-4 form cannot earn "wages" as legally defined.
6.5. That those who do not sign or submit IRS Form W-4 can earn no reportable "wages" on block 2 of an IRS Form W-2 at the end of the year.
6.6. That even if a person refuses to sign a Form W-4 and the IRS tells the employer to withhold at "single-zero", there is nothing to withhold because withholding is on "wages" as legally defined rather than all earnings. In other words, the only portion of earnings under control of the government is that which has been voluntarily donated by the owner to a public use, public purpose, and a public office by connecting it with the "trade or business" excise taxable franchise.

> *"Men are endowed by their Creator with certain unalienable rights,-'life, liberty, and the pursuit of happiness;' and to 'secure,' not grant or create, these rights, governments are instituted.* ***That property [or income] which a man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation.***
> *[Budd v. People of State of New York, 143 U.S. 517 (1892)]*

6.7. That the IRS has no delegated authority to tell anyone other than a federal agency to withhold against persons who are not federal "employees", agents, or contractors.
6.8. That those who withhold against the wishes of private employees are engaged in theft, extortion, and involuntary servitude in violation of the Thirteenth Amendment, 42 U.S.C. §1994, and 18 U.S.C. §1581, and for which they personally accept full and exclusive legal liability.

If you would like to learn more about the above, see:

Income Tax Withholding and Reporting Course, Form #12.004 http://sedm.org/Forms/FormIndex.htm

7. Why IRS withholding forms have a block for "exempt" but no block for "not subject". One can be "not subject" without being an "exempt individual" or being an "individual" or "person" under the I.R.C. franchise agreement. 26 U.S.C. §7701(a)(31) recognizes the existence of a "foreign estate" that is not subject, but which is also not exempt:

> *TITLE 26 > Subtitle F > CHAPTER 79 > § 7701*
> *§ 7701. Definitions*
>
> *(a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—*
>
> *(31) Foreign estate or trust*
>
> *(A) Foreign estate The term "foreign estate" means an estate 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.*

[1] Brown v Pierce, 74 US 205, 7 Wall 205, 19 L Ed 134

[2] Barnette v Wells Fargo Nevada Nat'l Bank, 270 US 438, 70 L Ed 669, 46 S Ct 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v Gershman, 30 Misc 2d 442, 215 NYS2d 144; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 SW2d 773, writ ref n r e (May 16, 1962); Carroll v Fetty, 121 W Va 215, 2 SE2d 521, cert den 308 US 571, 84 L Ed 479, 60 S Ct 85.

[3] Faske v Gershman, 30 Misc 2d 442, 215 NYS2d 144; Heider v Unicume, 142 Or 416, 20 P2d 384; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 SW2d 773, writ ref n r e (May 16, 1962)

[4] Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

> *(B) Foreign trust The term "foreign trust" means any trust other than a trust described in subparagraph (E) of paragraph (30).*

For details on this SCAM, see section 5.10 of the following:

Flawed Tax Arguments to Avoid, Form #08.004 http://sedm.org/Forms/FormIndex.htm

8. Why the Dept. of Justice isn't prosecuting Americans domiciled in states of the Union under 26 U.S.C. §7206 and 7207 for fraud in filing the WRONG tax form, the form 1040. IRS Form 1040 is only for use by those domiciled on federal territory and not within a state of the Union. IRS Document 7130 says the form is only for use by "U.S. citizens and residents" but the instruction booklet for the form very conveniently doesn't say that and refuses to identify that the "U.S." they mean in the phrase "U.S. citizen" excludes states of the Union. See:

> *1040A 11327A Each*
> *U.S. Individual Income Tax Return*
>
> *Annual income **tax return filed by citizens and residents of the United States**. There are separate instructions available for this item. The catalog number for the instructions is 12088U.*
>
> *W:CAR:MP:FP:F:I Tax Form or Instructions*
> *[2003 IRS Published Products Catalog, Document 7130, p. F-15;*
> *SOURCE: http://famguardian.org/TaxFreedom/Forms/IRS/IRSDoc7130.pdf]*

9. By what legal authority the Internal Revenue Code Subtitle A operates inside states of the Union and NOT "abroad" as indicated in 26 U.S.C. §911, when:
   9.1. The term "United States" is defined as the District of Columbia in 26 U.S.C. §7701(a)(9) and (a)(10) .
   9.2. Subtitle A describes a tax on a "trade or business", which is defined as a "public office" in 26 U.S.C. §7701(a)(26) , and yet 4 U.S.C. §72 says ALL PUBLIC OFFICES shall be exercised ONLY in the District of Columbia and not elsewhere.
   9.3. 26 U.S.C. §7601 authorizes the IRS to collect only within Internal Revenue Districts and yet Treasury Order 150-02 identifies the ONLY remaining Internal Revenue District as the District of Columbia and abolishes all previous Internal Revenue Districts.
   9.4. The Rules of Statutory Construction do not allow the expansion of any word defined in the code to include either the common definition or anything not specifically enumerated in the code itself. See:

Meaning of the Words "Includes" and "including", Form #05.014 http://sedm.org/Forms/FormIndex.htm

   9.5. How the I.R.C. can be enforced in states of the Union when the U.S. Supreme Court held in Carter v. Carter Coal Company that the federal government has NO LEGISLATIVE JURISDICTION in a state of the Union:

> *"It is no longer open to question that **the general government, unlike the states**, Hammer v. Dagenhart, 247 U.S. 251, 275 , 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, **possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.**"*
> *[Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]*

Note that we are NOT indicating that the I.R.C. has no jurisdiction outside the District of Columbia, but only that 26 U.S.C. §911 is the only authority for its operation outside the District of Columbia and that this section only applies "abroad", which does not and cannot include any state of the Union. Since states of the Union are never expressly mentioned in the I.R.C., they cannot be included in the term "United States" nor can areas within their exclusive jurisdiction be part of any internal revenue district or United States judicial district.

> *"**Expressio unius est exclusio alterius**. A maxim of statutory interpretation meaning that **the expression of one thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."*
> *[Black's Law Dictionary, Sixth Edition, p. 581]*

10. Why there is no space on the IRS Forms 1040 or 1040NR to deduct the full market value of one's own labor from one's earnings in computing "gross income". 26 U.S.C. §83 permits this deduction and yet the IRS has no method for claiming it. See:

How the Government Defrauds You of Legitimate Deductions for the Market Value of Your Labor, Form #05.026 http://sedm.org/Forms/FormIndex.htm

11. Why the IRS and the Congress continue to permit and encourage private employers and financial institutions to file knowingly false and fraudulent information returns, such as Form W-2, 1042-s, 1098, and 1099 against Americans who are not engaged in a "trade or business" or a "public office", in violation of 26 U.S.C. §7434 and 26 U.S.C. §6041.
12. Why the IRS and the DOJ don't prosecute private employers for extortion, slavery, and money laundering who:
    12.1. Threaten workers that are not "employees" as defined in 26 CFR §31.3401(c)-1 with either not being hired or fired who refuse to sign and submit a W-4.
    12.2. Refuse to accept W-8BEN from persons domiciled in states of the Union who are not engaged in a "trade or business" and do not wish to become "public officers".
13. Why the IRS and the DOJ don't have special numbers to call where people who are compelled to complete and sign W-4 "voluntary withholding agreements" as described above so that they can register the presence of duress and invite law enforcement help to prevent such abuses? Isn't the main function of law and government to protect the innocent from coercion, duress, and force?
14. Why the IRS Form W-8BEN:
    14.1. Has no option in block 3 for those who "transient foreigners" rather than "individuals".
    14.2. Has no option for those who are neither "beneficial owners" nor "taxpayers".
    14.3. Has no check box to indicate that they are the nonresident alien indicated in 26 CFR §1.871-1(b)(1)(i) and who cannot and should not have any withholding taken out? Instead, they rig the form to create confusion among private employers so that they will throw up their hands and just demand that the worker submit a W-4 because "its too much trouble to read the regulations and find out what we are supposed to do". This causes INVOLUNTARAY SERVITUDE that is illegal and makes people into "taxpayers" who are not required to be. See section 20.7 of the following: for how this scam works:

Federal and State Tax Withholding Options for Private Employers, Form #04.101 http://sedm.org/Forms/FormIndex.htm

15. Why private employers are not truthfully told by the IRS that they are not "employers" as defined in the Internal Revenue Code and that they cannot lawfully nominate themselves into a public office and thereby become "employers" without committing the crime of impersonating a public officer in violation of 18 U.S.C. §912.
16. Why the IRS publishes no procedures for correcting false information returns on their website, including information about how to correct false Form W-2, 1042-s, 1098, and 1099 information returns against people who are not engaged in a "trade or business" or a "public office" in the U.S. government?
17. Why the IRS Form 4852 may not be used by nonresident aliens filing Form 1040NR, thus excluding use of the form by Americans domiciled in states of the Union. The top of the form says it is only for use with Forms 1040, 1040A, 1040X, and 1040-EZ. It is discrimination to only allow citizens and residents to correct false information returns. Nonresidents should have that ability also without electing to become resident aliens.
18. Why the Social Security Administration publishes no procedures and makes available no forms on their website for people who wish to terminate participation in Social Security. See:

Resignation of Compelled Social Security Trustee, Form #06.002 http://sedm.org/Forms/FormIndex.htm

19. Why, if what they are doing IS lawful, they:
    19.1. Have to use "pseudonyms" to hide their identity. See:

Notice of Pseudonym Use and Unreliable Tax Records, Form #04.206 http://sedm.org/Forms/FormIndex.htm

    19.2. They use a fake name on their badges.
    19.3. Refuse to sign their version of this document, put his real legal birthname on it, or take personal responsibly for it. What's wrong with you, Mr. Korb, IRS Chief Counsel?
    19.4. When they visit your residence, they park blocks away so you can't see their car or get their license plate number.
    19.5. They refuse to sign anything they prepare under penalty of perjury as required by 26 U.S.C. §6065 and yet hypocritically enforce that requirement upon everything YOU submit. That section doesn't exclude them.
    19.6. They have a disclaimer that renders everything on their website as unreliable and not useful in a reliance defense in court. Yet, they hypocritically prosecute others for providing false advice under 26 U.S.C. §6700 even though it has the SAME disclaimer. They did that to members of this religious ministry.

> *"IRS Publications, issued by the National Office, explain the law in plain language for taxpayers and their advisors... While a good source of general information, publications should not be cited to sustain a position."*
> *[IRM 4.10.7.2.8 (05-14-1999)]*

20. Why private employers are not told that those not engaged in a "trade or business" who refuse to submit a Form W-4 and instead submit a Form W-8, may not have anything reported on a W-2 and that the W-2 can only contain a non-zero amount for "wages", pursuant to 26 CFR §31.3401(a)-3(a) , in the case of those who signed and submitted a form W-4 absent duress. See:

New Hire Paperwork Attachment, Form #04.203
http://sedm.org/Forms/FormIndex.htm

You may also wish to ask them to refute anything in this rebuttal and to rebut:

1. The admissions at the end of this rebuttal and then to explain or justify the government's propaganda in this pamphlet in light of their answers to the questions.
2. The questions at the end of each of the Memorandums of Law found at the address below in section 1.5:
   SEDM Form Index
   http://sedm.org/Forms/FormIndex.htm
3. The content of the *Tax Deposition Questions*, Form #03.016, which were asked at a formal publicized meeting in February 2002 in Washington, D.C. in which the IRS and DOJ and U.S. Congress were formally invited in writing to attend but positively refused to attend. You can also find these questions, with thousands of pages of supporting evidence to back up each question, at:
   http://sedm.org/Forms/FormIndex.htm

This document should not be viewed as a rebuttal of *everything* the IRS says. There are many things that we agree with the IRS on and we point this out in our comments throughout the document. Years of exhaustive research on our part of law, taxation, sovereignty, and freedom has taught us that most of what appears in this document is true, in fact. The main source of deception and corruption in our tax system arises chiefly from the following sources, and the purpose of this rebuttal is to undo any injury caused by these sources:

1. Legal ignorance on the part of Americans that allows public servants to abuse their authority and violate the law. We have met the enemy, and it is our own ignorance of the law.

   > *"One who turns his ear from hearing the law [God's law or man's law], even his prayer is an abomination."*
   > *[Prov. 28:9, Bible, NKJV]*
   >
   > *"But this crowd that does not know [and quote and follow and use] the law is accursed."*
   > *[John 7:49, Bible, NKJV]]*
   >
   > *"Salvation is far from the wicked, For they do not seek Your statutes."*
   > *[Psalms 119:155, Bible, NKJV]*
   >
   > *"Every man is supposed to know the law. A party who makes a contract [or enters into a franchise, which is also a contract] with an officer [of the government] without having it reduced to writing is knowingly accessory to a violation of duty on his part. Such a party aids in the violation of the law."*
   > *[Clark v. United States, 95 U.S. 539 (1877)]*

2. The abuse of presumption to injure the rights of sovereign Americans, in violation of due process of law and God's law found in Numbers 15:30 (NKJV). Much of this presumption is compelled by the government by willfully dumbing-down the average Americans about legal subjects in the public (government) schools. This makes the legal profession into essentially a "priesthood" and a pagan "religion" that the average American blindly worships and obeys, without ever questioning authority. It is a supreme injustice to proceed against a person without every conclusion being based ONLY on fact and not presumption, opinion, or belief.

   > *"But the person who does anything presumptuously, whether he is native-born or a stranger, that one brings reproach on the LORD, and he shall be cut off from among his people."*
   > *[Numbers 15:30, Bible, NKJV]*
   >
   > ---
   >
   > *"Due Process: [. . .] If any question of fact or liability be conclusively be presumed [rather than proven with evidence] against him, **this is not due process of law** [it's a VIOLATION of due process, in fact]."*
   > *[Black's Law Dictionary, Sixth Edition, p. 500]*
   >
   > ---
   >
   > *(1) [8:4993]* ***Conclusive presumptions affecting protected interests:***
   >
   > *A conclusive presumption may be defeated where its application would impair a party's constitutionally-protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a party's due process and equal protection rights. [Vlandis v. Kline (1973) 412 U.S. 441, 449, 93 S.Ct 2230, 2235; Cleveland Bed. of Ed.*

v. LaFleur (1974) 414 U.S. 632*, 639-640, 94 S.Ct. 1208, 1215-presumption under Illinois law that unmarried fathers are unfit violates process]*
*[*Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34*]*

See the following for a detailed article on this scam and sin:

Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017 http://sedm.org/Forms/FormIndex.htm

3. Public servants deceiving the public by portraying "Private Law" as "Public Law". Click on the link below for an article on this subject:

Requirement For Consent, Form #05.002 http://sedm.org/Forms/FormIndex.htm

4. Public servants refusing to acknowledge the requirement for consent in all human interactions. Click on the link below for an article on this subject:

Requirement For Consent, Form #05.002 http://sedm.org/Forms/FormIndex.htm

5. Willful omissions from the IRS website and publications that keep the public from hearing the whole truth. The problem is not what theses sources say, but what the DON'T say. The Great IRS Hoax contains over 2,000 pages of facts that neither the IRS nor any one in government is willing to reveal to you because it would destroy the gravy train of plunder that pays their bloated salaries and fat retirement in violation of 18 U.S.C. §208.
6. The use of "words of art" to deceive the people in both government publications and the law itself. See the link below for examples:
   http://famguardian.org/TaxFreedom/FormsInstr-Cites.htm
7. The lack of "equal protection of the law" in courts of justice relating to the statements and actions of public servants, whereby the IRS doesn't have to assume responsibility for its statements and actions, and yet persons who fill out tax forms can be thrown in jail and prosecuted for fraud if they emulate the IRS by being just as careless. This also includes "selective enforcement", where the DOJ positively refuses to prosecute submitters of false information returns but spends a disproportionate share of its resources prosecuting false income tax returns. They do this because they are more interested in STEALING your money than in justice. See:
   7.1. *Federal Courts and IRS' Own IRM Say NOT RESPONSIBLE for its actions or its words or following its own internal procedures*
   http://famguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm
   7.2. *Requirement for Equal Protection and Equal Treatment*, Form #05.033
   http://sedm.org/Forms/FormIndex.htm
8. Abuses of franchises that undermine the protection of private rights by the government and the courts:
   8.1. Enforcing federal franchises in States of the Union, which are outside the civil jurisdiction or police powers of the federal government and result in a destruction of the separation of powers.
   8.2. Enforcing franchises, such as a " trade or business" without requiring explicit written consent in some form, such as the issuance and voluntary signing of an application for a license.
   8.3. Attorney licensing, which destroys the integrity of the legal profession in its role as a check and balance when the government or especially the judiciary becomes corrupt, as it is now.
   8.4. Abuse of the federal income tax system, which is a franchise and an excise, to bribe states of the Union to give up their sovereignty, act like federal "States" and territories, and accept what amounts to federal bribes to disrespect the rights or those under their care and protection.

   See the following for details on the above abuses:

Government Instituted Slavery Using Franchises, Form #05.030 http://sedm.org/Forms/FormIndex.htm

9. Efforts to destroy the separation of powers that is the main protection for our liberties. This results in abuses of the Court system for political, rather than legal, purposes (politicization of the courts). All of the federal courts we have now are Article IV, territorial courts that are part of the Executive, rather than Judicial Branch of the government. As such, there is no separation of powers and nothing but tyranny can result. See the following for proof of this destruction:
   9.1. Government Conspiracy to Destroy the Separation of Powers, Form #05.023- shows how lying, thieving public servants have systematically destroyed the separation of powers since the founding of this country
   http://sedm.org/Forms/FormIndex.htm
   9.2. What Happened to Justice?, Form #06.012 -book which proves that we have no Judicial Branch within the federal government, and that all the existing federal courts are acting in an Article IV territorial capacity as part of the Executive, rather than Judicial, branch of the government.
   http://sedm.org/Forms/FormIndex.htm
   9.3. How Scoundrels Corrupted our Republican Form of Government-brief overview of how the separation of powers has been systematically destroyed

http://famguardian.org/Subjects/Taxes/Evidence/HowScCorruptOurRepubGovt.htm

10. The abuse of the government's power to tax in order to transfer wealth between private individuals, which makes the government into a thief and a Robin hood. This includes:
    10.1. Enforcing the tax laws against other than "public officers" of the government. See:

    Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes, Form #05.008
    http://sedm.org/Forms/FormIndex.htm

    10.2. Offering government "benefits" of any kind to anyone who does not ALREADY work for the government. See:

    The Government "Benefits" Scam, Form #05.040
    http://sedm.org/Forms/FormIndex.htm

11. Corruption of our monetary system that allows the government to:
    11.1. Counterfeit while denying to all others the right, thus creating an unconstitutional "Title of Nobility" for itself and making itself into a pagan deity, and denying the equal protection to all that is the foundation of the Constitution.
    11.2. STEAL from the American people by diluting the value of money already into circulation.
    11.3. Exercise undue control banks and financial institutions that causes them to effectively become federal employment recruiters for the federal government by compelling use of government identifying numbers for those pursuing accounts or loans.

    See the following for details on the above SCAMS:

    The Money Scam, Form #05.041
    http://sedm.org/Forms/FormIndex.htm

If you would like to contact the author of the original IRS *The Truth About Frivolous Tax Arguments*, then please call the IRS Chief Counsel's Office at 202-622-4000. We attempted to contact him and were not allowed to talk with him. His hired help was very reluctant to even admit that he had written this and exactly who wrote it. If it indeed is "The Truth", as they call it, how come no one at the IRS wants to take responsibility for it and the IRS doesn't put their seal and name and a signature of a real live person on it? How can there be truth without accountability? It is the most basic element of law that testimony is not credible or believable unless the speaker takes an oath. Where is the oath and the signature?

We wish to emphasize that silence in this document about a specific issue doesn't necessarily mean agreement. Instead it means one of or both of the following apply:

1. We either don't have a complete enough understanding of the issues mentioned to have an informed opinion that is credible enough to reveal to you;
2. We have not had time to do the research necessary to rebut the item.

If you find any inaccuracies in our rebuttal, please kindly submit them to the Family Guardian Forums below.

http://famguardian.org/forums/

Please include court-admissible evidence with your rebuttal, because we can't make any changes based on presumption or hearsay evidence. Your rebuttal should be consistent with the following document:

Reasonable Belief About Income Tax Liability, Form #05.007
http://sedm.org/Forms/FormIndex.htm

These are the same constraints that would apply to those who wish litigate these issues, and we encourage you to use these materials in your own litigation.

If, after reading this document, you decide you would like to investigate the IRS further, we highly recommend the following resources:

1. *Taxes Page*-Family Guardian Website
   http://famguardian.org/Subjects/Taxes/taxes.htm
2. *Great IRS Hoax* book-2000 pages of evidence of IRS fraud
   http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm
3. *Galileo Paradigm*, Form #11.303-book about the IRS hoax
   http://sedm.org/Forms/FormIndex.htm
4. *Origins and Authority of the Internal Revenue Service*, Form #05.042
   http://sedm.org/Forms/FormIndex.htm

5. *Work and Jurisdiction of the Bureau of Internal Revenue*, U.S. Government Printing Office, 1948
http://famguardian.org/PublishedAuthors/Govt/IRS/WorkAndJurisOfTheBIR1948s.pdf

Thanks for taking the time to consider BOTH sides of the arguments so you can clearly discern the WHOLE truth for yourself.

REVISION HISTORY

Date	Version	Description
1/13/02	1.00	Initial version
2/2/02	1.01	1. Added item I.C and a rebuttal to it.
2/3/02	1.02	Corrected case cites under item I.C.
12/28/02	1.03	Updated section III.A to replace the citation from Amer. Jurisprudence with a later citation.
1/13/03	1.04	Replaced all occurrences of "Treasury Definition" with "Treasury Decision".
7/31/03	1.05	1. Removed cite from Higley v. Commissioner in section I.C. 2. Updated the quote from Botta v. Scanlon in the General Notes section to change "states" to "statutes".
10/7/03	1.06	Corrected section reference in section 1.A. to point to section 12.2.2 of the Great IRS Hoax instead of 11.2.3.
11/12/04	1.07	1. Updated the web link to the original pamphlet at the beginning. 2. Updated introduction information about Great IRS Hoax book. 3. Replaced all references to IRM section 5.1.11.9 with 5.1.11.6.10. 4. Added item 2 entitled "Abuse of the word 'law'" in the General Notes at the beginning. 5. Removed all references to "the law" in our rebuttal and replaced most with "the Internal Revenue Code". Also replaced the phrase "lawful authority" with "authority" throughout the document.
3/18/05	1.08	1. Added section II and all subsections from new IRS pamphlet. 2. Made all heading level 2 styles into level 3. 3. Made all heading level 1 styles into level 2. 4. Updated all items in Section I to be consistent with new pamphlet published by IRS. 5. Added section 1.A.3 with a rebuttal. 6. Added section 1.D.1 with a rebuttal. 7. Added section 1.E.5 with a rebuttal. 8. Added section 1.E.6 with a rebuttal. 9. Reformatted table of contents at the beginning. 10. Updated our introduction. 11. Updated the IRS' introduction at the beginning. 12. Fixed several typographical errors. 13. Added a Table of Authorities to the beginning after the Table of Contents. 14. Added a footer to each page containing the document title. 15. Replaced all references to "U.S. national" with "national". 16. Replaced all occurrences of "tax law" with "I.R.C." or "code". 17. Added a section entitled "Questions Which Easily Expose the IRS Fraud" and added over 90 questions to the subsections underneath this with weblinks to the original evidence.
3/19/05	1.09	1. Added responses to questions I.A.3, I.D.1, I.E.5, and 1.E.6. 2. Added rebuttals to questions II.A.1 and 2, II.C.1 and 2. II.G.1, II.H.1 and 2. 3. Improved grammar throughout the rebuttals and added links and detail to each new answer. 4. Added a quote to the beginning of the questions section. 5. Added numbers to the sections under "General Notes". 6. Expanded section 2.5. 7. Added section 0.1 entitled "Techniques of IRS deception and duress". 8. Expanded section 0.4 to add clarification of the meaning of the word "tax".
4/2/05	1.10	1. Updated questions at the end to remove grammar errors and typos. 2. Considerably expanded the introduction to the Questions section. 3. Added more evidence to questions at the end. 4. Improved formatting throughout document. 5. Expanded section A.1.

4/13/04	1.11	1. Updated section 0.5 to add the identity of the author of the document.
8/13/05	1.12	1. Expanded cites in questions at the end. 2. Added hotlinks to most statute and regulation references in questions at the end. 3. Corrected formatting problems.
3/22/06	1.13	1. Updated section I.B.1. 2. Updated Section I.C.1. 3. Deleted table in section 0.2. 4. Updated section I.F.1. 5. Fixed several spelling and grammar errors. 6. Updated section I.C.2.
4/9/06	1.14	1. Renamed section 0.6.
6/10/06	1.15	1. Added several questions to end. 2. Corrected bad links. 3. Added several entries to the table of authorities. 4. Improved formatting.
9/25/06	1.16	1. Expanded the introduction and corrected typos.
6/21/07	1.17	1. Replaced Questions at the end with entirely new document. 2. Updated introduction at the beginning. 3. Improved formatting of footnotes. 4. Cleaned up styles.
2/13/08	1.18	1. Added a “Scriptures” section to the Table of Authorities. 2. Corrected several problems in the Table of Authorities. 3. Normalized formatting throughout document. 4. Corrected several spelling errors. 5. Expanded introduction. 6. Corrected Section I.C.1.
10/18/08	1.19	1. Expanded and considerably improved the Preface. 2. Renamed the document. 3. Updated section II.A.2. 4. Added several more entries to the Table of Authorities 5. Corrected some bad section references. 6. Expanded section 2.G.1 to mention the new “Tax Court Scam” article. 7. Completely revised response in section I.F.1. 8. Expanded section I.E.1. 9. Added section 0.9: Selective Enforcement. 10. Rewrote and expanded section 0.1. 11. Expanded section 0.3. 12. Revised section 0.7. 13. Renamed section 0. 14. Updated section 1.D.1. 15. Replaced all references in the rebuttal to “natural person” with “human being”.

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0. TECHNIQUES FOR IRS DECEPTION IN THIS DOCUMENT

"The power to create [false] presumptions is not a means of escape from constitutional restrictions,"
[New York Times v. Sullivan, 376 U.S. 254 (1964)]

"There is a generation [of WICKED lawyers in the government and the IRS] whose teeth [and tongues] are like swords, And whose fangs are like knives, To devour the poor from off the earth, And the needy from among men."
[Prov. 30:14, Bible, NKJV]

0.1 Summary of Techniques of IRS deception

Throughout the pamphlet, keep fresh in your mind the four chief tools of extortion, racketeering, and coercion abused by corrupted public servants:

1. Promoting ignorance and false presumption.
2. Using the created ignorance as a means of instilling fear.
3. Using the fear to motivate people to do that which no enacted positive law requires.
4. Using the high cost of an out-of-control and corrupted legal system as a means of punishing those who refuse to cooperate. Litigation can be more expensive than just paying an illegally enforced tax to begin with, and they know this and use it to their advantage.

In a free society of informed Americans, those intent on abusing their authority as public servants to steal from the American people must use surreptitious and stealthy means to disguise the nature of their malicious activities. They must manufacture legal ignorance in the public school system and abuse the ignorant masses using the media and "words of art" to deceive them into having false presumptions about what the law requires. This dupes the ignorant masses into executing public policy that is in clear conflict with what the law actually says. The false "beliefs" induced during this brainwashing process are the religious equivalent of "faith" in a false god called government, and this form of exploitation is described in the bible as idolatry that violates the first four commandments of the ten commandments. When you corner the usurpers in their own offices or in federal courtrooms as we have and demand the same kind of respect from them for the obligations of enacted positive law as they at least "claim" they expect from you, they refuse to discuss why they are violating the law because doing so would force them to surrender the plausible deniability that protects their unlawful activities. Instead, they respond evasively to a good faith inquiry into the nature of their lawful authority as follows:

1. Deliberately abusing presumption by confusing ordinary words with "words of art" to create an understanding of the tax code that is completely inconsistent with the code and with the rules of statutory construction. See:
   Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017
   http://sedm.org/Forms/FormIndex.htm
2. Refusing to recognize all the implications of the separation of powers doctrine and how that doctrine affects the definitions of terms they are using. See:
   Government Conspiracy to Destroy the Separation of Powers, Form #05.023
   http://sedm.org/Forms/FormIndex.htm
   This type of abuse includes:
   2.1. Deliberately confusing upper case federal "States", which are territories in the I.R.C., with states of the Union, which are referred to in lower case "states" because they are foreign in respect to federal legislative jurisdiction.

Corpus Juris Secundum Legal Encyclopedia
Territories, "§1. Definitions, Nature, and Distinctions

"The word 'territory,' when used to designate a political organization has a distinctive, fixed, and legal meaning under the political institutions of the United States, and does not necessarily include all the territorial possessions of the United States, but may include only the portions thereof which are organized and exercise governmental functions under act of congress."

"While the term 'territory' is often loosely used, and has even been construed to include municipal subdivisions of a territory, and 'territories of the' United States is sometimes used to refer to the entire domain over which the United States exercises dominion, the word 'territory,' when used to designate a political organization, has a distinctive, fixed, and legal meaning under the political institutions of the United States, and the term 'territory' or 'territories' does not necessarily include only a portion or the portions thereof which are organized and exercise government functions under acts of congress. The term 'territories' has been defined to be political subdivisions of the outlying dominion of the United States, and in this sense the term 'territory' is not a description of a definite area of land but

of a political unit governing and being governed as such. The question whether a particular subdivision or entity is a territory is not determined by the particular form of government with which it is, more or less temporarily, invested.

"Territories' or 'territory' as including 'state' or 'states." *While the term 'territories of the' United States may, under certain circumstances, include the states of the Union, as used in the federal Constitution and in ordinary acts of congress "territory" does not include a foreign state.*

"As used in this title, the term 'territories' generally refers to the political subdivisions created by congress, and not within the boundaries of any of the several states."
[86 C.J.S. [Corpus, Juris, Secundum, Legal Encyclopedia], Territories, §1]

2.2. Deliberately confusing "constitutional citizens" with "statutory citizens" or presuming that they are the same. See:

Flawed Tax Arguments to Avoid, Form #08.004, Section 5.1 http://sedm.org/Forms/FormIndex.htm

2.3. Refusing to disclose which of the three definitions of "United States" they mean when the word is used. See:

Rules of Presumption and Statutory Interpretation, Litigation Tool #01.006 http://sedm.org/Litigation/LitIndex.htm

2.4. Falsely presuming that the federal district courts are Constitution Article III courts. They are NOT, but rather legislative franchise courts supervising the management of community property of the states pursuant to Article 4, Section 3, Clause 2 of the Constitution. All tax trials are property trials against the "res", who is a "taxpayer" managing "public property" under their management and control as "public officers", trustees, and fiduciaries of the government. See:

What Happened to Justice?, Form #06.012 http://sedm.org/Forms/FormIndex.htm

3. Trying to confuse citizenship terms in order to draw you into their protection racket by refusing to distinguish which of the three types of "citizens" they mean when they use the word "citizen":
   3.1. 8 U.S.C. §1401 statutory "U.S. citizen". Born anywhere in America and domiciled in a federal territory.
   3.2. 8 U.S.C. §1101(a)(22)(B) and 8 U.S.C. §1408 statutory "U.S. national". Born anywhere in America and domiciled in American Samoa and Swain's Island.
   3.3. 8 U.S.C. §1101(a)(21) and 8 U.S.C. §1452 "non-citizen national". Born anywhere in America and domiciled in a state of the Union. Also called a "constitutional citizen" in our publications.

   For details on the above, see:

Why You are a "national", "state national", and Constitutional but not Statutory Citizen, Form #05.006 http://sedm.org/Forms/FormIndex.htm

4. Saying "We are not here to talk about the law." Instead, they want you to obey their self-serving "perception" of what "public policy" requires, and not what the "code" and the Constitution specifically and exactly say. 50 U.S.C. §841 says the essence of communism is a failure or refusal to recognize the limitations of law upon one's conduct as a public servant. Consequently, such comments amount to the practice of communism. They want you to "pay your fair share" without using only the Constitution and enacted positive law to legally define what "fair share" is. Indirectly, they want you to prostrate yourself and worship them as false gods, and thereby commit idolatry within the confines of a state-sponsored religion. This is how they maintain a "de facto" socialist/communist government that is in total conflict with the "de jure" Constitutional Republic which our founding fathers bequeathed us with. It is Satan worship and Treason to obey what these criminals say and certainly cannot be described as "good citizenship". Here is how Thomas Jefferson described our duty as good citizens to question and challenge authority and jurisdiction at all times:
5. Identifying the Internal Revenue Code as "code" instead of a "law" or calling the I.R.C. "law" without being willing to defend or explain with evidence and the I.R.C. why they think it is. It is private and not public law that applies only to those who consent, but they deliberately won't tell you how you consented or how that consent can be withdrawn.
6. Refusing to recognize that the real "taxpayer" is a public officer in the government and that it is illegal for a private citizen to impersonate such an officer. See:

Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes, Form #05.008 http://sedm.org/Forms/FormIndex.htm

7. Refusing to admit that 1 U.S.C. §204 legislative notes indicates that the Internal Revenue Code was never enacted into positive law and stands only as "prima facie evidence". Being "prima facie evidence" means that the entire Title is nothing but a conclusive statutory presumption that is not and cannot be evidence of any obligation whatsoever. Judges don't have the power to turn a presumption into evidence if it would injure your constitutional rights.

(1) [8:4993] ***Conclusive presumptions affecting protected interests:*** *A conclusive [statutory] presumption may be defeated where its application would impair a party's constitutionally-protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a party's due process and equal protection rights. [*Vlandis v. Kline *(1973) 412 U.S. 441, 449, 93 S.Ct 2230, 2235;* Cleveland Bed. of Ed. v. LaFleur *(1974) 414 US 632, 639-640, 94 S.Ct. 1208, 1215-presumption under Illinois law that unmarried fathers are unfit violates process] [Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34]*

"Statutes [including an ENTIRE title of the U.S. code such as the I.R.C.] creating permanent irrebuttable presumptions have long been disfavored under the Due Process Clauses of the Fifth and Fourteenth Amendments." [Vlandis v. Kline, 412 U.S. 441 (1973)]

"This court has never treated a presumption as any form of evidence. See, e.g., A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1037 (Fed.Cir.1992) ("[A] presumption is not evidence."); see also Del Vecchio v. Bowers, 296 U.S. 280, 286, 56 S.Ct. 190, 193, 80 L.Ed. 229 (1935) ("[A presumption] cannot acquire the attribute of evidence in the claimant's favor."); New York Life Ins. Co. v. Gamer, 303 U.S. 161, 171, 58 S.Ct. 500, 503, 82 L.Ed. 726 (1938) ("[A] presumption is not evidence and may not be given weight as evidence."). Although a decision of this court, Jensen v. Brown, 19 F.3d 1413, 1415 (Fed.Cir.1994) , dealing with presumptions in VA law is cited for the contrary proposition, the Jensen court did not so decide." [Routen v. West, 142 F.3d 1434 C.A.Fed.,(1998)]

8. Refusing to provide their real legal name or show their state issued ID. Instead, they will show you IRS issued ID that has a fake "pseudo name", so that you can't hold them legally liable for making false statements or serve them with legal process if they violate your rights. Try asking for their state issued ID rather than IRS ID at an audit, which by the way is exactly what they do to you, and see how they react. Are they a "mafia" or a "secret police", or simply "servants" of the public? What does the word "service" mean in their name and WHOM do they serve? You might want to make that the first question you ask at your next IRS audit or collection due process meeting. This kind of mystery and secrecy simply contributes to the fear and ignorance which is currently the ONLY reason why people comply with anything they say to begin with. We live in a police state and such tactics are proof of that. Our government has become a "predator", not a "protector", and the kind of secrecy these scoundrels demand is proof of that they are up to no good and that they know it.
9. Refusing to provide statutory definitions for the terms they are using. This is especially true of the following "words of art" mentioned and defined in sections 3.12.1 through 3.12.1.27 of our Great IRS Hoax book which DO NOT have anywhere near the meaning that you probably attribute to them, probably because you have been reading the IRS false propaganda in their publications, which the federal courts and the IRS both say you can't and shouldn't rely upon:
   9.1. "individual"
   9.2. "person"
   9.3. "income"
   9.4. "gross income"
   9.5. "United States"
   9.6. "State"
   9.7. "employee"
   9.8. "employer"
   9.9. "trade or business"
   9.10. "nonresident alien"
   9.11. "U.S. citizen"
   9.12. "citizen"
   9.13. "taxpayer"
   9.14. "wages"
10. Refusing to respect the rules of statutory construction and the limitations that those rules impose upon their activities. This includes all the following unlawful abuses:
   10.1. Making "presumptions" about what is "included"
   10.2. Adding things to definitions that aren't specified.
   10.3. Assuming that definitions in the I.R.C. include the ordinary meaning of the term IN ADDITION to the statutory definition.

*"**When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's ordinary meaning.** Meese v. Keene, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory definition of the term excludes unstated meanings of that term"); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ("As a rule, `a definition which declares what a term "means" . . . excludes any meaning that is not stated'"); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945) ; Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary."*

[Stenberg v. Carhart, 530 U.S. 914 (2000)]

> *"**Expressio unius est exclusio alterius**. A maxim of statutory interpretation meaning that **the expression of one thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."*
> *[Black's Law Dictionary, Sixth Edition, p. 581]*

11. Refusing to prove with admissible evidence (not "prima facie evidence", which is just presumption, but with REAL "admissible evidence") that the code section they are citing as authority for demanding your performance is enacted positive law.

Do you smell a rat in the woodpile people? It's as plain as the light of day to us and we belief that any American who loves their freedom and wants to preserve it will take seriously the charge to confront their public DIS-servants and FORCE them, in a court of law on the record, to admit the truth about the very limited nature of their jurisdiction to do ANYTHING, including enforce a tax. The way to approach the above kind of evasive reactions on the part of government, is therefore simply to demand:

> *"Are we here for a legal purpose?"*

To which they must admit "yes". To which you must respond: "Well then, we can't fulfill a legal purpose without discussing the law". They cannot be there to enforce a "code" which they refuse to even acknowledge or read or explain to people they are accusing of violating it. This is a fundamental violation of due process of law and an offense to the whole notion of justice, fairness, and common sense. Furthermore:

1. The U.S. Congress has said that ALL THOSE who refuse to acknowledge the limitations placed upon their authority by law or the Constitution are COMMUNISTS.

> *TITLE 50 > CHAPTER 23 > SUBCHAPTER IV > Sec. 841.*
> *Sec. 841. - Findings and declarations of fact*
>
> *The Congress finds and declares that the Communist Party of the United States [consisting of the IRS, DOJ, and a corrupted federal judiciary], although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the [de jure] Government of the United States [and replace it with a de facto government ruled by a the judiciary]. It constitutes an authoritarian dictatorship [IRS, DOJ, and corrupted federal judiciary in collusion] within a [constitutional] republic, demanding for itself the rights and privileges [including immunity from prosecution for their wrongdoing in violation of Article 1, Section 9, Clause 8 of the Constitution] accorded to political parties, but denying to all others the liberties [Bill of Rights] guaranteed by the Constitution. Unlike political parties, which evolve their policies and programs through public means, by the reconciliation of a wide variety of individual views, and submit those policies and programs to the electorate at large for approval or disapproval, the policies and programs of the Communist Party are secretly [by corrupt judges and the IRS in complete disregard of the tax laws] prescribed for it by the foreign leaders of the world Communist movement [the IRS and Federal Reserve]. Its members [the Congress, which was terrorized to do IRS bidding recently by the framing of Congressman Traficant] have no part in determining its goals, and are not permitted to voice dissent to party objectives. Unlike members of political parties, members of the Communist Party are recruited for indoctrination [in the public schools by homosexuals, liberals, and socialists] with respect to its objectives and methods, and are organized, instructed, and disciplined [by the IRS and a corrupted judiciary] to carry into action slavishly the assignments given them by their hierarchical chieftains. Unlike political parties, the Communist Party [thanks to a corrupted federal judiciary] acknowledges no constitutional or statutory limitations upon its conduct or upon that of its members. The Communist Party is relatively small numerically, and gives scant indication of capacity ever to attain its ends by lawful political means. **The peril inherent in its operation arises not from its numbers, but from its failure to acknowledge any limitation as to the nature of its activities, and its dedication to the proposition that the present constitutional Government of the United States ultimately must be brought to ruin by any available means, including resort to force and violence [or using income taxes]. Holding that doctrine, its role as the agency of a hostile foreign power [the Federal Reserve and the American Bar Association (ABA)] renders its existence a clear present and continuing danger to the security of the United States. It is the means whereby individuals are seduced into the service of the world Communist movement, trained to do its bidding, and directed and controlled in the conspiratorial performance of their revolutionary services. Therefore, the Communist Party should be outlawed***

2. The Congress has said that EVERY member of society, and especially those working for the government, are "supposed to know the law" and be willing to talk about and obey it in EVERY setting, including in government correspondence or at an audit.

> *"The transaction by which these drafts were accepted was in direct violation of this law, and of the limitations which it imposes upon all officers of the government. Every citizen of the United States is supposed to know the law, and when a purchaser of one of these drafts began to make the inquiries necessary to ascertain the authority for their acceptance, he must*

*have learned at once that, if received by Russell, [*683] Majors & Waddell, as payment, they were in violation of law, and if received as accommodation paper, they were evasions of this law, and without any shadow of authority." 7 Wall. 666*
[Floyd Acceptances, 7 Wall (74 U.S. 169) 666 (1869)]

Finally, here is the way both the Supreme Court and Thomas Jefferson describe our duty toward the IRS:

"It would be a dangerous delusion were a confidence [faith] in the men of our choice [or public servants in the IRS] to silence our fears for the safety of our rights... Confidence is everywhere the parent of despotism. Free government is founded in jealousy, and not in confidence. It is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power... Our Constitution has accordingly fixed the limits to which, and no further, our confidence may go... In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."
[Thomas Jefferson: Draft Kentucky Resolutions, 1798. ME 17:388]

"Anyone entering into an arrangement with the government takes the risk of having accurately ascertained that he who purports to act for the government stays within the bounds of his authority, even though the agent himself may be unaware of the limitations upon his authority."
[Federal Crop Insurance v. Merrill, 332 U.S. 380-388 (1947)]

"This case involves a cancer in our body politic [democracy, greed and wickedness and covetousness of our elected and appointed servants on a massive scale, see James 1:19-27 and Psalms 94:16-23]. It is a measure of the [socialism] disease which afflicts us...Those who already walk submissively will say there is no cause for alarm. But submissiveness is not our heritage. The First Amendment was designed to allow rebellion to remain as our Heritage. The Constitution was designed to keep the government off the backs of the people. The Bill of Rights was added to keep the precincts of belief and expression, of the press, of political and social activities free from surveillance. The Bill of Rights was designed to keep agents of government and official eavesdroppers away from Assemblies of People. The aim was to allow men to be free and independent to assert their rights against government. There can be no influence more paralyzing of that objective than Army [government] surveillance. When an intelligence officer looks over every nonconformist's shoulder in the library, or walks invisibly by his side in a picket line, or infiltrates his club [or forces him to submit an income tax return and then scrutinizes it for personal information or illegal activity], the America once extolled as the voice of liberty heard around the world no longer is [408 U.S. 1, 29] cast in the image which Jefferson and Madison designed, but more in the Russian [Communist!] image, depicted in Appendix III to this opinion."
[Laird v. Tatum, 408 U.S. 1, 92 S.Ct. 2318 (1972)]

0.2 Use of the Word "Taxpayer" instead of "American National"

26 U.S.C. §7701(a)(14) defines the word "taxpayer" as:

26 U.S.C. Section 7701(a)(14) Definitions

Taxpayer

The term "taxpayer" means any person subject to any internal revenue tax.

Now if we look up the definition of "subject to" in Black's Law Dictionary, Sixth Edition, we find the following:

"Liable, subordinate, subservient, inferior, obedient to; governed or affected by; provided that; provided; answerable for. Homan v. Employers Reinsurance Corp., 345 Mo. 650, 136 S.W.2d 289, 302.
[Black's Law Dictionary, Sixth Edition, p. 1425]

So being a "taxpayer" means being either someone who is liable to pay tax or who isn't liable but who has chosen to "volunteer" for the tax or be subservient to it. When one volunteers for the tax, they are considered to be liable because they assess themselves and claim they have taxable income, even if their income is not, in fact, taxable. By definition then, a "taxpayer" is someone liable for paying tax no matter how you look at it. Incidentally, this is the term they use to describe EVERYONE, which by implication deceives EVERYONE into thinking they are liable for the tax. They win the war before it ever gets started just by the language they use. You have to watch these weasels!

In the following pages, the sneaky IRS very carefully uses the word "Taxpayer" instead of "all individuals" or "everyone" to confuse and deceive the reader. For instance, in question II.C.1, the title of the question is "Taxpayer is not a "citizen" of the United States, thus not subject to the federal income tax laws". This question is a self-fulfilling contradiction. If one is a "taxpayer" then he is liable for tax, which implies that he must be a "person" subject to the Internal Revenue

Code. There is no other logical way to look at it. Stupid questions like this show how the IRS corrupts and distorts our language to keep people focused on the wrong questions and arguing about the wrong things. The correct and more revealing and relevant questions, instead, are:

1. Does "taxpayer" mean any American?
2. Who are "taxpayers"?
3. What activity is subject to the indirect excise tax documented in Subtitle A of the I.R.C.?
4. What does a sovereign American domiciled on nonfederal land who is not engaged in a "trade or business" liable for?

Until such time as the IRS meets the burden of proof imposed upon them under 5 U.S.C. §556(d) to demonstrate with evidence that we are liable for Subtitle A income taxes, then we vehemently rebut such presumption through this document and the contents of the Great IRS Hoax book. Anyone that uses the term "taxpayer" to describe a "national" and a "nonresident alien" such as us will hear the following rebuttal:

> *I refuse to allow any IRS or State revenue office to call me or any client a "taxpayer". Just because I may look like one or have the attributes of one does not necessarily make me one. To one IRS lady, and I have no reason to doubt that she fits this category, I use the following example. "Miss you have all of the equipment to be a whore, but that does not make you one by presumption." Until it is proven by a preponderance of evidence I must assume you are a lady and you will be treated as such. Please have the same respect for me, and don't slander my reputation and defame my character by calling me a whore for the government, which is what a "taxpayer" is.*

The IRS DOES NOT have the authority to bestow the status of "taxpayer" on anyone. Below is the cite confirming this from Botta v. Scanlon, 288 F.2d. 504, 508 (1961) held:

> *"A 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 a person 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 is seized..."*

Furthermore, 28 U.S.C. §2201 removes the authority of federal courts to declare that status on a sovereign American:

> *United States Code*
> *TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE*
> *PART VI - PARTICULAR PROCEEDINGS*
> *CHAPTER 151 - DECLARATORY JUDGMENTS*
> *Sec. 2201. Creation of remedy*
>
> *(a) In a case of actual controversy within its jurisdiction, except with respect to Federal taxes other than actions brought under section 7428 of the Internal Revenue Code of 1986, a proceeding under section 505 or 1146 of title 11, or in any civil action involving an antidumping or countervailing duty proceeding regarding a class or kind of merchandise of a free trade area country (as defined in section 516A(f)(10) of the Tariff Act of 1930), as determined by the administering authority, any court of the United States, upon the filing of an appropriate pleading, may declare the rights and other legal relations of any interested party seeking such declaration, whether or not further relief is or could be sought. Any such declaration shall have the force and effect of a final judgment or decree and shall be reviewable as such.*
>
> *(b) For limitations on actions brought with respect to drug patents see section 505 or 512 of the Federal Food, Drug, and Cosmetic Act.*

The federal courts themselves agree that they do not have the jurisdiction to bestow the status of "taxpayer" upon someone who is a "nontaxpayer" also!:

> *"And by statutory definition the term "taxpayer" includes any person, trust or estate subject to a tax imposed by the revenue act. ...Since the statutory definition of taxpayer is exclusive, the federal [and state] courts do not have the power to create nonstatutory taxpayers for the purpose of applying the provisions of the Revenue Acts..."*
> *[C.I.R. v. Trustees of L. Inv. Ass'n., 100 F.2d.18 (1939)]*

"We the People", as the Sovereigns, enjoy an especial status as a "nontaxpayer" until such time as we take on the mantle of an artificial entity and by implication of the special privilege we engage in and the special license required we may surrender our sovereign status and become a "taxpayer"....but this event cannot take place without full knowledge and willful participation by the individual. For cases dealing with the term "nontaxpayer" see: Long v. Rasmussen, 281 F. 236, 238 (1922); Rothensis v. Ullman, 110 F.2d. 590(1940); Raffaele v. Granger, 196 F.2d. 620 (1952); Bullock v. Latham, 306 F.2d. 45 (1962); Economy Plumbing & Heating v. United States, 470 F.2d. 585 (1972); and South Carolina v. Ragan, 465 U.S. 367 (1984).

"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."

"The distinction between persons and things within the scope of the revenue laws and those without is vital."
[Long v. Rasmussen, 281 F. 236 @ 238(1922)]

0.3 Abuse of the word "law"

Each section of IRS propaganda starts off with the phrase "The Law". In this section, you see references to the Internal Revenue Code, 26 U.S.C., and the implementing regulations found at 26 CFR. The presumption they are trying to establish is that the Internal Revenue Code is "law". In fact, this is simply NOT the case. What the IRS conveniently fails to point out is that the legislative notes for 1 U.S.C. §204 state that the Internal Revenue Code was NEVER enacted into positive law but stands as simply "prima facie evidence of law". This means it is "presumed" to be law until challenged or proven otherwise. Any judge who insists that you treat it as "law" in effect is asking you to "trust that the government is honest", which this pamphlet proves simply is NOT the case. Anything involving presumption is a not only a violation of due process, but also a sin within the Bible in Numbers 15:30, NKVJ.

*"Due process of law. Law in its regular course of administration through courts of justice. Due process of law in each particular case means such an exercise of the powers of the government as the settled maxims of law permit and sanction, and under such safeguards for the protection of individual rights as those maxims prescribe for the class of cases to which the one in question belongs. A course of legal proceedings according to those rules and principles which have been established in our systems of jurisprudence for the enforcement and protection of private rights. To give such proceedings any validity, there must be a tribunal competent by its constitution—that is, by the law of the creation—to pass upon the subject-matter of the suit; and, if that involves merely a determination of the personal liability of the defendant, he must be brought within its jurisdiction by service of process within the state, or his voluntary appearance. Pennoyer v. Neff, 96 U.S. 733, 24 L.Ed. 565. Due process of law implies the right of the person affected thereby to be present before the tribunal which pronounces judgment upon the question of life, liberty, or property, in its most comprehensive sense; to be heard, by testimony or otherwise, and to have the right of controverting, by proof, every material fact which bears on the question of right in the matter involved. **If any question of fact or liability be conclusively be presumed [rather than proven] against him, this is not due process of law.**"*
[Black's Law Dictionary, Sixth Edition, p. 500]

The only way any legal proceeding which cited the I.R.C. as authority WOULDN'T be a violation of due process is if the moving party who was citing it as authority was required to prove in the case of the I.R.C. section he was citing that:

1. The specific section he was citing was enacted into positive law by showing that the act of Congress upon which it was based was enacted into positive law.
2. That the accused maintains a domicile or committed the crime in the "United States", which is identified as the District of Columbia in 26 U.S.C. §7701(a)(9) and (a)(10).
3. That the government had subject matter jurisdiction over the defendant.

In practice, the above NEVER happens in courts of INjustice. Therefore, all trials based on the I.R.C. are simply religious inquisitions and not valid legal processes. We prove this in section 5.4.3.6 of the Great IRS Hoax book. The Internal Revenue Code is NOT "positive law", which means that it is not "law" at all Here are the legislative notes under the above section proving this:

Title 26, Internal Revenue Code

The Internal Revenue Code of 1954 was enacted in the form of a separate code [not "law", but "code"] by act Aug. 16, 1954, ch. 736, 68A Stat. 1. Pub. L. 99–514, § 2(a), Oct. 22, 1986, 100 Stat. 2095, provided that the Internal Revenue Title enacted [into what?] Aug. 16, 1954, as heretofore, hereby, or hereafter amended, may be cited as the "Internal Revenue Code of 1986". The sections of Title 26, United States Code, are identical to the sections of the Internal Revenue Code.

In fact, the I.R.C. has been REPEALED since 1939. See 53 Stat. 1, Section 4 at:

http://famguardian.org/Disks/LawDVD/Federal/RevenueActs/Revenue%20Act%20of%201939.pdf

When it was repealed, all prior revenue statutes were also repealed with it, leaving it completely without any foundation whatsoever. If it is not "law", then what exactly is it? It is a "code" or a "title" or a "statute", but according to the Supreme Court, it is neither "law", nor "legislation":

"To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.

Nor is it taxation. 'A tax,' says Webster's Dictionary, 'is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.' 'Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.' Cooley, Const. Lim., 479."
[Loan Association v. Topeka, 20 Wall. 655 (1874)]

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*"In Calder v. Bull, which was here in 1798, Mr. Justice Chase said, that there were acts which the Federal and State legislatures could not do without exceeding their authority, and among them he mentioned a law which punished a citizen for an innocent act; a law that destroyed or impaired the lawful private [labor] contracts [and labor compensation, e.g. earnings from employment through compelled W-4 withholding] of citizens; a law that made a man judge in his own case; and a law that took the property from A [the worker]. and gave it to B [the government or another citizen, such as through social welfare programs]. '**It is against all reason and justice,' he added, 'for a people to intrust a legislature with such powers, and therefore it cannot be presumed that they have done it. They may command what is right and prohibit what is wrong; but they cannot change innocence into guilt, or punish innocence as a crime, or violate the right of an antecedent lawful private [employment] contract [by compelling W-4 withholding, for instance], or the right of private property. To maintain that a Federal or State legislature possesses such powers [of THEFT!] if they had not been expressly restrained, would, in my opinion, be a political heresy altogether inadmissible in all free republican governments.**' 3 Dall. 388."*
[Sinking Fund Cases, 99 U.S. 700 (1878)]

The government's own statistics from the Treasury Financial Management website confirm, in fact, that over half of the monies collected by the Internal Revenue Service under the authority of the I.R.C. are used for wealth transfer, and do not support the government. That is illegal robbery disguised to "look" like legitimate "taxation". See:

http://famguardian.org/Subjects/Taxes/Research/Analysis-011020.pdf

Consequently, the "code" cannot rise to the level of being "law" and is therefore unenforceable. Theft disguised to "look" like legitimate taxation can never be "law". According to our Declaration of Independence, all just powers of government derive from the consent of the governed. The only thing that can be "law" is that which the people consented to through their elected representatives. The people couldn't consent to a direct tax within states of the Union because it would violate 1:9:4 and 1:2:3 of the Constitution. Therefore, the Internal Revenue "code" could not be enacted into "positive law". Consequently, it can never be enforced against people in the states of the Union. To enforce robbery disguised as "taxation" against people who never consented to it would be unjust.

Since the I.R.C. is a "code" or a "title" but not a "law", then it is nothing more than a state-sponsored federal religion in violation of the First Amendment, not unlike the early Anglican church was in England. The equivalent of "faith" in the religious realm is "presumption and trust" in the legal realm. Here is what the Bible says about having "faith" or "trust" or "presumption of confidence" in any man or lawyer or government:

"It is better to trust the Lord
Than to put confidence in man.
It is better to trust in the Lord
Than to put confidence in princes."
[Psalms 118:8-9, Bible, NKJV]

Thomas Jefferson echoed the very same sentiments when he said on the same subject:

"It would be a dangerous delusion were a confidence in the men of our choice to silence our fears for the safety of our rights... Confidence [and presumption] is everywhere the parent of despotism. Free government is founded in jealousy, and not in confidence. It is jealousy and not confidence which prescribes limited constitutions, to bind down those whom we are obliged to trust with power... Our Constitution has accordingly fixed the limits to which, and no further, our confidence may go... In questions of power, then, let no more be heard of confidence in man, but bind him down from mischief by the chains of the Constitution."
[Thomas Jefferson: Draft Kentucky Resolutions, 1798. ME 17:388]

At the point when the I.R.C. was repealed in 1939, it became a state-sponsored federal religion and a cult promoted mainly by the abuses and "judge-made law" of the federal judiciary. Those abuses accelerated in 1932, when Congress compromised the independence and integrity of the federal courts by making judges permanently subject to IRS extortion for the first time. Since the I.R.C. was never enacted into positive law, then it stands simply as "prima facie evidence" of law, which means "presumptive evidence" that is not admissible in any legitimate legal proceeding. Anything involving presumption, if it injures constitutionally protected rights, is a violation of due process under the Fifth Amendment and

also happens to be a Biblical sin under Numbers 15:30 and Psalms 19:12-13. No court can demand that a person violate their religious beliefs by presuming anything, and any judicial proceeding involving a violation of judicial process is a void judgment that is reversible at any time. There is no statute of limitation for violation of due process.

Absent explicit written consent both in the Constitution and in the federal laws that implement it, the only parties that any statute can be enforced against absent implementing regulations are federal instrumentalities, officers, and "employees". There are no implementing regulations authorizing any kind of IRS enforcement actions, and therefore, the IRS can only enforce against federal employees. This requirement is imposed by 26 CFR §601.702(a)(2)(ii), which says:

> *26 CFR §601.702 Publication and public inspection*
>
> *(ii) Effect of failure to publish.*
>
> *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 manner 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 (i) 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.*

The above requirement is also confirmed by the following authorities, which expressly exempt the following three groups from the requirement for implementing regulations:

1. A military or foreign affairs function of the United States. 5 U.S.C. §553(a)(1) .
2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. 5 U.S.C. §553(a)(2) .
3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. 44 U.S.C. §1505(a)(1).

0.4 Abuse and ambiguous use of the word "tax"

A constitutional, legitimate "tax" cannot support anything but the government. The government CANNOT use its taxing powers as a means of wealth redistribution, as it currently does:

> *"A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another."*
> *[U.S. Supreme Court in United States v. William M. Butler, 297 U.S. 1 (1936)*
>
> ---
>
> *"To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.*
>
> *Nor is it taxation. 'A tax,' says Webster's Dictionary, 'is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.' 'Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.' Cooley, Const. Lim., 479."*
> *[Loan Association v. Topeka, 20 Wall. 655 (1874)]*

In fact, the government CANNOT compel ANYONE to contribute to the welfare of his neighbor. Churches and families, under God's law, have EXCLUSIVE jurisdiction over charity and social welfare and the government is usurping their sovereignty by abusing its taxing powers to compete with them in this subject matter. The ONLY legitimate purpose of government is to protect individuals from harming each other and not a bit more. Consequently, participation in any socialist program or the taxation programs that support it MUST be voluntary, according to the Supreme Court:

> *"Men are endowed by their Creator with certain unalienable rights,-'life, liberty, and the pursuit of happiness;' and to 'secure,' not grant or create, these rights, governments are instituted. That property which a man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second, that if he devotes it to a public use, he gives to the public a right to control that use; and third, that whenever the public needs require, the public may take it upon payment of due compensation.*
> *[Budd v. People of State of New York, 143 U.S. 517 (1892)]*

Therefore, there is absolutely no basis in law to say that Social Security, Welfare, TANIF, Medicare, Medicaid, or FICA are mandatory programs or even legitimate "taxes". It also amounts to organized crime, racketeering, and a violation of 18 U.S.C. §597 (Expenditures to influence voting) to bribe older voters with the proceeds of extortion collected from younger

workers who do not wish to participate in order to get them to abuse their voting rights to continue the socialist flow of "stolen loot". This explains why Title 42 of the U.S. Code, which codifies the Social Security Act, was never enacted into "positive law" and simply cannot be. Instead, these programs are simply "donations" or charity programs disguised by clever lawyers using "words of art" to "appear" like enforceable "taxes". This is a FRAUD upon the public that the courts have a Constitutional duty to expose and remedy.

Also, throughout this document, the IRS does not specify precisely the type of "tax" they are referring to when asserting that it must be paid or for which the subject is allegedly liable. For instance, nowhere do they mention "Subtitle A" income tax, but instead lump all subtitles together into a vague whole. For all we know, they could be referring to Alcohol, Tobacco, and Firearms taxes under subtitles D and E, for which there is a definite liability, and which are completely different from income taxes under Subtitle A. This deliberate lack of precision and clarity in their language gives the IRS and the government room to deceive and create a false impression when more specific language would not allow them to do so. This is part of the "psyops" that they like to use to trick sovereign Americans into falsely believing that they are "taxpayers" liable for paying Subtitle A income taxes.

0.5 Anonymity of author

How can you call something "Truth" if the person propagating it isn't legally responsible for its accuracy? When people testify in court, they have to take an oath and if they lied, they commit perjury and can be sentenced to prison. Why don't we have the same level of accountability for the person who wrote this suspect piece of government propaganda? Did you notice the IRS DID NOT put their logo on their document and didn't have the author inside their agency sign it to authenticate it and validate it, even though they posted it on their website? Have you wondered why? Have you ever wondered why there is NO PLACE anywhere in any public phone book or on the IRS' own website where you can look up the phone number, email address, or mailing address of ANYONE who works in that agency and why the majority of the correspondence they send you isn't signed? The reason is because if the IRS had identified itself as the author and made this an official publication that was attributable to a reputable source, then that author could be subpoenaed and then prosecuted for fraud under the IRS Restructuring and Reform Act of 1998 and 26 U.S.C. §7214 and be held personally liable for damages up to $1,000,000! People who tell lies don't like being held legally responsible and will do everything in their power to hide behind a cloak of secrecy, anonymity, and "official immunity".

If you would like to know who wrote this IRS propaganda piece and refuses to take responsibility for it, we further investigated this matter so you know who to hold accountable. During April 2005, we contacted the IRS Media Relations Office at 202-622-4000. They indicated that the author of the document is the IRS Chief Counsel's Office. We asked them who specifically in the office wrote the document. They said it was a group effort. We asked them who the group leader is. They provided the following contact information, which we encourage you to call:

Name: Donald Korb
Position: IRS Chief Counsel
Phone: (202) 622-3300 (switchboard)

0.6 Government and Legal Profession Conflict of Interest that Perpetuates Illegal Enforcement of Tax Laws

Remember that courts DO NOT make law, they only interpret it, and they must interpret it according to its plain meaning in a consistent way through a concept called stare decisis.

> *"This court has no authority to interpolate a limitation that is neither expressed nor implied. Our duty is to execute the law, not to make it."*
> *[U.S. v. Wong Kim Ark, 169 U.S. 649 (1898)]*

The courts have an obligation to abide by previous rulings of the Supreme Court AND in observing the rules of statutory construction when interpreting statutes. Neither they nor the IRS are respecting the rulings of the Supreme Court or the rules of statutory construction in interpreting the provisions of the Internal Revenue Code. As you read through case law, keep some very important facts in mind:

1. The Judicial, the Legislative, and the Executive Branches of the U.S. government are ALL tax consumers. Nearly all of their political power derives from their authority to redistribute the plunder derived from illegal enforcement of the Internal Revenue Code.
2. Federal judges of the District and Circuit courts are appointed by the President and confirmed by the Senate. They are NOT part of the Judicial Branch, but the Legislative Branch. They are simply "employees" and not true "judges". Only justices of the Supreme Court are true Article III judges, and even then only when they are acting in their original jurisdiction. In their appellate jurisdiction, they act as Article IV "justices" rather than judges and serve within the Legislative and not Judicial Branch. See:

   Authorities on Jurisdiction of Federal Courts
   http://famguardian.org/Subjects/LawAndGovt/ChallJurisdiction/AuthoritiesArticle/AuthOnJurisdiction.htm
3. Judges hearing tax cases have an automatic conflict of interest in violation of 28 U.S.C. §144, 28 U.S.C. §455, and 18 U.S.C. §208. This conflict began in 1932, when Congress instituted the first permanent tax upon federal judges and made them subject to IRS extortion. See Great IRS Hoax, Section 6.5.15 for details. There is not way to get a judge who doesn't have a conflict of interest but there used to be, and this prejudices the rights of those challenging the unlawful collection activity of the IRS.
4. All three branches of the government are populated mostly by lawyers. Who trusts lawyers? Lawyers make money by putting your assets at risk and then plundering those assets in the process of defending your right to keep them. The more litigation there is, the more of your assets they can plunder by charging excessive legal fees up to $300/hr to defend you in court from plunder by their coworkers in the government.
5. Even supposedly "private" tax attorneys who defend clients in court work for the government as "officers of the court". They are licensed to practice law by the government and they can have their license or privilege to practice law revoked if they tell the truth about the tax system. For an example of this claim, read the case of Dr. Phil Roberts, whose attorney, Oscar Stilley, was threatened by the judge with losing his privilege to practice law in court for being too effective in defending his client against willful failure to file charges. Read the entire transcript of the trial on our website at: http://famguardian.org/Subjects/Taxes/CaseStudies/PhilRoberts/PhilRoberts.htm. See also:

   Petition for Admission to Practice
   http://famguardian.org/Subjects/LawAndGovt/LegalEthics/PetForAdmToPractice-USDC.pdf
6. You can read more about the extensive legal profession conflict of interest that perpetuates the income tax in sections 2.8.13 through 2.8.13.10 and 6.9 through 6.9.12 of the Great IRS Hoax book at:
   http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm
7. You can read about the conspiracy against your constitutional rights perpetuated by all three branches of the government by reading chapter 6 of:

   Great IRS Hoax
   http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm

0.7 Abuse of the phrase "Relevant Case Law"

In every section of the IRS' propaganda pamphlet, they use the phrase "Relevant Case Law". We need to ask ourselves:

> *"To WHOM is it relevant? Is it relevant to a person who is a 'nontaxpayer' and who has no earnings from a 'trade or business', and who resides on land not subject to the exclusive jurisdiction of the federal government?"*

The answer to the above is NO, and this is precisely the condition that applies to most people who maintain a legal domicile within states of the Union. If they rescinded their Form W-4 and quit filing the wrong IRS Form, the 1040, then it would exactly describe their condition. Federal District Courts, with the exception of two, are all Article IV legislative courts which are not part of the Judicial Branch of the government and do not have Article III judges who can rule on rights, within the context of the Constitution. To cite case law from these courts and then misapply it to people in states of the Union is an abuse of the legal process for political purposes. Very few people domiciled in the exclusive jurisdiction of states of the Union are either "citizens", or are domiciled within any "United States Judicial District" or Internal Revenue District", as these terms are legally defined. All United States Judicial Districts consist entirely and exclusively of land within the exterior limits of the district that is under the exclusive jurisdiction of Congress. The remainder of the district court subject matter jurisdiction is limited exclusively to federal employees and federal property within the exterior limits of the district. Federal courts have no subject matter jurisdiction over the lives of most Americans and their rulings are IRRELEVANT to most Americans. It is therefore reckless at best and malicious at worst to use the phrase "Relevant Case Law" without manifesting any of the following forms of good faith:

1. Distribute the pamphlet to an audience that it is not intended for
2. Use the word "relevant" without defining to WHOM it is relevant.

3. Not put a legal warning or disclaimer at the beginning of the pamphlet listing exactly what audience the pamphlet is relevant to.
4. Refuse to answer questions about the audience that it is relevant to.

The IRS' own Internal Revenue Manual (IRM) section 4.10.7.2.9.8 states on this subject:

> *"Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers."*
> *[IRM 4.10.7.2.9.8 (05/14/99)]*

You will note, in particular, that the IRS rebuttal to most arguments in this pamphlet relies on cases that violate the above rule and policy. If cases below the Supreme Court do not bind the "service", then equal protection demanded by the Constitution requires that they don't bind the average American either. For instance, everything from the U.S. Tax Court, abbreviated "T.C.M" or "T.C." is binding on no more than ONE taxpayer for the current tax year and not on all taxpayers generally. Furthermore, the U.S. Tax Court "is a kangaroo court" that is run very informally by non-attorneys. Tax Court, for instance, isn't even a part of the Judicial Branch of the U.S. Government, but instead is a legislative "franchise court" created pursuant to Article I of the Constitution that is in the Legislative and not Judicial Branch, and it is staffed by the IRS! It's no wonder the sneaky IRS would quote rulings from the Tax Court to sustain their frail position that even they wouldn't use to defend themselves with in court by their own admission. Consequently, every ruling shown that references a Tax Court decision should be disregarded. See question II.G.1 for further details on the Tax Court Scam.

0.8 Ignorance of Treasury Regulations and Undocumented or Inflated Claims of Authority

Most IRS responses completely ignore the detailed regulations of the IRS, which are the only thing that is binding on the IRS. Their own Internal Revenue Manual says so:

> *"The Federal Income Tax Regulations (Regs.) are the official Treasury Department interpretation of the Internal Revenue Code..."*
> *[IRM 4.10.7.2.3.1 (05/14/99)]*
>
> *"The Service is bound by the regulations."*
> *[IRM 4.10.7.2.3.4 (05/14/99)]*
>
> *"[T]he Secretary shall prescribe all needful rules and regulations for the enforcement of this title."*
> *[26 U.S.C. §7805(a)]*
>
> *"Interpretative regulations are issued under the general authority of IRC section 7805(a) , which allows regulations to be written when the Secretary determines they are needed to clarify a Code section."*
> *[IRM 4.10.7.2.3.2 (05/14/99)]*

You will note that the IRS in this document does NOT cite the specific regulation that authorizes them to do the things they claim to have the authority to do. For instance, did you notice they didn't cite the specific regulation that authorizes them to assess penalties for pursuing frivolous arguments or the specific types of taxes and individuals these penalties can lawfully apply to? But guess what, their own regulations, in 26 CFR §301.6671-1 describes WHO these penalties may be applied to:

> *[Code of Federal Regulations]*
> *[Title 26, Volume 17, Parts 300 to 499]*
> *[Revised as of April 1, 2000]*
> *From the U.S. Government Printing Office via GPO Access*
> *TITLE 26--INTERNAL REVENUE*
> *Additions to the Tax and Additional Amounts--Table of Contents*
> *Sec. 301.6671-1 Rules for application of assessable penalties.*
>
> *(b) Person defined.*
>
> *For purposes of subchapter B of chapter 68, the term ``person'' 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.*

Even more interesting, is that the above not only doesn't apply to most Americans. It also doesn't apply to most corporations or partnerships either, because these corporations or partnerships must be registered in the District of Columbia. State-chartered corporations or partnerships aren't liable for IRS penalties either. Furthermore, the only type of "employee" who can be penalized is an employee of a U.S. corporation registered in the District of Columbia and who is involved in reporting and complying with taxes for the corporation, and NOT for himself individually! The IRS "assumes", usually wrongfully, that they can institute such penalties by "assuming" that the "taxpayer" is such an "employee" because they are engaged in a "trade or business", which is defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office", but this is a false presumption for the vast majority of Americans.

0.9 "Cert. Denied" references

Throughout the document, the term "cert. denied" is underlined. A cert. denied is an instance where a case being heard at the circuit or appeals level was lost and subsequently appealed to the Supreme Court (with a writ of certiorari) and the Supreme Court, for such an appeal, refused to hear the case. By underlining this, the IRS is "presuming" that because the Supreme Court wouldn't hear the appeal, that the appellant must have been pursuing a frivolous or bad argument. However, this is a FALSE presumption. Here is how this type of approach is treated in section 6.6.5 of the Great IRS Hoax book:

> *"However, it is an important principal of law that the fact that a cert was denied is NOT necessarily an affirmation of a particular federal circuit court ruling by the Supreme Court. This lack of attentiveness by the Supreme Court in not correcting errors by the circuit courts gave the circuit and district courts carte blanche authority to do anything they wanted and to ignore the constitution entirely relative to income taxes. The result was a broadened application of income taxes to what should have been excepted subjects, like citizens domiciled in the 50 states with only income from the 50 states."*

See the Great IRS Hoax section 2.8.2 for additional documentation about the "Cert Denied" false presumption and several others.

0.10 Selective Enforcement and Unequal Treatment are the Main Tools for Perpetuating the FRAUD

The foundation of our republican form of government is equal protection and equal treatment. See:

Requirement for Equal Protection and Equal Treatment, Form #05.033 http://sedm.org/Forms/FormIndex.htm

On the subject of equal protection and equal treatment, the U.S. Supreme Court has held:

> ***"No duty rests more imperatively upon the courts than the enforcement of those constitutional provisions intended to secure that equality of rights which is the foundation of free government."***
> *[Gulf, C. & S. F. R. Co. v. Ellis, 165 U.S. 150 (1897)]*

The foundation of the ongoing *unlawful* success of the IRS' enforcement is systematic, deliberate, malicious implementation of UNEQUAL treatment and discrimination by the following means:

1. Refusing to respond to any correspondence sent to them by innocent "nontaxpayers" who have been wronged. In effect, through omission in responding, they are turning innocence into guilt, which the U.S. Supreme Court said the CANNOT DO. They are also indirectly creating a "title of nobility", which is a privileged class of franchisees called "taxpayers" who are the only ones who can get help, in violation of Article 1, Section 10 of the Constitution.

> *"The Legislature may enjoin, permit, forbid, and punish; they may declare new crimes; and establish rules of conduct for all its citizens in future cases; they may command what is right, and prohibit what is wrong; but* ***they [the government] cannot change innocence [a "nontaxpayer"] into guilt [a "taxpayer"]; or punish innocence as a crime [criminally prosecute a "nontaxpayer" for violation of the tax laws]; or violate the right of an antecedent lawful private contract; or the right of private property. To maintain that our Federal, or State, Legislature possesses such powers [of THEFT and FRAUD], if they had not been expressly restrained; would, *389 in my opinion, be a political heresy, altogether inadmissible in our free republican governments.****"*
> *[Calder v. Bull, 3 U.S. 386 (1798)]*

2. By going on a rampage to prosecute people who sell or distribute allegedly "false" information about taxes, and yet refusing to hold themselves equally accountable by declaring that their own information and forms are trustworthy and reliable:

> *"IRS Publications, issued by the National Office, explain the law in plain language for taxpayers and their advisors... While a good source of general information, publications should not be cited to sustain a position."*
> *[Internal Revenue Manual, Section 4.10.7.2.8 (05-14-1999)]*

3. By claiming that when you want to sue them, they have to consent in writing with a statute and you must produce the statute, but on the other hand, they don't have the equal obligation to prove you consented to participate in the "trade or business" franchise IN WRITING. If the U.S. Government can pass a law that requires all agreements with the government to be ONLY in writing, then certainly we have the EQUAL right to impose the same requirements upon the government.

> *"Every man is supposed to know the law. A party who makes a contract with an officer [of the government] without having it reduced to writing is knowingly accessory to a violation of duty on his part. Such a party aids in the violation of the law."*
> *[Clark v. United States, 95 U.S. 539 (1877)]*

4. Vigorously prosecuting people who file false tax returns, but refusing to be equally vigilant in investigating or prosecuting those who file false information returns. DOJ NEVER criminally prosecutes those who file false information returns against parties not lawfully engaged in the "trade or business" franchise pursuant to 26 U.S.C. §7206, 7207, and 18 U.S.C. §912, which removes any incentive for the filers to obey the law.
5. Refusing to respond Freedom of Information Act requests by the victims of these false in formation returns to obtain the IRS Form 1096 who identifies the perpetrator that filed them so they can be prosecuted. See:

   Social Security Admin. FOIA: "Trade or Business", Form #03.023
   http://sedm.org/Forms/FormIndex.htm
6. Refusing to acknowledge the existence of "nontaxpayers" or anyone who is outside their jurisdiction, such as:
   6.1. On their forms. Nearly all IRS Forms we have looked at presume the filer is a "taxpayer" and they actually refer to the signer as such at the bottom of the form. They make no forms for "nontaxpayers"..
   6.2. In their mission statement. The IRS Mission Statement at IRM 1.1.1.1 says they can only help "taxpayers". To HELL with nontaxpayers.
   6.3. In IRS Publication 1 entitled "Your Rights as a Taxpayer". What an oxymoron: "taxpayers" don't have any rights, but only legislatively granted privileges and franchise in their legislative franchise court called "Tax Court". And yet, they don't have an equivalent document called "Your Rights as a NONtaxpayer". See:

   Your Rights as a NONtaxpayer, Form #08.008
   http://sedm.org/Forms/FormIndex.htm
7. Unlawfully applying penalties against parties who are not subject to their jurisdiction and who are "nontaxpayers" in order to compel them to "voluntarily comply". What a joke!
8. Refusing to correct their records in the case of parties who indicate that the identifying number is incorrect.
9. By using a commercial default process in corresponding with you, but refusing to recognize your equal right to employ it against them. See:

   Silence as a Weapon and a Defense in Legal Discovery, Form #05.021
   http://sedm.org/Forms/FormIndex.htm
10. Refusing to provide forms or administrative remedies for "nontaxpayers" who have been the victim of false information returns. For instance:
    10.1. Refusing to provide a remedy in Tax Court. Tax Court Rule 13(a) only allowed "taxpayers" to petition the court.
    10.2. Not providing an equivalent of IRS Form 4852 for nonresident aliens filing with form 1040NR. The form says at the top that it is only for use by those filing as resident aliens using IRS Form 1040, and it is illegal for a nonresident alien to elect to be a resident alien if they are a non-citizen national.
    10.3. Refusing to provide an option in Block 3 of the IRS Form W-8BEN for those who are NOT "individuals" but instead who are "transient foreigners" outside the jurisdiction of the government. See:

    About IRS Form W-8BEN, Form #04.202
    http://sedm.org/Forms/FormIndex.htm
    10.4. Refusing to process the custom forms submitted by "nontaxpayers" that ask for non-statutory refunds and which accurately portray the status of the submitter as a "nontaxpayer".

Hypocrites!

Woe to you, scribes and Pharisees, hypocrites! For you pay tithe of mint and anise and cummin, and have neglected the weightier matters of the law: justice and mercy and faith. These you ought to have done, without leaving the others undone.

[…]

Woe to you, scribes and Pharisees, hypocrites! For you are like whitewashed tombs which indeed appear beautiful outwardly, but inside are full of dead men's bones and all uncleanness.

Even so, you also outwardly appear righteous to men, but inside you are full of hypocrisy and lawlessness.

[…]

Fill up, then, the measure of your fathers' guilt. Serpents, brood of vipers! How can you escape the condemnation of hell? There fore, indeed, I send you prophets, wise men, and scribes: some of them you will kill and crucify, and some of them you will scourge in your synagogues and persecute from city to city, that on you may come all the righteous blood shed on the earth…"
[Matthew 23:13-36, Bible, NKJV]

THE TRUTH ABOUT FRIVOLOUS TAX ARGUMENTS

This responds to some of the more common frivolous legal arguments made by individuals and groups who oppose compliance with the federal tax laws. The first section groups these arguments under six general categories, with variations within each category. Each contention is briefly explained, followed by a discussion of the legal authority that rejects the contention. The second section responds to some of the more common frivolous arguments made in collection due process cases brought pursuant to sections 6320 or 6330. These arguments are grouped under ten general categories and contain a brief description of each contention followed by a discussion of the correct legal authority. A final section explains the penalties that the courts may impose on those who pursue tax cases on frivolous grounds.

The underlying implication above is that all persons who advocate any of the arguments in this document are in violation of the enacted positive law. This is a false premise. What we advocate is FULL COMPLIANCE WITH THE CONSTITUTION, and positive law statutes within the U.S. CODE and we show throughout the Great IRS Hoax book that the real criminals are those at the IRS, who abuse their authority and commit fraud by telling anyone that Subtitle A "income taxes" are mandatory or that they are "taxes" at all. A "tax" is a mandatory contribution, but these "taxes", in fact, are technically "donations" and not taxes for the average American. This subject is covered in section 5.1.2 of the Great IRS Hoax book.

I. FRIVOLOUS TAX ARGUMENTS IN GENERAL

A. The Voluntary Nature of the Federal Income Tax System

1. Contention: The filing of a tax return is voluntary.

Some assert that they are not required to file federal tax returns because the filing of a tax return is voluntary. Proponents point to the fact that the IRS itself tells taxpayers in the Form 1040 instruction book that the tax system is voluntary. Additionally, the Supreme Court's opinion in Flora v. United States, 362 U.S. 145, 176 (1960), is often quoted for the proposition that "[o]ur system of taxation is based upon voluntary assessment and payment, not upon distraint."

The Law: The word "voluntary," as used in Flora and in IRS publications, refers to our system of allowing taxpayers to determine the correct amount of tax and complete the appropriate returns, rather than have the government determine tax for them. The requirement to file an income tax return is not voluntary and is clearly set forth in Internal Revenue Code §§ 6011(a), 6012(a), et seq., and 6072(a). See also Treas. Reg. §1.6011-1(a).

I.R.C. §§6011(a), 6012(a) DO NOT establish a requirement to file a tax return, only to MAKE a tax return. One can MAKE a tax return but not FILE it and still comply completely with the Internal Revenue Code. Here is the content of that section that purportedly establishes the liability to FILE, according to the IRS, which you can read for yourself at http://www4.law.cornell.edu/uscode/26/6011.html:

> *TITLE 26 - INTERNAL REVENUE CODE*
> *Subtitle F - Procedure and Administration*
> *CHAPTER 61 - INFORMATION AND RETURNS*
> *Subchapter A - Returns and Records*
> *PART II - TAX RETURNS OR STATEMENTS*
> *Subpart A - General Requirements*
> *Sec. 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 for the collection thereof, shall make a return or statement according to the forms and regulations prescribed by the Secretary.*

Do you see anything in the above that requires you to FILE a "return" form? If the form is called a "return" and you fill it out but don't submit it to anyone, did you "make" a "return". You sure did, because you can MAKE a "return" without

"filing" a return. This is the very tactic used successfully in the case of a famous freedom fighter named Gaylon "Whitey" Harrell. See section 7.2.2 of the Great IRS Hoax book on the website at http://famguardian.org for more details about Gaylon Harrell's case.

Why didn't the government just outright say in section 6011 that you had to FILE the return? Because if you are a human being protected by the Fifth Amendment, they have no authority to do so, and they also don't have any jurisdiction to do so inside the borders of the 50 states on nonfederal land because of Article 1, Section 2, Clause 3 and Article 1, Section 9, Clause 4 of the U.S. Constitution.

The requirement to put ANYTHING on the tax return is also VOLUNTARY. According to the court in the case of U.S. v. Troescher, CV 93-5736 (an unpublished case), the 9th Circuit Court of Appeals ruled:

> *"[t]he self-incrimination clause of the Fifth Amendment applies in all instances where a taxpayer has reasonable cause to apprehend criminal prosecution, whether tax related or not." We agree. There is no general "Tax-Crime Exception" to the Fifth Amendment, and Troescher's Fifth Amendment claims were not defeated here simply because he feared prosecution for tax crimes.*

There was evidence in this case of a government conspiracy, as the results of this case were unpublished, which is to say that the government would not allow the court's findings to be published in law journals or case databases, apparently because they did not want the damn to break and start a massive wave of nonfilers or people who refused to put anything on their tax returns at all for fear of incriminating themselves. You can read the court's findings for this unpublished case at our website at:

http://famguardian.org/Subjects/Taxes/CaseStudies/LTroescher/Opinion.htm

> Any taxpayer who has received more than a statutorily determined amount of gross income is obligated to file a return. Failure to file a tax return could subject the noncomplying individual to criminal penalties, including fines and imprisonment, as well as civil penalties. In United States v. Tedder, 787 F.2d 540, 542 (10 th Cir. 1986), the court clearly states, "although Treasury regulations establish voluntary compliance as the general method of income tax collection, Congress gave the Secretary of the Treasury the power to enforce the income tax laws through involuntary collection. ..The IRS' efforts to obtain compliance with the tax laws are entirely proper."

When one completes and submits a tax return, it MUST be completed and signed voluntarily. Why? Because if the filer is doing so under compulsion or duress, he can't be prosecuted for what is on the return because he didn't provide the information freely and therefore can't be guaranteed to be telling the truth! Let's look into this some more:

> *duress: "Any unlawful threat or coercion used by a person to induce another to act (or to refrain from acting) in a manner he or she otherwise would not (or would). Subjecting person to improper pressure which overcomes his will and coerces him to comply with demand to which he would not yield if acting as free agent. Head v. Gadsden Civil Service Bd., Ala.Civ.App., 389 So.2d 516, 519. Application of such pressure or constraint as compels man to go against his will, and takes away his free agency, destroying power of refusing to comply with unjust demands of another. Haumont v. Security State Bank, 220 Neb. 809, 374 N.W.2d 2,6.*
>
> *…*
>
> *A contract entered into under duress by physical compulsion is void. Also, if a party's manifestation of assent to a contract is induced by an improper threat by the other party that leaves the victim no reasonable alternative, the contract is voidable by the victim. Restatement, Second, Contracts §§174, 175.*
>
> *As a defense to a civil action, it must be pleaded affirmatively. Fed.R.Civil P. 8(c).*
>
> *As an affirmative defense in criminal law, one who, under the pressure of an unlawful threat from another human being to harm him (or to harm a third person), commits what would otherwise be a crime may, under some circumstances, be justified in doing what he did and thus not be guilty of the crime in question. See Model Penal Code §2.09. See also Coercion; Economic duress; Extortion; Undue influence."*
> *[Black's Law Dictionary, Sixth Edition, p. 504]*

When we sign our tax return, we are signing a contract or agreement, declaring under penalty of perjury that we understand the information provided on the form is true and correct to the best of our ability. This makes our tax return into the

equivalent of an affidavit that can be used as evidence against us in court for either civil or criminal proceedings, and against anyone else whose income is listed on that form.

Based on the above then, if we are compelled to sign our tax return and if we indicate that we were compelled, we can't be held responsible for anything that is on the return and anything the government might want to prosecute us for based on the information on the return can't be prosecuted. That creates a real paradox for the government in the collection of taxes. That is why they are forced to say that our tax system depends on "voluntary compliance".

Now if we exercise our Fifth Amendment right by telling the truth on our tax return and writing "duress" next to our signature at the bottom, we are threatened with a $500 frivolous return penalty by the IRS. This leads us to ask, is the Fifth Amendment right really a right if we can be penalized, fined, or taxed by our government for exercising it. The answer is an emphatic NO, which means that our tax system violates the Fifth Amendment, as the Supreme Court made it clear that the government may not penalize us for the exercise of a right guaranteed by the Constitution:

> *"It has long been established that a State may not impose a penalty upon those who exercise a right guaranteed by the Constitution." Frost & Frost Trucking Co. v. Railroad Comm'n of California, 271 U.S. 583. "Constitutional rights would be of little value if they could be indirectly denied,' Smith v. Allwright, 321 US. 649, 644, or manipulated out of existence,' Gomillion v. Lightfoot, 364 U.S. 339, 345."*
> *[Harman v. Forssenius, 380 U.S 528 at 540, 85 S.Ct. 1177, 1185 (1965)]*

Relevant Case Law:

Helvering v. Mitchell, 303 U.S. 391, 399 (1938) – the U.S. Supreme Court stated that "[i]n assessing income taxes, the Government relies primarily upon the disclosure by the taxpayer of the relevant facts ... in his annual return. To ensure full and honest disclosure, to discourage fraudulent attempts to evade the tax, Congress imposes [either criminal or civil] sanctions."

United States v. Tedder, 787 F.2d 540, 542 (10 th Cir. 1986) – the court upheld a conviction for willfully failing to file a return, stating that the premise "that the tax system is somehow 'voluntary' ... is incorrect."

United States v. Richards, 723 F.2d 646, 648 (8 th Cir. 1983) – the court upheld conviction and fines imposed for willfully failing to file tax returns, stating that the claim that filing a tax return is voluntary "was rejected in United States v. Drefke, 707 F.2d 978, 981 (8 th Cir. 1983), wherein the court described appellant's argument as 'an imaginative argument, but totally without arguable merit.'"

Woods v. Commissioner, 91 T.C. 88, 90 (1988) – the court rejected the claim that reporting income taxes is strictly voluntary, referring to it as a "'tax protester' type" argument, and found Woods liable for the penalty for failure to file a return.

Johnson v. Commissioner, T.C. Memo. 1999-312, 78 T.C.M. (CCH) 468, 471 (1999) – the court found Johnson liable for the failure to file penalty and rejected his argument "that the tax system is voluntary so that he cannot be forced to comply" as "frivolous."

2. Contention: Payment of tax is voluntary.

In a similar vein, some argue that they are not required to pay federal taxes because the payment of federal taxes is voluntary. Proponents of this position argue that our system of taxation is based upon voluntary assessment and payment.

The Law: The requirement to pay taxes is not voluntary and is clearly set forth in section 1 of the Internal Revenue Code, which imposes a tax on the taxable income of individuals, estates, and trusts as determined by the tables set forth in that section. (Section 11 imposes a tax on the taxable income of corporations.) Furthermore, the obligation to pay tax is described in section 6151, which requires taxpayers to submit payment with their tax returns. Failure to pay taxes could subject the noncomplying individual to criminal penalties, including fines and imprisonment, as well as civil penalties.

In discussing section 6151, the Eighth Circuit Court of Appeals stated that "when a tax return is required to be filed, the person so required 'shall' pay such taxes to the internal revenue officer with whom the return is filed at the fixed time and place. The sections of the Internal Revenue Code imposed a duty on Drefke to file tax returns and pay the ... tax, a duty which he chose to ignore." United States v. Drefke, 707 F.2d 978, 981 (8 th Cir. 1983)

Relevant Case Law:

United States v. Bressler, 772 F.2d 287, 291 (7 th Cir. 1985) – the court upheld Bressler's conviction for tax evasion, noting, "[he] has refused to file income tax returns and pay the amounts due not because he misunderstands the law, but because he disagrees with it. ... [O]ne who refuses to file income tax returns and pay the tax owing is subject to prosecution, even though the tax protester believes the laws requiring the filing of income tax returns and the payment of income tax are unconstitutional."

Schiff v. United States, 919 F.2d 830, 833 (2d Cir. 1990), cert. denied, 501 U.S. 1238 (1991) – the court rejected Schiff's arguments as meritless and upheld imposition of the civil fraud penalty, stating "[t]he frivolous nature of this appeal is perhaps best illustrated by our conclusion that Schiff is precisely the sort of taxpayer upon whom a fraud penalty for failure to pay income taxes should be imposed."

Packard v. United States, 7 F. Supp. 2d 143, 145 (D. Conn. 1998) – the court dismissed Packard's refund suit for recovery of penalties for failure to pay income tax and failure to pay estimated taxes where the taxpayer contested the obligation to pay taxes on religious grounds, noting that "the ability of the Government to function could be impaired if persons could refuse to pay taxes because they disagreed with the Government's use of tax revenues."

United States v. Gerads, 999 F.2d 1255, 1256 (8 th Cir. 1993) – the court stated that "[taxpayers'] claim that payment of federal income tax is voluntary clearly lacks substance" and imposed sanctions in the amount of $1,500 "for bringing this frivolous appeal based on discredited, tax-protestor arguments."

3. Contention: Taxpayers can reduce their federal income tax liability by filing a "zero return"

Some taxpayers are attempting to reduce their federal income tax liability by filing a tax return that reports no income and not tax liability (a "zero return") even though they have taxable income. Many of these taxpayers also request a refund of any taxes withheld by an employer. These individuals typically attach to the zero return a Form W-2, or other information return that reports income and income tax withholding, and rely on one or more of the frivolous arguments discussed throughout this outline in support of their position.

There is absolutely no question that "taxpayers", which are people subject to the I.R.C. and who have "taxable income" greater than the minimum exemption amount, cannot escape tax liability as indicated here. The Bible says that believers should honor your commitments, and volunteering calling oneself a "taxpayer" by committing perjury on a government form is a form of "commitment" that usually results from ignorance of the law.

He who walks with integrity walks securely,
But he who perverts his ways will become known.
[Prov. 10:9;Bible, NKJV]

Better is the poor who walks in his integrity
Than one perverse in his ways, though he be rich."
[Prov. 28:6, Bible, NKJV

However, "nontaxpayers", who are persons not subject to the Internal Revenue Code because they do not have any earnings "effectively connected with a trade or business in the United States", have a right to document that status appropriately using approved IRS Forms, including the filing of zero returns indicating their non-liability. To do otherwise would be to commit perjury under penalty of perjury. See:

The "Trade or Business" Scam
http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm

The fundamental problem with this IRS propaganda pamphlet is that is fails to acknowledge the existence of such a thing as a "nontaxpayer" in law, even though the federal courts have done so and even their own Internal Revenue Manual does so. The reason they refuse to do so is because they want to STEAL your money by deceiving you.

> *"The revenue laws are a code or system in regulation of tax assessment and collection. They [and all the superfluous court cites in this pamphlet as well] relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."*
>
> *"The distinction between persons and things within the scope of the revenue laws and those without is vital." [Long v. Rasmussen, 281 F. 236].*

The Law: There is no authority that permits a taxpayer that has taxable income to avoid income tax by filing a zero return. Section 61 provides that gross income includes all income from whatever source derived, including compensation for services. Courts have repeatedly penalized taxpayers for making the frivolous argument that the filing of a zero return can allow a taxpayer to avoid income tax liability, or permit a refund of tax withheld by an employer. Courts have also imposed the frivolous return and failure to file penalties because such forms do not evidence an honest and reasonable attempt to satisfy the tax laws or contain sufficient data to calculate the tax liability. The IRS issued Revenue Ruling 2004-34, 2004-12 I.R.B. 619, warning taxpayers of the consequences of making this argument.

Relevant Case Law:

Gillett v. United States, 233 F. Supp. 2d 874, 881 (W.D. Mich. 2002) - the court stated "[n]umerous federal courts have upheld the imposition of the $500 sanction by the IRS pursuant to 26 U.S.C. §6702(a) [for frivolous returns], where, as here, a tax form is filed stating that an individual had no income, but the attached W-2 forms show wages, tips, or other compensation of greater than zero."

Halcott v. Commissioner, T.C. Memo. 2004-214 - the court held the taxpayer liable for the penalty under section 6651(a)(1) for failure to timely file his return where the taxpayer filed a "zero return."

Hill v. Commissioner, T.C. Memo. 2003-144, 85 T.C.M. (CCH) 1328, 1331 (2003) - the court imposed a $15,000 penalty under section 6673 because the taxpayer took the frivolous "zero return" position.

Rayner v. Commissioner, T.C. Memo. 2002-30, 83 T.C.M. (CCH) 1161 (2002) - the court imposed a $5,000 penalty under section 6673 where the taxpayer argued the frivolous "zero return" position.

United States v. Schiff, et al., 379 F.3d 621 (9th Cir. 2004) – the court of appeals upheld a federal district court preliminary injunction barring Irwin Schiff and two associates from promoting their "zero-income" tax return theories through his bookstore and three Internet websites. As the court noted, Mr. Schiff "has a long history of opposition to the federal income tax laws" and has never been successful in court with his theory that "the federal income tax is voluntary."

4. Contention: The IRS must prepare federal tax returns for a person who fails to file

Proponents of this argument contend that section 6020(b) obligates the IRS to prepare a federal tax return for a person who does not file a return. Thus, those who subscribe to this contention believe that they are not required to file a return for themselves.

The Law: Section 6020(b) merely provides the IRS with a mechanism for determining the tax liability of a taxpayer who has failed to file a return. Section 6020(b) does not require the IRS to prepare tax returns for persons who do not file and it does not excuse the taxpayer from civil penalties or criminal liability for failure to file.

Our present tax system, by the IRS' own admission, is based on "voluntary compliance" and the taxes truly are voluntary for biological people because there is no statute anywhere in Subtitle A of the Internal Revenue Code that makes anyone, including either business entitles or biological people liable to pay the income tax.

> *"Our tax system is based on individual self-assessment and voluntary compliance".*
> *[Mortimer Caplin, Internal Revenue Audit Manual (1975)]*

The IRS likes to quote the regulations under section §1 of the IRC at 26 CFR §1.1-1 which say "liable to the tax" but the federal courts have ruled that a regulation may not expand the scope or authority of a statute because the Secretary of the Treasury does not have the authority to make law as a member of the Executive Branch. Therefore, this regulation, insofar as it uses the phrase "liable to the tax" is null and void and unenforceable.

> *"..liability for taxation must clearly appear[from statute imposing tax]."*
> *[Higley v. Commissioner of Internal Revenue, 69 F.2d 160 (1934)]*

> *"While Congress might have the power to place such a personal liability upon trust beneficiaries who did not renounce the trust, yet it would require clear expression of such intent, and it cannot be spelled out from language (as that here) which can be given an entirely natural and useful meaning and application excluding such intent."*
> *[Higley v. Commissioner of Internal Revenue, 69 F.2d 160 (1934)]*

> *"`Tax' is legal imposition, exclusively of statutory origin, and liability to taxation must be read in statute, or it does not exist."*
> *[Bente v. Bugbee, 137 A. 552, 103 N.J. Law. 608 (1927)]*

> *"The taxpayer must be liable for the tax. Tax liability is a condition precedent to the demand. Merely demanding payment, even repeatedly, does not cause liability."*
> *[Terry v. Bothke, 713 F.2d 1405, at 1414 (1983)]*

For personal income taxes under Subtitle A of the Internal Revenue Code, the only person who can therefore make you into a "taxpayer" who is "liable" for a tax is you and not the IRS, and you do this by assessing yourself and sending in a return that you have prepared or signed yourself, or by delegating to the IRS the authority to do it for you. Section 6151 of the Internal Revenue Code says that:

> *"…the person required to make such return shall, without assessment or notice and demand from the Secretary, pay such tax to the internal revenue officer with whom the return is filed..".*

The regulation under this at 26 CFR §1.6151-1 says that:

> *"…the tax shown on any income tax return shall, without assessment or notice and demand, be paid to the internal revenue officer with whom the return is filed at the time fixed for filing the return…".*

But what if there isn't a return? Do you have to pay a tax? The answer is that you don't have to pay any tax that doesn't appear on a return that YOU FILED. The IRS cannot assess you with a liability but they don't want you to know this, which is why they have to prepare sneaky questions like the one above! The IRS is trying to explain here why it doesn't prepare Substitute for Returns (SFR's) on persons who don't file their own returns so that people won't start believing that there is no way the IRS can make a valid or lawful assessment on them without them doing it themselves. Section 5.1.11.6.8 of the IRS' own Internal Revenue Manual under paragraph (1) shows the ONLY forms which are subject to Substitute For Returns (SFR) processing by revenue agents. Conspicuously missing are the IRS Forms 1040, 1040A, 1040EZ, 1040NR, which implies that the IRS has no authority to prepare Substitute For Returns for human beings (biological people) under 26 U.S.C. §6020(b). The reason for this is that in the context of Subtitle A income taxes, these taxes are direct taxes that violate the rights of human beings according to the Supreme Court:

> *"Direct taxes bear immediately upon persons, upon the possession and enjoyment of rights; indirect taxes are levied upon the happening of an event as an exchange."*
> *[Knowlton v. Moore, 178 U.S. 41 (1900)]*

We have on our website an entire line of questions and corresponding evidence from a real-live revenue agent named John Turner who worked at the IRS as a collection agent for 10 years. You can view the questions yourself at: http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Section%2013.htm. Mr. Turner reported under oath with an affidavit that during his training as a Revenue Officer, a part of the curricula involved 6020(b) Substitute For Returns, and during that official IRS curricula, the Forms 1040, 1040A, 1040EZ, and 1040NR were conspicuously never mentioned.

Those agents who do mistakenly prepare SFR's are making the equivalent of an illegal and void assessment against a "nontaxpayer", and they can be held criminally liable for their violation of rights in any federal or state court:

> *"And by statutory definition the term "taxpayer" includes any person, trust or estate subject to a tax imposed by the revenue act. ...Since the statutory definition of taxpayer is exclusive, the federal [and state] courts do not have the power to create nonstatutory taxpayers for the purpose of applying the provisions of the Revenue Acts..."*
> *[C.I.R. v. Trustees of L. Inv. Ass'n., 100 F.2d.18 (1939)]*
>
> ---
>
> *"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."*
>
> *"The distinction between persons and things within the scope of the revenue laws and those without is vital."*
> *[Long v. Rasmussen, 281 F. 236 @ 238(1922).]*

When a biological person hasn't filed a return under Subtitle A of the Internal Revenue Code, in most cases they are ignored by the IRS because there is no W-2 matching program that allows them to match wages earned to a specific person. However, on occasion, an incompetent or green IRS collection agent who forgot his training on SFR's or who has been unscrupulously pressured to meet a "quota" by his supervisor may prepare an illegal SFR on a biological person or be denied his next pay raise for not meeting quota. When this happens, it is called a "bogus assessment" and you can order your non-sanitized IMF directly from the IRS under the Freedom of Information Act (FOIA) and decode it yourself to prove that the assessment was invalid and illegal, and this evidence can be used in court to prosecute the offending agent for violation of rights and unauthorized collection activity under 26 U.S.C. §7433.

On some occasions, this same agent may also mistakenly and illegally refer you for criminal investigation for Willful Failure to File under 26 U.S.C. §7203. For this too, he can be prosecuted for wrongful prosecution. As a matter of fact, 26 U.S.C. §7203 has no implementing regulations under Title 26 of the Code of Federal Regulations, and is unenforceable. Occasionally, the IRS is able to find an ignorant or greedy judge who will side with them and illegally enforce this statute anyway against an innocent American, but such an act constitutes a Conspiracy against rights in violation of several statutes, including 18 U.S.C. §241 and 18 U.S.C. §1983.

Relevant Case Law:

United States v. Lacy, 658 F.2d 396, 397 (5th Cir. 1981) – the court, in upholding the taxpayer's conviction for willfully and knowingly failing to file a return, state that "…the purpose of section 6020(b)(1) is to provide the Internal Revenue Service with a mechanism for assessing the civil liability of a taxpayer who has failed to file a return, not to excuse that taxpayer from criminal liability which results from the failure."

Schiff v. United States, 919 F.2d 830, 833 (2d Cir. 1990) – the court rejected the taxpayer's argument that the IRS must prepare a substitute for return pursuant to section 6010(b) prior to assessing deficient taxes, stating "[t]here is no requirement that the IRS complete a substitute return."

Moore v. Commissioner, 722 F.2d 193, 196 (5th Cir. 1984)- the court stated that "section [6020(b)] provides the Secretary with some recourse should a taxpayer fail to fulfill his statutory obligation to file a return, and does not supplant the taxpayer's obligation to file established by 26 U.S.C. §6012.

B. The Meaning of Income: Taxable Income and Gross Income

1. Contention: Wages, tips, and other compensation received for personal services are not income.

This argument asserts that wages, tips, and other compensation received for personal services are not income, because there is allegedly no taxable gain when a person "exchanges" labor for money. Under this theory, wages are not taxable income because people have basis in their labor equal to the fair market value of the wages they receive; thus, there is no gain to be taxed.

There is not question that "wages", as legally defined in 26 U.S.C. §3401(a), are taxable and are "income". We agree with the IRS that anyone who uses this argument is wrong and deserves all the persecution they will inevitably get if they try to litigate this in a federal court. The regulations, in fact, say that a person who fills out a W-4 has signed a contract which requires him to include the earnings associated with the W-4 as "gross income" on a tax return. Therefore, all "wages" subject to this private contract become taxable by private agreement, even where there is not territorial jurisdiction:

> *§ 31.3402(p)-1 Voluntary withholding agreements.*
>
> *(a) In general.*
>
> *An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)–3, made after December 31, 1970.* ***An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee.*** *The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)–1, Q&A–3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.*

It is therefore pointless to argue that "wages" are not taxable, because they are, but only to those who are either engaged in a "trade or business" or who have elected to be treated as though they are by voluntarily signing an IRS Form W-4.

Now let's look at WHERE they can lawfully tax "wages". I.R.C. Subtitle A describes an indirect excise tax upon a "trade or business", which is defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office". 4 U.S.C. §72 mandates that all "public offices" must exist only in the District of Columbia and no place else except as expressly authorized by law.

> *TITLE 4 > CHAPTER 3 > § 72*
> *§ 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.*

If you search the entire Internal Revenue Code electronically as we have for an enactment of Congress that "expressly extends" the enforcement of the Internal Revenue Code to any place other than the District of Columbia, the only reference you will find is in 48 U.S.C. §1612. That section of code "expressly extends" the enforcement of the I.R.C. to the Virgin Islands. There is no provision of the I.R.C. or any other Title of the U.S. Code which extends the enforcement of the I.R.C. to any state of the Union.

It gets worse, folks. 26 U.S.C. §7601 only authorizes the I.R.S. to enforce within Internal Revenue Districts. 26 U.S.C. §7621 authorizes the President to determine Internal Revenue Districts, and he delegated that authority to the Secretary of the Treasury in Executive Order 10289 in 1952. The Secretary of the Treasury, in turn, only has one standing Treasury Order, Treasury Order 150-02, and it only authorizes internal revenue districts within the District of Columbia. The previous Treasury Order 150-01, established internal revenue districts that included states of the Union, but it was repealed by Treasury Order 150-02 as a result of the IRS Restructuring and Reform Act of 1998. The result is that the only internal revenue district left in which the IRS can enforce is the District of Columbia. Do you live in the District of Columbia?

The Law: For federal income tax purposes, "gross income" means all income from whatever source derived and includes compensation for services. I.R.C. §61. Any income, from whatever source, is presumed to be income under section 61, unless the taxpayer can establish that it is specifically exempted or excluded. In Reese v. United States, 24 F.3d 228, 231 (Fed. Cir. 1994), the court stated, "an abiding principle of federal tax law is that, absent an enumerated exception, gross income means all income from whatever source derived."

All compensation for personal services, no matter what the form of payment, must be included in gross income. This includes salary or wages paid in cash, as well as the value of property and other economic benefits received because of services performed, or to be performed in the future. Furthermore, criminal and civil penalties have been imposed against individuals relying upon this frivolous argument.

Relevant Case Law:

Commissioner v. Glenshaw Glass Co., 348 U.S. 426, 429-30 (1955) – referring to the statute's words "income derived from any source whatever," the Supreme Court stated, "this language was used by Congress to exert in this field 'the full measure of its taxing power.' ... And the Court has given a liberal construction to this broad phraseology in recognition of the intention of Congress to tax all gains except those specifically exempted."

Commissioner v. Kowalski, 434 U.S. 77 (1977) – the Supreme Court found that payments are considered income where the payments are undeniably accessions to wealth, clearly realized, and over which a taxpayer has complete dominion.

United States v. Connor, 898 F.2d 942, 943-44 (3d Cir.), cert. denied, 497 U.S. 1029 (1990) – the court stated that "[e]very court which has ever considered the issue has unequivocally rejected the argument that wages are not income."

Lonsdale v. Commissioner, 661 F.2d 71, 72 (5 th Cir. 1981) – the court rejected as "meritless" the taxpayer's contention that the "exchange of services for money is a zero-sum transaction ..."

Reading v. Commissioner, 70 T.C. 730 (1978), aff'd, 614 F.2d 159 (8 th Cir. 1980) – the court said the entire amount received from the sale of one's services constitutes income within the meaning of the Sixteenth Amendment.

United States v. Richards, 723 F.2d 646, 648 (8 th Cir. 1983) – the court upheld conviction and fines imposed for willfully failing to file tax returns, stating that the taxpayer's contention that wages and salaries are not income within the meaning of the Sixteenth Amendment is "totally lacking in merit."

United States v. Romero, 640 F.2d 1014, 1016 (9 th Cir. 1981) – the court affirmed Romero's conviction for willfully failing to file tax returns, finding, in part, that "[t]he trial judge properly instructed the jury on the meaning of ['income' and 'person']. Romero's proclaimed belief that he was not a 'person' and that the wages he earned as a carpenter were not 'income' is fatuous as well as obviously incorrect."

Abrams v. Commissioner, 82 T.C. 403, 413 (1984) – the court rejected the argument that wages are not income, sustained the failure to file penalty, and awarded damages of $5,000 for pursuing a position that was "frivolous and groundless ... and maintained primarily for delay."

Cullinane v. Commissioner, T.C. Memo. 1999-2, 77 T.C.M. (CCH) 1192, 1193 (1999) – noting that "[c]ourts have consistently held that compensation for services rendered constitutes taxable income and that taxpayers have no tax basis in their labor," the court found Cullinane liable for the failure to file penalty, stating that "[his] argument that he is not required to pay tax on compensation for services does not constitute reasonable cause."

2. Contention: Only foreign-source income is taxable.

Some maintain that there is no federal statute imposing a tax on income derived from sources within the United States by citizens or residents of the United States. They argue instead that federal income taxes are excise taxes imposed only on nonresident aliens and foreign corporations for the privilege of receiving income from sources within the United States. The premise for this argument is a misreading of sections 861, et seq., and 911, et seq., as well as the regulations under those sections.

The Law: As stated above, for federal income tax purposes, "gross income" means all income from whatever source derived and includes compensation for services. I.R.C. §61. Further, Treasury Regulation §1.1-1(b) provides, "[i]n general, all citizens of the United States, wherever resident, and all resident alien individuals are liable to the income taxes imposed by the Code whether the income is received from sources within or without the United States." I.R.C. sections 861 and 911 define the sources of income (U.S. versus non-U.S. source income) for such purposes as the prevention of double taxation of income that is subject to tax by more than one country. These

sections neither specify whether income is taxable, nor do they determine or define gross income. Further, these frivolous assertions are clearly contrary to well-established legal precedent.

Citing Tax Court rulings as "well established legal precedent" amounts to gross negligence in the legal field. We have a saying: "Never believe a man who says 'trust me'". Extending this metaphor, "Never believe an IRS operative who uses the term 'well established legal precedent' and 'Tax Court' in the same sentence!"

As we said before, only Supreme Court cases may be applied universally to all taxpayers by IRS' own admission in the Internal Revenue Manual:

> *"Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers."*
> *[IRM, 4.10.7.2.9.8 (05/14/99)]*

Do you see any citations of Supreme Court rulings in the list of Relevant Case Law below?

The IRS subterfuge above states: "These sections neither specify whether income is taxable, nor do they determine or define gross income." This simply is NOT true, as it completely ignores the meaning of "source". A "source" is an activity that is taxed. One can have income that isn't gross income if it doesn't derive from a taxable source. A "source" consists of a combination of a taxable event within a taxable jurisdiction and the exchange of money as a result of that event.

In the Treasury Regulations (26 CFR) under Section 863 (concerning income from sources inside and outside the U.S.), the following is stated:

> *"Determination of taxable income. The taxpayer's taxable income from sources within or without the United States will be determined under the rules of Secs. 1.861-8 through 1.861-14T for determining taxable income from sources within the United States."*
> *[26 CFR §1.863-1(c)]*

(The vast majority of tax professionals do not use these sections to determine taxable income from sources within the United States of America. At this point, the average Citizen reading this report may guess that there must be some "context," or some other section, or something somewhere which would justify the tax professionals blatantly disregarding and disobeying the clear language used in the citations shown above. There is not.)

Note how sections 1.861-8 and following of the regulations are identified as the sections "for determining taxable income from sources within the United States," as well as being the sections to be used whether the income is from sources within or without the United States** (the federal zone). A similar structure occurs in the regulations under Section 862 (dealing with income from outside of the United States**):

> *"(b) Taxable income.*
>
> *The taxable income from sources without the United States… shall be determined on the same basis as that used in Sec. 1.861-8 for determining the taxable income from sources within the United States."*
> *[26 CFR §1.862-1]*

The amount of tax is computed on the basis of the income that derives from the taxable source. 26 CFR §1.861-8(f) identifies the only legitimate sources of gross income that may be taxed, and these sources are:

> *"The operative sections of the Code which require the determination of taxable income of the taxpayer from specific sources or activities and which gives rise to statutory groupings to which this section is applicable include the sections described below.*
> *(i) Overall limitation to the foreign tax credit…*
> *(ii) [Reserved]*
> *(iii) DISC and FSC taxable income… [international and foreign sales corporations]*
> *(iv) Effectively connected taxable income. Nonresident alien individuals and foreign corporations engaged in trade or business within the United States…*
> *(v) Foreign base company income…*
> *(vi) Other operative sections. The rules provided in this section also apply in determining--*
> *(A) The amount of foreign source items…*
> *(B) The amount of foreign mineral income…*

(C) [Reserved]
(D) The amount of foreign oil and gas extraction income…
(E) (deals with Puerto Rico tax credits)
(F) (deals with Puerto Rico tax credits)
(G) (deals with Virgin Islands tax credits)
(H) The income derived from Guam by an individual…
(I) (deals with China Trade Act corporations)
(J) (deals with foreign corporations)
(K) (deals with insurance income of foreign corporations)
(L) (deals with countries subject to international boycott)
(M) (deals with the Merchant Marine Act of 1936)"
[26 CFR §1.861-8(f)(1)]

None of these "sources" apply to United States citizens who live and work exclusively within the 50 states of the United States of America. (Federal "possessions," such as Guam, Puerto Rico, etc., are considered "foreign" under federal law) This is the only list of "sources" in Part I of Subchapter N, or the regulations thereunder, which (as the regulations say) "determine the sources of income for purposes of the income tax." We can see quite clearly that all of these taxable sources are part of the "federal zone", which includes the District of Columbia and all federal possessions, or pertain to foreign commerce as allowed under Article 1, Section 8, Clause 3 of the constitution.

Relevant Case Law:

Williams v. Commissioner, 114 T.C. 136, 138 (2000) – the court rejected the taxpayer's argument that his income was not from any of the sources listed in Treas. Reg. § 1.861-8(a), characterizing it as "reminiscent of tax-protester rhetoric that has been universally rejected by this and other courts."

Aiello v. Commissioner, T.C. Memo. 1995-40, 69 T.C.M. (CCH) 1765 (1995) – the court rejected the taxpayer's argument that the only sources of income for purposes of section 61 are listed in section 861.

Madge v. Commissioner, T.C. Memo. 2000-370, 80 T.C.M. (CCH) 804 (2000) – the court labeled as "frivolous" the position that only foreign income is taxable.

Solomon v. Commissioner, T.C. Memo. 1993-509, 66 T.C.M. (CCH) 1201, 1202 (1993) – the court rejected the taxpayer's argument that his income was exempt from tax by operation of sections 861 and 911, noting that he had no foreign income and that section 861 provides that "compensation for labor or personal services performed in the United States ... are items of gross income."

3. Contention: Federal Reserve Notes are not income.

Some assert that Federal Reserve Notes currently used in the United States are not valid currency and cannot be taxed, because Federal Reserve Notes are not gold or silver and may not be exchanged for gold or silver. This argument misinterprets Article I, Section 10 of the United States Constitution.

The Law: Congress is empowered "[t]o coin Money, regulate the value thereof, and of foreign coin, and fix the Standard of weights and measures." U.S. Const. Art. I, § 8, cl. 5. Article I, Section 10 of the Constitution prohibits the states from declaring as legal tender anything other than gold or silver, but does not limit Congress' power to declare the form of legal tender. See 31 U.S.C. §5103; 12 U.S.C. §411. In United States v. Rifen, 577 F.2d 1111 (8 th Cir. 1978), the court affirmed a conviction for willfully failing to file a return, rejecting the argument that Federal Reserve Notes are not subject to taxation. "Congress has declared federal reserve notes legal tender ... and federal reserve notes are taxable dollars." Id. at 1112. The courts have rejected this argument on numerous occasions.

Relevant Case Law:

United States v. Rickman, 638 F.2d 182, 184 (10 th Cir. 1980) – the court affirmed the conviction for willfully failing to file a return and rejected the taxpayer's argument that "the Federal Reserve

Notes in which he was paid were not lawful money within the meaning of Art. 1, § 8, United States Constitution."

United States v. Condo, 741 F.2d 238, 239 (9 th Cir. 1984) – the court upheld the taxpayer's criminal conviction, rejecting as "frivolous" the argument that Federal Reserve Notes are not valid currency, cannot be taxed, and are merely "debts."

United States v. Daly, 481 F.2d 28, 30 (8 th Cir.), cert. denied, 414 U.S. 1064 (1973) – the court rejected as "clearly frivolous" the assertion "that the only 'Legal Tender Dollars' are those which contain a mixture of gold and silver and that only those dollars may be constitutionally taxed" and affirmed Daly's conviction for willfully failing to file a return.

Jones v. Commissioner, 688 F.2d 17 (6 th Cir. 1982) – the court found the taxpayer's claim that his wages were paid in "depreciated bank notes" as clearly without merit and affirmed the Tax Court's imposition of an addition to tax for negligence or intentional disregard of rules and regulations.

C. The Meaning of Certain Terms Used in the Internal Revenue Code

1. Contention: Taxpayer is not a "citizen" of the United States, thus not subject to the federal income tax laws.

Some individuals argue that they have rejected citizenship in the United States in favor of state citizenship; therefore, they are relieved of their federal income tax obligations. A variation of this argument is that a person is a free born citizen of a particular state and thus was never a citizen of the United States. The underlying theme of these arguments is the same: the person is not a United States citizen and is not subject to federal tax laws because only United States citizens are subject to these laws.

The Law: The Fourteenth Amendment to the United States Constitution defines the basis for United States citizenship, stating that "[a]ll persons born or naturalized in the United States, and subject to the jurisdiction thereof, are citizens of the United States and of the State wherein they reside." The Fourteenth Amendment therefore establishes simultaneous state and federal citizenship. Claims that individuals are not citizens of the United States but are solely citizens of a sovereign state and not subject to federal taxation have been uniformly rejected by the courts.

We agree with the IRS on this subject. It is ludicrous to claim that "citizenship" is the origin of our tax liability. Instead, the origin of the authority of the government to impose an income tax is "domicile". Below is what the U.S. Supreme Court held on this subject:

> *"Thus, the Court has frequently held that domicile or residence, more substantial than mere presence in transit or sojourn, is an adequate basis for taxation, including income, property, and death taxes. Since the Fourteenth Amendment makes one a citizen of the state wherein he resides, the fact of residence creates universally reciprocal duties of protection by the state and of allegiance and support by the citizen. The latter obviously includes a duty to pay taxes, and their nature and measure is largely a political matter. Of course, the situs of property may tax it regardless of the citizenship, domicile, or residence of the owner, the most obvious illustration being a tax on realty laid by the state in which the realty is located."*
> *[Miller Brothers Co. v. Maryland, 347 U.S. 340 (1954)]*

Domicile is a choice of allegiance and political association. The First Amendment gives us a right to freely associate and makes it illegal to be compelled to politically associate with any group. Therefore, one's choice of domicile is voluntary. Because domicile is the origin of the government's authority to impose an income tax, then all income taxes are voluntary. If we want to unvolunteer, we simply abandon our domicile and disassociate with the government by exercising our First Amendment rights. This is exhaustively explained in the informative article below, which also explains what affect that change of domicile has on our citizenship status:

Why Domicile and Becoming a "Taxpayer" Require Your Consent
http://famguardian.org/Subjects/Taxes/Articles/DomicileBasisForTaxation.htm

However, most freedom advocates, in their legal ignorance, do not understand the interaction of domicile with citizenship

and come to the definitely false conclusion that being a "citizen" is what made them a "taxpayer". In fact, aliens with a domicile in the United States are called "residents" and "residents" can also be "taxpayers". Below is a table summarizing the interaction of one's citizenship and domicile that is very revealing:

Table 1: Affect of domicile on citizenship status

Status	*Domicile WITHIN the FEDERAL ZONE*	*Temporary domicile WITHOUT the FEDERAL ZONE*	*Permanent Domicile WITHOUT the FEDERAL ZONE*
Domestic national	Citizen 8 U.S.C. §1401	Citizen abroad 26 U.S.C. §911 (Meets presence test)	National but not citizen 8 U.S.C. §1101(a)(21) 8 U.S.C. §1101(a)(22)(B) 8 U.S.C. §1408 8 U.S.C. §1452
Foreign national	Resident 26 U.S.C. §7701(b)(1)(A)	Resident abroad 26 U.S.C. §911 (Meets presence test)	Nonresident Alien 26 U.S.C. §7701(b)(1)(B)

NOTES:
1. American citizens who are domiciled outside of federal jurisdiction, either in a state of the Union or a foreign country, are "nationals" but not "citizens" under federal law. They also qualify as "nonresident aliens" under 26 U.S.C. §7701(b)(1)(B). See sections 4.11.2 of the Great IRS Hoax book for details.
2. Temporary domicile in the middle column on the right must meet the requirements of the "Presence test" documented in IRS publications.
3. "FEDERAL ZONE"=District of Columbia and territories of the United States in the above table

From the above table, we can see that those with a domicile in the federal zone include both "citizens" and "residents". Collectively, this group of people are called "inhabitants". A person can live somewhere and not have a domicile there, and when they do this, they are called "transient foreigners". Within the Internal Revenue Code, they are called "nonresident aliens".

It is impossible for a "transient foreigner" to be a "taxpayer" under Subtitle A of the I.R.C. if he properly fills out all IRS Forms to accurately reflect his status. If a person is born in the United States, then he is a "national". If he has a domicile in the "United States", then he becomes a "citizen". If he abandons his domicile in the federal zone, then he becomes a "national but not a citizen" under federal law, and is described in 8 U.S.C. §1101(a)(21) and 8 U.S.C. §1452. This is the status of persons born within a state of the Union at birth. If you would like to learn more about this subject of citizenship of persons domiciled in states of the Union, see:

> *Why You are a "national", "state national", and Constitutional but not Statutory Citizen*, Form #05.006
> http://sedm.org/Forms/FormIndex.htm

A person who is a "transient foreigner" and a "nonresident alien" earns no "gross income" and therefore could only put "0" on a tax return for "Income":

> *Title 26: Internal Revenue*
> *PART 1—INCOME TAXES*
> *nonresident alien individuals*
> § 1.872-2 Exclusions from gross income of nonresident alien individuals.
>
> *(f) Other exclusions.*
>
> *Income which is from sources without [outside] the United States [District of Columbia, see 26 U.S.C. §7701(a)(9) and (a)(10)], as determined under the provisions of sections 861 through 863, and the regulations thereunder, is not included in the gross income of a nonresident alien individual unless such income is effectively connected for the taxable year with the conduct of a trade or business in the United States by that individual. To determine specific exclusions in the case of other items which are from sources within the United States, see the applicable sections of the Code. For special rules under a tax convention for determining the sources of income and for excluding, from gross income, income from sources without the United States which is effectively connected with the conduct of a trade or business in the United States, see the applicable tax convention. For determining which income from sources without the United States is effectively connected with the conduct of a trade or business in the United States, see section 864(c)(4) and §1.864–5.*

If an ignorant employer who refused to recognize the status of a "transient foreigner" as a "nonresident alien" not engaged in a trade or business and maliciously filed an information return, such as a W-2 or 1099 against that person, then:

1. The false return could easily be corrected. See:
   a. *Correcting Erroneous Information Returns*, Form #04.001 http://sedm.org/Forms/FormIndex.htm
   b. *Correcting Erroneous IRS Form W-2's*, Form #04.006: http://sedm.org/Forms/FormIndex.htm
   c. *Correcting Erroneous IRS Form 1042s*, Form #04.003 http://sedm.org/Forms/FormIndex.htm
   d. *Correcting Erroneous IRS Form 1098's*, Form #04.004: http://sedm.org/Forms/FormIndex.htm
   e. *Correcting Erroneous IRS Form 1099's*, Form #04.005: http://sedm.org/Forms/FormIndex.htm
2. The private employer could be prosecuted for a minimum of $5,000 for filing a false information return under 26 U.S.C. §7434.

Those who want to educate their private employers about how to properly complete information returns can provide them with the following free resources:

1. *Federal Tax Withholding*, Form #04.102. http://sedm.org/Forms/FormIndex.htm
2. *Demand for Verified Evidence of "Trade or Business" activity: Information Return*, Form #04.007: http://sedm.org/Forms/FormIndex.htm

Relevant Case Law:

O'Driscoll v. I.R.S., 1991 U.S. Dist. LEXIS 9829, at *5-6 (E.D. Pa. 1991) – the court stated, "despite [taxpayer's] linguistic gymnastics, he is a citizen of both the United States and Pennsylvania, and liable for federal taxes."

United States v. Sloan, 939 F.2d 499, 500 (7 th Cir. 1991), cert. denied, 502 U.S. 1060, reh'g denied, 503 U.S. 953 (1992) – the court affirmed a tax evasion conviction and rejected Sloan's argument that the federal tax laws did not apply to him because he was a "freeborn, natural individual, a citizen of the State of Indiana, and a 'master' – not 'servant' – of his government."

United States v. Ward, 833 F.2d 1538, 1539 (11 th Cir. 1987), cert. denied, 485 U.S. 1022 (1988) – the court found Ward's contention that he was not an "individual" located within the jurisdiction of the United States to be "utterly without merit" and affirmed his conviction for tax evasion.

United States v. Sileven, 985 F.2d 962 (8 th Cir. 1993) – the court rejected the argument that the district court lacked jurisdiction because the taxpayer was not a federal citizen as "plainly frivolous."

United States v. Gerads, 999 F.2d 1255, 1256 (8 th Cir. 1993) – the court rejected the Gerads' contention that they were "not citizens of the United States, but rather 'Free Citizens of the Republic of Minnesota' and, consequently, not subject to taxation" and imposed sanctions "for bringing this frivolous appeal based on discredited, tax-protestor arguments."

Solomon v. Commissioner, T.C. Memo. 1993-509, 66 T.C.M. (CCH) 1201, 1202-03 (1993) – the court rejected Solomon's argument that as an Illinois resident his income was from outside the United States, stating "[he] attempts to argue an absurd proposition, essentially that the State of Illinois is not part of the United States. His hope is that he will find some semantic technicality which will render him exempt from Federal income tax, which applies generally to all U.S. citizens and residents. [His] arguments are no more than stale tax protester contentions long dismissed summarily by this Court and all other courts which have heard such contentions."

2. Contention: The "United States" consists only of the District of Columbia, federal territories, and federal enclaves.

Some argue that the United States consists only of the District of Columbia, federal territories (e.g., Puerto Rico, Guam, etc.), and federal enclaves (e.g., American Indian reservations, military bases, etc.) and does not include the "sovereign" states. According to this argument, if a taxpayer does not live within the "United States," as so defined, he is not subject to the federal tax laws.

The Law: The Internal Revenue Code imposes a federal income tax upon all United States citizens and residents, not just those who reside in the District of Columbia, federal territories, and federal enclaves. In United States v. Collins, 920 F.2d 619, 629 (10 th Cir. 1990), cert. denied, 500 U.S. 920 (1991), the court cited Brushaber v. Union Pac. R.R., 240 U.S. 1, 12-19 (1916), and noted the United States Supreme Court has recognized that the "sixteenth amendment authorizes a direct nonapportioned tax upon United States citizens throughout the nation, not just in federal enclaves." This frivolous contention has been uniformly rejected by the courts.

What makes a person subject to the tax laws is a legal "domicile" or "residence" within the state in question. The U.S. Supreme Court confirmed this when it said:

> *"**Thus, the Court has frequently held that domicile or residence, more substantial than mere presence in transit or sojourn, is an adequate basis for taxation, including income, property, and death taxes.** Since the Fourteenth Amendment makes one a citizen of the state wherein he resides, the fact of residence creates universally reciprocal duties of protection by the state and of allegiance and support by the citizen. The latter obviously includes a duty to pay taxes, and their nature and measure is largely a political matter. Of course, the situs of property may tax it regardless of the citizenship, domicile, or residence of the owner, the most obvious illustration being a tax on realty laid by the state in which the realty is located."*
> *[Miller Brothers Co. v. Maryland, 347 U.S. 340 (1954)]*

A person can have a domicile in a place without actually physically living there. Within law, however, a person can have only ONE legal domicile:

> *"domicile. A person's legal home. That place where a man has his true, fixed, and **permanent home** and principal establishment, and to which whenever he is absent he has **the intention of** returning. Smith v. Smith, 206 Pa.Super. 310m 213 A.2d 94. Generally, physical presence within a state and **the intention** to make it one's home are the requisites of establishing a "domicile" therein. The permanent residence of a person or the place to which he **intends to** return even though he may actually reside elsewhere. A person may have more than one residence but only one domicile. **The legal domicile of a person is important since it, rather than the actual residence, often controls the jurisdiction of the taxing authorities and determines where a person may exercise the privilege of voting and other legal rights and privileges."***
> *[Black's Law Dictionary, Sixth Edition, p. 485]*

A person physically present in a state of the Union can, for instance, can maintain a legal "residence" in the District of Columbia while his legal domicile is elsewhere. This would be accomplished under the provisions of 26 U.S.C. §6013(g) or 26 U.S.C. §7701(b)(4) by making an "election". That election would be accomplished by:

1. Signing and submitting an IRS Form 1040, instead of the proper IRS Form 1040NR and assessing oneself with a liability, even if they in fact do not have one.
2. Signing and submitting an IRS Form W-4 to procure "social insurance".
3. By filling out any federal form and identifying themselves as an "individual". An "individual" is defined in the Privacy Act, 5 U.S.C. §552a(a)(2) as a "citizen" or "permanent resident" of the United States (federal zone). What these two groups of persons have in common is a legal "domicile" or "residence" in the District of Columbia, which is what the "United States" is defined as in 26 U.S.C. §7701(a)(9) and (a)(10) . Consequently, a person who identifies themselves as an "individual" is a "taxpayer" by implication. The IRS Form W-8BEN, for instance, uses the term "individual" as the only option available for human beings to describe themselves. This is a TRAP, and anyone who fills out this form without lining out "individual" and replacing it with "transient foreigner" is nominating themselves not only to be an "individual", but also to be a federal public official. The Privacy Act definition above appears in Title 5 of the U.S. Code, which is entitled "Government Organization and Employees". You can't be an "individual" without being a government employee or agent. Furthermore, once they nominate themselves to be an "individual" by filling out a federal form and indicating they are "individuals", then under the provisions of 26 U.S.C. §7701(a)(39) and 26 U.S.C. §7408(c), their effective "residence" or "domicile" again shifts to the District of Columbia. Their identity has effectively been "legally kidnapped" if this transformation occurred without the knowledge and informed consent of the subject, in violation of 18 U.S.C. §1201.
4. Having an information return filed against oneself and not rebutting it, including IRS Forms W-2, 1042-S, 1098, or 1099. An information return creates a prima facie presumption, under 26 U.S.C. §6041 that the person it was filed against is engaged in a "trade or business". A "trade or business" is legally defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office". Since 4 U.S.C. §72 requires all "public offices" be only in the District of Columbia,

then they essentially acquiesced to being treated as a person with a residence in the District of Columbia. That "residence" applies while they are exercising the official duties of the "public office", because they are representing the "United States Government" as a "public official". That government is a federal corporation whose legal domicile is in the District of Columbia, and therefore they take on the legal character of the party they represent as a "public officer". Under Federal Rule of Civil Procedure 17(b) confirms that the capacity to sue or be sued in the case of a person acting as an officer of a corporation are determined by the laws of the place where the corporation was formed, which in the case of the federal government is the District of Columbia.

Subtitle A of the I.R.C. is primarily a tax on the excise taxable activity called a "trade or business", which is a "public office". That "public office" is in the United States government. Everything that goes on an IRS Form 1040 is income "effectively connected with a trade or business". The form is completed by "individuals", which means federal employees or public officials who work for the government and have a domicile in the District of Columbia, which is what the term "United States" is defined as in 26 U.S.C. §7701(a)(9) and (a)(10). It doesn't matter where such a person lives or works because the tax is on an activity, not a person. When they signed the W-4, 26 CFR §31.3401(a)-3(a) says that they signed an agreement or contract. That contract made them into federal "public officials" and they became effectively "Kelly Girls" who are on loan to a private employer. They have a new boss, and that boss is Uncle Sam. Uncles Sam had to become their new employer in order to pay them any kind of benefits. The U.S. Supreme Court confirmed this by saying that the U.S. government can only spend tax money on a "public purpose", and paying money to private individuals who are not federal employees is NOT a "public purpose"

> *"The power to tax is, therefore, the strongest, the most pervading of all powers of government, reaching directly or indirectly to all classes of the people.* ***It was said by Chief Justice Marshall, in the case of McCulloch v. Md., 4 Wheat. 431, that the power to tax is the power to destroy.*** *A striking instance of the truth of the proposition is seen in the fact that the existing tax of ten per cent, imposed by the United States on the circulation of all other banks than the National Banks, drove out of existence every *state bank of circulation within a year or two after its passage. This power can be readily employed against one class of individuals and in favor of another, so as to ruin the one class and give unlimited wealth and prosperity to the other, if there is no implied limitation of the uses for which the power may be exercised.*
>
> *To lay, with one hand, the power of the government on the property of the citizen, and with the other to bestow it upon favored individuals to aid private enterprises and build up private fortunes, is none the less a robbery because it is done under the forms of law and is called taxation. This is not legislation. It is a decree under legislative forms.*
>
> *Nor is it taxation. 'A tax,' says Webster's Dictionary, 'is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.' 'Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.' Cooley, Const. Lim., 479.*
>
> *Coulter, J., in Northern Liberties v. St. John's Church, 13 Pa. St., 104 says, very forcibly, 'I think the common mind has everywhere taken in the understanding that* ***taxes are a public imposition, levied by authority of the government for the purposes of carrying on the government in all its machinery and operations—that they are imposed for a public purpose.*** *' See, also Pray v. Northern Liberties, 31 Pa.St., 69; Matter of Mayor of N.Y., 11 Johns., 77; Camden v. Allen, 2 Dutch., 398; Sharpless v. Mayor, supra; Hanson v. Vernon, 27 Ia., 47; Whiting v. Fond du Lac, supra."*
> *[Loan Association v. Topeka, 20 Wall. 655 (1874)]*
>
> ---
>
> *"A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another."*
> *[U.S. v. Butler, 297 U.S. 1 (1936)]*

Private individuals cannot lawfully accept any kind of payments from the federal government derived from taxes, because taxes can only be spent on a "public purpose"

> *"****Public purpose****. In the law of taxation, eminent domain, etc., this is a term of classification to distinguish the objects for which, according to settled usage, the government is to provide, from those which, by the like usage, are left to private interest, inclination, or liberality. The constitutional requirement that the purpose of any tax, police regulation, or particular exertion of the power of eminent domain shall be the convenience, safety, or welfare of the entire community and not the welfare of a specific individual or class of persons [such as, for instance, federal benefit recipients as individuals]. "Public purpose" that will justify expenditure of public money generally means such an activity as will serve as benefit to community as a body and which at same time is directly related function of government. Pack v. Southwestern Bell Tel. & Tel. Co., 215 Tenn. 503, 387 S.W.2d 789, 794.*
>
> *The term is synonymous with governmental purpose. As employed to denote the objects for which taxes may be levied, it has no relation to the urgency of the public need or to the extent of the public benefit which is to follow;* ***the essential requisite being that a public service or use shall affect the inhabitants as a community, and not merely as individuals.*** *A public purpose or public business has for its objective the promotion of the public health, safety, morals, general welfare, security, prosperity, and contentment of all the inhabitants or residents within a given political division, as, for example, a state, the sovereign powers of which are exercised to promote such public purpose or public business."*

[Black's Law Dictionary, Sixth Edition, p. 1231, Emphasis added]

Therefore, you can't accept any federal benefit, including Medicare, Social Security, Unemployment compensation, etc. WITHOUT being a federal "employee" or "public official" engaged in an excise taxable "trade or business". That "public official" now works as a fiduciary and "trustee" for the public at large:

> *"As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be exercised in behalf of the government or of all citizens who may need the intervention of the officer.* [5] ***Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level of government, and whatever be their private vocations, are trustees of the people, and accordingly labor under every disability and prohibition imposed by law upon trustees relative to the making of personal financial gain from a discharge of their trusts.*** [6] ***That is, a public officer occupies a fiduciary relationship to the political entity on whose behalf he or she serves.*** [7] ***and owes a fiduciary duty to the public.*** [8] ***It has been said that the fiduciary responsibilities of a public officer cannot be less than those of a private individual.*** [9] *Furthermore, it has been stated that any enterprise undertaken by the public official which tends to weaken public confidence and undermine the sense of security for individual rights is against public policy.*[10] *"*
> *[63C Am.Jur.2d, Public Officers and Employees, §247]*

The term "trade or business", therefore is synonymous with federal contracts and employment. When you sign the W-4 as a private worker, you just became a federal contractor. This is also confirmed by the Privacy Act, 5 U.S.C. §552a(a)(13), which defines "federal personnel" as including anyone entitled to receive any federal benefit.

> *TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > § 552a*
> *§ 552a. Records maintained on individuals*
>
> *(a) Definitions.— For purposes of this section—*
>
> ***(13)*** *the term "Federal personnel" means officers and employees of the Government of the United States, members of the uniformed services (including members of the Reserve Components),* ***individuals entitled to receive immediate or deferred retirement benefits under any retirement program of the Government of the United States (including survivor benefits)****.*

The above is why former President Ronald Reagan said the following:

> *"The taxpayer-- that's someone who works for the federal government but doesn't have to take the civil service examination."*
> *[President Ronald W. Reagan]*

Getting back to the subject of the above IRS statement, if you work for the "United States" as a "public official", then YOU ARE THE UNITED STATES, wherever you are. When you are exercising the official duties of a "public office" regardless of where you are located, including outside of the "federal zone", then you are part of the "United States". The United States is legally defined as a federal corporation . 28 U.S.C. §3002(15)(A). Therefore, you are "an officer of a corporation" who:

1. Effectively become federal "employees" under 26 CFR §31.3401(c)-1 and "subcontractors" for the federal government.
2. Are completely subject to federal jurisdiction without the need for implementing regulations published in the Federal Register, as revealed under 44 U.S.C. §1505(a)(1), 5 U.S.C. §552(a)(1), and 5 U.S.C. §553(a)(2).
3. Are subject to penalties and the criminal provisions of the Internal Revenue Code while acting as "public officers". Both 26 U.S.C. §6671(b) and 26 U.S.C. §7343 define "person" as an officer of a corporation, and that corporation is the federal government, which is defined in 28 U.S.C. §3002(15)(A) as a federal corporation.
4. Are withholding agents who are liable under 26 U.S.C. §1461, because they are nonresident aliens who must withhold

[5] State ex rel. Nagle v. Sullivan, 98 Mont 425, 40 P2d 995, 99 ALR 321; Jersey City v. Hague, 18 NJ 584, 115 A2d 8.

[6] Georgia Dep't of Human Resources v. Sistrunk, 249 Ga 543, 291 SE2d 524. A public official is held in public trust. Madlener v. Finley (1st Dist) 161 Ill App 3d 796, 113 Ill Dec 712, 515 NE2d 697, app gr 117 Ill Dec 226, 520 NE2d 387 and revd on other grounds 128 Ill 2d 147, 131 Ill Dec 145, 538 NE2d 520.

[7] Chicago Park Dist. v. Kenroy, Inc., 78 Ill 2d 555, 37 Ill Dec 291, 402 NE2d 181, appeal after remand (1st Dist) 107 Ill App 3d 222, 63 Ill Dec 134, 437 NE2d 783.

[8] United States v. Holzer (CA7 Ill) 816 F2d 304 and vacated, remanded on other grounds 484 US 807, 98 L Ed 2d 18, 108 S Ct 53, on remand (CA7 Ill) 840 F2d 1343, cert den 486 US 1035, 100 L Ed 2d 608, 108 S Ct 2022 and (criticized on other grounds by United States v. Osser (CA3 Pa) 864 F2d 1056) and (superseded by statute on other grounds as stated in United States v. Little (CA5 Miss) 889 F2d 1367) and (among conflicting authorities on other grounds noted in United States v. Boylan (CA1 Mass) 898 F2d 230, 29 Fed Rules Evid Serv 1223).

[9] Chicago ex rel. Cohen v. Keane, 64 Ill 2d 559, 2 Ill Dec 285, 357 NE2d 452, later proceeding (1st Dist) 105 Ill App 3d 298, 61 Ill Dec 172, 434 NE2d 325.

[10] Indiana State Ethics Comm'n v. Nelson (Ind App) 656 NE2d 1172, reh gr (Ind App) 659 NE2d 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

federal kickbacks and send them to the IRS.

5. Are "transferees" and "fiduciaries" over federal payments under 26 U.S.C. §§6901 and 6903.

Therefore, it's pointless to argue that the "United States" only includes the territories and possessions of the United States and the District of Columbia, and federal areas within the states. The "United States" includes all of its employees and franchises. The IRS Form W-4 is being used illegally as a private contract and private law that "elects" you into a public office. You are the only "voter" and if you sign the form, a cage is reserved for you on the federal plantation. You signed that contract voluntarily to procure the benefits of "social insurance". By doing so, you yourself became an officer and contractor for the "United States" who is on loan to your private employer for a temporary assignment. Whether you are overseas in that capacity or in a state of the Union, you are still a federal contractor and still "within" the "United States", because ***you ARE the United States*** in the context of any employment or work you perform in the context of that W-4.

The above conclusions are also confirmed by the definition of "United States" found in 26 U.S.C. §7701(a)(9) and (a)(10). That definition qualifies itself by saying "in a geographical sense":

> *TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701. [Internal Revenue Code]*
> *Sec. 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.*

What the above definitions reveal is that only in a geographical sense does the "United States" mean the District of Columbia. HOWEVER, there are other senses used in the Internal Revenue Code, and at no time that we have found are these other senses either admitted or identified. In fact, we argue that the OTHER sense that the term "United States" is uses is in its context as a federal corporation:

> *United States Code*
> *TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE*
> *PART VI - PARTICULAR PROCEEDINGS*
> *CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE*
> *SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS*
> *Sec. 3002. Definitions*
>
> *(15) "United States" means -*
> *(A) a Federal corporation;*
> *(B) an agency, department, commission, board, or other entity of the United States; or*
> *(C) an instrumentality of the United States.*

The U.S. Supreme Court held that all "taxes" are treated as "debts". Therefore, when "U.S. Inc.", the federal corporation, attempts to collect taxes, it is collecting a debt as a federal corporation:

> *"Even if the judgment is deemed to be colored by the nature of the obligation whose validity it establishes, and we are free to re-examine it, and, if we find it to be based on an obligation penal in character, to refuse to enforce it outside the state where rendered, see Wisconsin v. Pelican Insurance Co., 127 U.S. 265 , 292, et seq. 8 S.Ct. 1370, compare Fauntleroy v. Lum, 210 U.S. 230 , 28 S.Ct. 641, **still the obligation to pay taxes is not penal. It is a statutory liability, quasi contractual in nature, enforceable, if there is no exclusive statutory remedy, in the civil courts by the common-law action of debt or indebitatus assumpsit.** **United States v. Chamberlin, 219 U.S. 250 , 31 S.Ct. 155; Price v. United States, 269 U.S. 492 , 46 S.Ct. 180; Dollar Savings Bank v. United States, 19 Wall. 227; and see Stockwell v. United States, 13 Wall. 531, 542; Meredith v. United States, 13 Pet. 486, 493. This was the rule established in the English courts before the Declaration of Independence.** Attorney General v. Weeks, Bunbury's Exch. Rep. 223; Attorney General v. Jewers and Batty, Bunbury's Exch. Rep. 225; Attorney General v. Hatton, Bunbury's Exch. Rep. [296 U.S. 268, 272] 262; Attorney General v. _ _, 2 Ans.Rep. 558; see Comyn's Digest (Title 'Dett,' A, 9); 1 Chitty on Pleading, 123; cf. Attorney General v. Sewell, 4 M.&W. 77. "*

[Milwaukee v. White, 296 U.S. 268 (1935)]

Therefore, we allege that the term "United States", in most cases when it is used, and especially in the context of the term "sources within the United States" as used in 26 U.S.C. §861, really means payments made by "U.S. Inc." or accepted by its contractors and agents, including those engaged in a "trade or business". This is also confirmed by 26 U.S.C. §864(c)(3), which states that all income from within the "United States" is effectively connected with an excise taxable activity called a "trade or business":

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864*
> *§ 864. Definitions and special rules*
>
> *(c) Effectively connected income, etc.*
>
> *(3) Other income from sources within United States*
>
> *All income, gain, or loss from sources within the United States (other than income, gain, or loss to which paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within the United States.*

The term "United States" they are referring to above can ONLY mean "U.S. Inc." and *not* the "geographical sense", because it is illegal to otherwise turn labor into an excise taxable "privilege". Here is some proof from the U.S. Supreme Court:

> *"Every man has a natural right to the fruits of his own labor, is generally admitted; and no other person can rightfully deprive him of those fruits, and appropriate them against his will…"*
> *[The Antelope, 23 U.S. 66, 10 Wheat 66, 6 L.Ed. 268 (1825)]*

An easy way to challenge anyone wants to argue the points we make above is to simply ask the following question:

> *How can I know WHICH of the two senses the "United States" is used in 26 U.S.C. §864, the geographical sense or the corporate sense, because the statute itself doesn't do this and 26 U.S.C. §7701(a)(9) and (a)(10) doesn't say that there are no other senses in which the term "United States" is used other than the geographical sense? Therefore, there must be other possibilities, and in fact, the I.R.C. itself recognizes at least three definitions of "United States" in sections 7701, 4612, and 3121.*

If you want to know more about the term "trade or business", which is the REAL thing being taxed under the Internal Revenue Code, then please refer to the following free and informative article:

> *The "Trade or Business" Scam, Form #05.001*
> *http://sedm.org/Forms/FormIndex.htm*

Relevant Case Law:

In re Becraft, 885 F.2d 547, 549-50 (9 th Cir. 1989) – the court, observing that Becraft's claim that federal laws apply only to United States territories and the District of Columbia "has no semblance of merit," and noting that this attorney had previously litigated cases in the federal appeals courts that had "no reasonable possibility of success," imposed monetary damages and expressed the hope "that this assessment will deter Becraft from asking this and other federal courts to expend more time and resources on patently frivolous legal positions."

United States v. Ward, 833 F.2d 1538, 1539 (11 th Cir. 1987), cert. denied, 485 U.S. 1022 (1988) – the court rejected as a "twisted conclusion" the contention "that the United States has jurisdiction over only Washington, D.C., the federal enclaves within the states, and the territories and possessions of the United States," and affirmed a tax evasion conviction.

Barcroft v. Commissioner, T.C. Memo. 1997-5, 73 T.C.M. (CCH) 1666, 1667, appeal dismissed, 134 F.3d 369 (5 th Cir. 1997) – noting that Barcroft's statements "contain protester-type contentions that have been rejected by the courts as groundless," the court sustained penalties for failure to file returns and failure to pay estimated income taxes.

3. Contention: Taxpayer is not a "person" as defined by the Internal Revenue Code, thus is not subject to the federal income tax laws.

Some maintain that they are not a "person" as defined by the Internal Revenue Code, and thus not subject to the federal income tax laws. This argument is based on a tortured misreading of the Code.

The Law: The Internal Revenue Code clearly defines "person" and sets forth which persons are subject to federal taxes. Section 7701(a)(14) defines "taxpayer" as any person subject to any internal revenue tax and section 7701(a)(1) defines "person" to include an individual, trust, estate, partnership, or corporation. Arguments that an individual is not a "person" within the meaning of the Internal Revenue Code have been uniformly rejected. A similar argument with respect to the term "individual" has also been rejected.

This is a very tricky answer. First of all, a "taxpayer" is one who is liable for paying tax or has made himself liable by "volunteering" and assessing him/herself. Did you notice they didn't use the term "American" rather than "taxpayer"? Would the answer be the same if the question was "Individual is not a 'person' as defined by the Internal Revenue Code, thus is not subject to the Subtitle A personal income (indirect excise) taxes as a nonprivileged individual?" The answer is a resounding NO.

Why did the IRS cite U.S. v. Collins in their defense? Because as we said before, this case is a very bad case that conflicts with all previous Supreme Court rulings but favors the IRS. Because the Supreme Court in this case was too busy to take this appeal and denied the writ of certiorari, the IRS takes the circuit court ruling as precedent even though their own regulations and IRM state that the only thing that is binding on more than one taxpayer are the rulings of the Supreme Court:

> *"Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers."*
> *[IRM 4.10.7.2.9.8 (05/14/99)]*

The Supreme Court has never agreed with the findings of the Collins case that Subtitle A income taxes are direct taxes authorized by the constitution, but the IRS seems more than willing to use a circuit court case to overrule the Supreme Court Case because it suits their selfish and conspiratorial agenda.

Also, did you notice that they said "is not subject to the federal income tax laws" rather than "is not liable under for Subtitles A or B of the Internal Revenue Code"? A person can be subject to a law without being liable for anything. More government double-speak. The IRS likes to twist and distract things to keep people arguing about the wrong things.

In conclusion then, knowing the way they have twisted the language teaches us that this question answers itself and deceives the reader, who is NOT a taxpayer in any sense of the word as a "non-citizen national" domiciled in the 50 states on nonfederal land. What they essentially asked was: "Is the blue sky blue?", "Is a taxpayer liable for tax?". Remember that this is a war of words and to be very careful with our choice of words and how we think about things..

Relevant Case Law:

United States v. Karlin, 785 F.2d 90, 91 (3d Cir. 1986), cert. denied, 480 U.S. 907 (1987) – the court affirmed Karlin's conviction for failure to file income tax returns and rejected his contention that he was "not a 'person' within meaning of 26 U.S.C. § 7203" as "frivolous and requir[ing] no discussion."

United States v. Rhodes, 921 F. Supp. 261, 264 (M.D. Pa. 1996) – the court stated that "[a]n individual is a person under the Internal Revenue Code."

Biermann v. Commissioner, 769 F.2d 707, 708 (11 th Cir.), reh'g denied, 775 F.2d 304 (11 th Cir. 1985) – the court said the claim that he was not "a person liable for taxes" was "patently frivolous" and, given the Tax Court's warning to Biermann that his positions would never be sustained in any court, awarded the government double costs, plus attorney's fees.

Smith v. Commissioner, T.C. Memo. 2000-290, 80 T.C.M. (CCH) 377, 378-89 (2000) – the court described the argument that Smith "is not a 'person liable' for tax" as frivolous, sustained failure to file penalties, and imposed a penalty for maintaining "frivolous and groundless positions."

United States v. Studley, 783 F.2d 934, 937 n.3 (9 th Cir. 1986) – the court affirmed a failure to file conviction, rejecting the taxpayer's contention that she was not subject to federal tax laws because she was "an absolute, freeborn, and natural individual" and went on to note that "this argument has been consistently and thoroughly rejected by every branch of the government for decades."

4. Contention: The only "employees" subject to federal income tax are employees of the federal government.

Some argue that the federal government can tax only employees of the federal government; therefore, employees in the private sector are immune from federal income tax liability. This argument is based on an apparent misinterpretation of section 3401, which imposes responsibilities to withhold tax from "wages." That section establishes the general rule that "wages" include all remuneration for services performed by an employee for his employer. Section 3401(c) goes on to state that the term "employee" includes "an officer, employee, or elected official of the United States, a State, or any political subdivision thereof ..."

The Law: Section 3401(c) defines "employee" and states that the term "includes an officer, employee or elected official of the United States ..." This language does not address how other employees' wages are subject to withholding or taxation. Section 7701(c) states that the use of the word "includes" "shall not be deemed to exclude other things otherwise within the meaning of the term defined." Thus, the word "includes" as used in the definition of "employee" is a term of enlargement, not of limitation. It clearly makes federal employees and officials a part of the definition of "employee," which generally includes private citizens.

If the word "includes" is meant as a term of enlargement, then why does it say in 26 U.S.C. §61:

(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..." [Emphasis added]

If "includes" is meant as a term of enlargement, then why would this phrase even be necessary? And how do you reconcile using the term "includes" as a term of enlargement in light of the government's own definition of that word?:

Treasury Decision 3980, Vol. 29, January-December, 1927, pgs. 64 and 65 defines the words "includes" and "including" as:

"(1) To comprise, comprehend, or embrace…(2) To enclose within; contain; confine…But granting that the word 'including' is a term of enlargement, it is clear that it only performs that office by introducing the specific elements constituting the enlargement. It thus, and thus only, enlarges the otherwise more limited, preceding general language…The word 'including' is obviously used in the sense of its synonyms, comprising; comprehending; embracing."

Black's Law Dictionary also describes the word includes as a word of limitation and not enlargement:

"Include. (Lat. Inclaudere, to shut in. keep within.) To confine within, hold as an inclosure. Take in, attain, shut up, contain, inclose, comprise, comprehend, embrace, involve. Term may, according to context, express an enlargement and have the meaning of and or in addition to, or merely specify a particular thing already included within general words theretofore used. "Including" within statute is interpreted as a word of enlargement or of illustrative application as well as a word of limitation. Premier Products Co. v. Cameron, 240 Or. 123, 400 P.2d 227, 228."
[Black's Law Dictionary, Sixth Edition, p. 763]

The American College Dictionary:

"include, v.f.;-cluded, -cluding. 1. to contain, embrace, or comprise, as a whole does parts or any part or element."

"included, adj. 1. enclosed; embraced; comprised. 2. But. not projecting beyond the mouth of the corolla, as stamens or a style."

Note that here, even the Botanical meaning is a confining use! Now, Roget's Thesaurus:

> *"include, v,f. comprise, comprehend, contain, admit, embrace, receive; enclose, circumscribe, compose, incorporate, encompass; recon or number among, count in; refer to, place under, take into account."*

So, when you see "including" or "includes," whether in normal usage or in a the Internal Revenue Code, understand that it is limited to the items listed and spelled out in the statute and nothing more. This must be so because the expansive use of the word "includes" and "including" violates our Fifth Amendment due process protections as shown below in the U.S. Supreme Court case of Connally v. General Construction Co., 269 U.S. 385 (1926):

> *"A statute which either forbids or requires the doing of an act in terms so vague that men and women of common intelligence must necessarily guess at its meaning and differ as to its application, violates the first essential of due process of law."*

If the act doesn't specifically identify what is forbidden or "included" and we have to rely not on the statute, but some judge or lawyer or politician or a guess to describe what is "included", then our due process has been violated and our government has thereby instantly been transformed from a government of laws to a government of men.

> *The concept of "due process of law" as it is embodied in Fifth Amendment demands that a law shall not be unreasonable, arbitrary, or capricious and that the means selected shall have a reasonable and substantial relation to the object being sought.*
> *[Black's Law Dictionary, Sixth Edition, p. 500, under the definition of "due process of law"]*

If the word "includes" is used in its expansive sense, we have, in effect, subjected ourselves to the arbitrary whims of however the currently elected politician or judge wants to describe what is "included". That leads to massive chaos, injustice, and unconstitutional behavior by our courts and our elected representatives. It also promotes unnecessary litigation over the meaning of the tax codes (not "laws", but "codes"), to the benefit of lawyers, lawmakers, and the American Bar Association, which is a clear conflict of interest.

Why did the Congress define "include" the way they did? Because that way they can define and interpret the Internal Revenue Code however they want! They needed to leave wiggle room for the IRS and the Treasury in the writing of the interpreting regulations. In particular, the interpreting regulations in 26 CFR have a much broader definition of "employer" and "employee" that is not consistent with I.R.C. Sections 7701 and 3401, so they had to leave room for the IRS to defend their interpretation of the code by saying:

> *"The code does not define or limit everything that is taxable because the word 'include' is not restrictive, and so we can write our regulations however we want to and disregard the codes entirely."*

And other courts describe "includes" as a word of limitation as well:

> *"Includes is a word of limitation. Where a general term in Statute is followed by the word, 'including' the primary import of the specific words following the quoted words is to indicate restriction rather than enlargement."*
> *[Powers ex re. Covon v. Charron R.I., 135 A. 2nd 829, 832 Definitions-Words and Phrases pages 156-156, Words and Phrases under 'limitations'."]*

So the question then becomes, can the Internal Revenue Code possibly define or describe ANYTHING if includes is used as the IRS says it is used?

> *"definition: A description of a thing by its properties; an explanation of the meaning of a word or term. The process of stating the exact meaning of a word by means of other words. Such a description of the thing defined, including all essential elements and excluding all nonessential, as to distinguish it from all other things and classes."*
> *[Black's Law Dictionary, Sixth Edition, page 423]*

If "includes" as used in the I.R.C. is used expansively, then every definition that uses it is a NON-definition according to the above! The answer therefore is that the I.R.C. defines NOTHING if the word "includes" is used expansively. Instead, the code means whatever the judge says it means, and by using "includes" expansively, we have transformed our country from being a government of laws to a government of men. Laws, however, are intended to be written clearly in such a way that the common man can know with a certainty whether he is violating the law. There is no way this requirement can be met with the I.R.C. if "includes" is used expansively. It is because of this very problem that the Supreme Court came up with something called the "void for vagueness doctrine", in which if a law doesn't clearly state what is expected, then the courts are obligated to rule in favor of the taxpayer:

The essential purpose of the "void for vagueness doctrine" with respect to interpretation of a criminal statute, is to warn individuals of the criminal consequences of their conduct. ... Criminal statutes which fail to give due notice that an act has been made criminal before it is done are unconstitutional deprivations of due process of law.
[U.S. v. De Cadena, 105 F.Supp. 202, 204 (1952), emphasis added]

The U.S. Supreme Court has also said, based on the rules of statutory construction, that we may not extend the meaning of a term beyond that specifically defined or enclosed within its definition:

"In the interpretation of statutes levying taxes, it is the established rule not to extend their provisions by implication beyond the clear import of the language used, or to enlarge their operations so as to embrace matters not specifically pointed out. In case of doubt they are construed most strongly against the government and in favor of the citizen."
[Gould v. Gould, 245 U.S. 151, at 153]

Consequently, we have to disagree with the IRS' convoluted definition of the term "includes", and instead characterize it as a naked power grab to extend federal jurisdiction into the sovereign 50 states and violate Article 1, Section 2, Clause 3 and Article 1, Section 9, Clause 4 of the Constitution. This routine abuse of Constitutional Law by the IRS amounts to "extortion under the color of law", as we clearly explain in our book the Great IRS Hoax.

Relevant Case Law:

United States v. Latham, 754 F.2d 747, 750 (7 th Cir. 1985) – calling the instructions Latham wanted given to the jury "inane," the court said, "[the] instruction which indicated that under 26 U.S.C. §3401(c) the category of 'employee' does not include privately employed wage earners is a preposterous reading of the statute. It is obvious within the context of [the law] the word 'includes' is a term of enlargement not of limitation, and the reference to certain entities or categories is not intended to exclude all others. "

Sullivan v. United States, 788 F.2d 813, 815 (1 st Cir. 1986) – the court rejected Sullivan's attempt to recover a civil penalty for filing a frivolous return, stating "to the extent [he] argues that he received no 'wages' ... because he was not an 'employee' within the meaning of 26 U.S.C. §3401(c), that contention is meritless. ... The statute does not purport to limit withholding to the persons listed therein." The court imposed sanctions on Sullivan for bringing a frivolous appeal.

Peth v. Breitzmann, 611 F. Supp. 50, 53 (E.D. Wis. 1985) – the court rejected the taxpayer's argument "that he is not an 'employee' under I.R.C. § 3401(c) because he is not a federal officer, employee, elected official, or corporate officer," stating, "[he] mistakenly assumes that this definition of 'employee' excludes all other wage earners."

Pabon v. Commissioner, T.C. Memo. 1994-476, 68 T.C.M. (CCH) 813, 816 (1994) – the court characterized Pabon's position – including that she was not subject to tax because she was not an employee of the federal or state governments – as "nothing but tax protester rhetoric and legalistic gibberish." The court imposed a penalty of $2,500 on Pabon for bringing a frivolous case, stating that she "regards this case as a vehicle to protest the tax laws of this country and espouse her own misguided views."

D. Constitutional Amendment Claims

1. Contention: Taxpayers can refuse to pay income taxes on religious or moral grounds by invoking the First Amendment

Some argue that taxpayers may refuse to pay federal income taxes based on their religious or moral beliefs, or objection to the use of taxes to fund certain government programs. These persons mistakenly invoke the First Amendment in support of this frivolous position.

The Law: The First Amendment to the United States Constitution provides, in part, that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof . . . " The First Amendment, however, does not provide a right to refuse to pay income taxes on

religious or moral grounds, or because taxes are used to fund government programs opposed by the taxpayer.

The only people who are "taxpayers" are those domiciled on federal territory within the "United States" [District of Columbia] and who are lawfully engaged in a public office within the U.S. government. It is a criminal violation of 18 U.S.C. §912 to become a "taxpayer" any other way, including by signing IRS Form W-4. The Supreme Court ruled in *Downes v. Bidwell*, 182 U.S. 244 (1901) that District of Columbia, or the "federal zone" more properly, is not protected by the Bill of Rights or the Constitution, and therefore people domiciled there cannot lawfully claim anything within the Bill of Rights, including the First Amendment, as a basis for refusing to pay a lawful tax. Domiciliaries of the "federal zone" ARE NOT parties to the Constitution of the United States and instead are simply "subject citizens" with no rights other than what Congress through legislation gives them. Likewise, "taxpayers" cannot cite their religious beliefs as a basis for basically dishonoring their private contracts under the terms of the I.R.C. Subtitle A franchise agreement.

26 CFR §31.3402(p)-1 identifies the W-4 as an "agreement". The IRS abuses this form to fraudulently create public offices and "taxpayers" not otherwise subject to their jurisdiction where they are prohibited from serving pursuant to 4 U.S.C. §72. The form doesn't admit that it is a contract because the IRS deceitfully doesn't want you knowing that you are signing a contract. The terms of this agreement or contract are that:

1. All earnings in the context of the W-4 submitted are includible in "gross income". See 26 CFR §31.3402(p)-1.
2. The person signing the form consents to be treated as an "employee" under 26 CFR §31.3401(c)-1, who is an elected or appointed officer of the federal corporation called the "United States" government. The upper left corner of the form says "Employee Withholding Allowance Certificate" and the "employee" is the submitter.
3. Their earnings are "effectively connected with a trade or business United States", which means that the party receiving them is acting as a "withholding agent" over their own earnings who is "liable" under 26 U.S.C. §1461.
4. They consent and agree to be treated as a virtual resident of the District of Columbia under 26 U.S.C. §7701(a)(39) who is "completely subject" to federal jurisdiction, even though neither they nor any of their property would otherwise be so subject.

Income taxes are a civil liablity that attaches to your choice of domicile. You must have a domicile or residence on federal territory in order to be subject to I.R.C. Subtitle A income taxes.

> *"**Thus, the Court has frequently held that domicile or residence, more substantial than mere presence in transit or sojourn, is an adequate basis for taxation, including income, property, and death taxes**. Since the Fourteenth Amendment makes one a citizen of the state wherein he resides, **the fact of residence creates universally reciprocal duties of protection by the state and of allegiance and support by the citizen. The latter obviously includes a duty to pay taxes, and their nature and measure is largely a political matter.** Of course, the situs of property may tax it regardless of the citizenship, domicile, or residence of the owner, the most obvious illustration being a tax on realty laid by the state in which the realty is located."*
> *[Miller Brothers Co. v. Maryland, 347 U.S. 340 (1954)]*

Therefore, those "nontaxpayers" who do not wish to be treated as "taxpayers" should not be signing forms that are only available to those domiciled on federla territory. Those domiciled outside of federal territory and inside a state of the Union cannot lawfully or contractually engage in government franchises such as IRS Form W-4 because their rights are "unalienable", which means they can't be bargained away through any commercial process, including a franchise agreement or W-4 contract.

> *"We hold these truths to be self-evident, that **all men are created equal, that they are endowed by their Creator with certain unalienable Rights**, that among these are Life, Liberty and the pursuit of Happiness.--That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, -"*
> *[Declaration of Independence]*
>
> *"Unalienable. Inalienable; **incapable of being aliened, that is, sold and transferred**."*
> *[Black's Law Dictionary, Fourth Edition, p. 1693]*

The first step in plundering innocent Americans is deliberately confusing them into believing that they are domiciled on federal territory and therefore are statutory rather than constitutional "U.S. citizens". This results in a waiver of sovereign immunity pursuant to 28 U.S.C. §1603(b)(3) and a complete destruction of all your rights by placing you geographically in a place not protected by the Constitution. This FRAUD is documented in

Flawed Tax Arguments to Avoid, Form #08.004, Section 5.1
http://sedm.org/Forms/FormIndex.htm

Relevant Case Law:

United States v. Lee, 455 U.S. 252, 260 (1982) - the U.S. Supreme Court held that the broad public interest in maintaining a sound tax system is of such importance that religious beliefs in conflict with the payment of taxes provide no basis for refusing to pay, and stated that "[t]he tax system could not function if denominations were allowed to challenge the tax system because tax payments were spent in a manner that violates their religious belief."

United States v. Ramsey, 992 F.2d 831, 833 (8th Cir. 1993) - the court rejected Ramsey's argument that filing federal income tax returns and paying federal income taxes violates his pacifist religious beliefs and stated that Ramsey "has no First Amendment right to avoid federal income taxes on religious grounds."

Wall v. United States, 756 F.2d 52 (8th Cir. 1985) - the court upheld the imposition of a $500 frivolous return penalty against Wall for taking a war tax deduction on his federal income tax return based on his religious convictions and stated the "necessities of revenue collection through a sound tax system raise governmental interests sufficiently compelling to outweigh the free exercise rights of those who find the tax objectionable on bona fide religious grounds."

United States v. Peister, 631 F2d. 658 (10th Cir. 1980) – the court rejected Peister's argument that he was exempt from income tax based on his vow of poverty after he became the minister of a church he formed; his First Amendment right to freedom of religion was not violated.

2. Contention: Federal income taxes constitute a "taking" of property without due process of law, violating the Fifth Amendment.

Some assert that the collection of federal income taxes constitutes a "taking" of property without due process of law, in violation of the Fifth Amendment. Thus, any attempt by the Internal Revenue Service to collect federal income taxes owed by a taxpayer is unconstitutional.

The Law: The Fifth Amendment to the United States Constitution provides that a person shall not be "deprived of life, liberty, or property, without due process of law ..." The U.S. Supreme Court stated in Brushaber v. Union Pacific R.R., 240 U.S. 1, 24 (1916), that "it is ... well settled that [the Fifth Amendment] is not a limitation upon the taxing power conferred upon Congress by the Constitution; in other words, that the Constitution does not conflict with itself by conferring upon the one hand a taxing power, and taking the same power away on the other by limitations of the due process clause." Further, the Supreme Court has upheld the constitutionality of the summary administrative procedures contained in the Internal Revenue Code against due process challenges, on the basis that a post-collection remedy (e.g., a tax refund suit) exists and is sufficient to satisfy the requirements of constitutional due process. Phillips v. Commissioner, 283 U.S. 589, 595-97 (1931).

The Internal Revenue Code provides methods to ensure due process to taxpayers: (1) the "refund method," set forth in section 7422(e) and 28 U.S.C. §§ 1341 and 1346(a), where a taxpayer must pay the full amount of the tax and then sue in a federal district court or in the United States Court of Federal Claims for a refund; and (2) the "deficiency method," set forth in section 6213(a), where a taxpayer may, without paying the contested tax, petition the United States Tax Court to redetermine a tax deficiency asserted by the IRS. Courts have found that both methods provide constitutional due process.

In recent years, Congress passed new laws providing further protection for taxpayers' due process rights in collection matters. In the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. 105-206, § 3401, 112 Stat. 685, 746, Congress enacted new sections 6320 (pertaining to liens) and 6330 (pertaining to levies) establishing collection due process rights for taxpayers, effective for collection actions after January 19, 1999. Generally, the IRS must provide taxpayers notice and an opportunity for an administrative appeals hearing upon the filing of a notice of federal tax lien (section 6320) and prior to levy (section 6330). Taxpayers also have the right to seek judicial review of the IRS's determination in these due process proceedings. I.R.C. §6330(d).

However, the Tax Court has indicated that it will impose sanctions pursuant to section 6673 against taxpayers who seek judicial relief based upon frivolous or groundless positions.

Relevant Case Law:

Flora v. United States, 362 U.S. 145, 175 (1960) – the court affirmed its earlier decision that a taxpayer must pay the full tax assessment before being able to file a refund suit in district court, noting that a person has the right to appeal an assessment to the Tax Court "without paying a cent."

Schiff v. United States, 919 F.2d 830 (2 nd Cir. 1990) – the court rejected a due process claim where the taxpayer chose not to avail himself of the opportunity to appeal a deficiency notice to the Tax Court.

Goza v. Commissioner, 114 T.C. 176 (2000) – the court rejected the taxpayer's attempt to use the judicial review process as a forum to contest the underlying tax liability, since the taxpayer had an opportunity to dispute that liability after receiving the statutory notice of deficiency.

Pierson v. Commissioner, 115 T.C. 576, 581 (2000) – the court considered imposing sanctions against the taxpayer, but decided against doing so, stating, "we regard this case as fair warning to those taxpayers who, in the future, institute or maintain a lien or levy action primarily for delay or whose position in such a proceeding is frivolous or groundless."

Davis v. Commissioner, T.C. Memo. 2001-87, 81 T.C.M. (CCH) 1503 (2001) – the court imposed a $4,000 penalty for frivolous and groundless arguments, after warning that the taxpayer could be penalized for presenting them.

3. Contention: Taxpayers do not have to file returns or provide financial information because of the protection against self-incrimination found in the Fifth Amendment.

Some argue that taxpayers may refuse to file federal income tax returns, or may submit tax returns on which they refuse to provide any financial information, because they believe that their Fifth Amendment privilege against self-incrimination will be violated.

The Law: There is no constitutional right to refuse to file an income tax return on the ground that it violates the Fifth Amendment privilege against self-incrimination. In United States v. Sullivan, 274 U.S. 259, 264 (1927), the U.S. Supreme Court stated that the taxpayer "could not draw a conjurer's circle around the whole matter by his own declaration that to write any word upon the government blank would bring him into danger of the law." The failure to comply with the filing and reporting requirements of the federal tax laws will not be excused based upon blanket assertions of the constitutional privilege against compelled self-incrimination under the Fifth Amendment.

Once again, the government speaketh with forked tongue. The Fifth Amendment doesn't say you have a right not to submit a tax return, but it does imply that we have a right not to put ANYTHING on it that would incriminate us, either civilly or criminally. That means we are perfectly within our rights to file a blank return and can't be penalized for it, under the Fifth Amendment, and we pointed out earlier in the case of U.S. v. Troescher, CV 93-5736 (an unpublished case), the 9th Circuit Court of Appeals that:

> *"[t]he self-incrimination clause of the Fifth Amendment applies in all instances where a taxpayer has reasonable cause to apprehend criminal prosecution, whether tax related or not." We agree. There is no general "Tax-Crime Exception" to the Fifth Amendment, and Troescher's Fifth Amendment claims were not defeated here simply because he feared prosecution for tax crimes.*

Relevant Case Law:

United States v. Schiff, 612 F.2d 73, 83 (2d Cir. 1979) – the court said that "the Fifth Amendment privilege does not immunize all witnesses from testifying. Only those who assert as to each

particular question that the answer to that question would tend to incriminate them are protected. ... [T]he questions in the income tax return are neutral on their face ... [h]ence privilege may not be claimed against all disclosure on an income tax return."

United States v. Brown, 600 F.2d 248, 252 (10 th Cir. 1979) – noting that the Supreme Court had established "that the self-incrimination privilege can be employed to protect the taxpayer from revealing the information as to an illegal source of income, but does not protect him from disclosing the amount of his income," the court said Brown made "an illegal effort to stretch the Fifth Amendment to include a taxpayer who wishes to avoid filing a return."

United States v. Neff, 615 F.2d 1235, 1241 (9 th Cir.), cert. denied, 447 U.S. 925 (1980) – the court affirmed a failure to file conviction, noting that the taxpayer "did not show that his response to the tax form questions would have been self-incriminating. He cannot, therefore, prevail on his Fifth Amendment claim."

United States v. Daly, 481 F.2d 28, 30 (8 th Cir.), cert. denied, 414 U.S. 1064 (1973) – the court affirmed a failure to file conviction, rejecting the taxpayer's Fifth Amendment claim because of his "error in ... his blanket refusal to answer any questions on the returns relating to his income or expenses."

Sochia v. Commissioner, 23 F.3d 941 (5 th Cir. 1994), cert. denied, 513 U.S. 1153 (1995) – the court affirmed tax assessments and penalties for failure to file returns, failure to pay taxes, and filing a frivolous return. The court also imposed sanctions for pursuing a frivolous case. The taxpayers had failed to provide any information on their tax return about income and expenses, instead claiming a Fifth Amendment privilege on each line calling for financial information.

4. Contention: Compelled compliance with the federal income tax laws is a form of servitude in violation of the Thirteenth Amendment.

This argument asserts that the compelled compliance with federal tax laws is a form of servitude in violation of the Thirteenth Amendment.

The Law: The Thirteenth Amendment to the United States Constitution prohibits slavery within the United States, as well as the imposition of involuntary servitude, except as punishment for a crime of which a person shall have been duly convicted. In Porth v. Brodrick, 214 F.2d 925, 926 (10 th Cir. 1954), the Court of Appeals stated that "if the requirements of the tax laws were to be classed as servitude, they would not be the kind of involuntary servitude referred to in the Thirteenth Amendment." Courts have consistently found arguments that taxation constitutes a form of involuntary servitude to be frivolous.

The above comments violate the U.S. Supreme Court's own definition of slavery in the case of Yick Wo v. Hopkins, 118 U.S. 356 (1886):

> *"For the very idea that one man may be compelled to hold his life, or the means of living, or any material right essential to the enjoyment of life, at the mere will of another, seems to be intolerable in any country where freedom prevails, as being the essence of slavery itself."*

Did you also notice they DIDN'T SAY that Subtitle A income taxes weren't involuntary servitude or slavery? They simply said that they weren't the kind of slavery referenced in the Thirteenth Amendment. But guess what, Title 18 of the U.S. Code prohibits slavery to pay off debts too:

> *18 U.S.C. Sec. 1581. Peonage; obstructing enforcement*
>
> *(a) Whoever holds or returns any person to a condition of peonage, or arrests any person with the intent of placing him in or returning him to a condition of peonage, shall be fined under this title or imprisoned not more than 10 years, or both.*
> *(b) Whoever obstructs, or attempts to obstruct, or in any way interferes with or prevents the enforcement of this section, shall be liable to the penalties prescribed in subsection (a).*

And peonage is defined as follows:

> *peonage 1 a: the use of laborers bound in servitude because of debt b: a system of convict labor by which convicts are leased to contractors 2: the condition of a peon.*
>
> *peon 3 a: a person held in compulsory servitude to a master for the working out of an indebtedness b: DRUDGE, MENIAL*

You will note that the Federal Reserve Act and the Income Tax were passed at exactly the same time. Our country was in debt to the Federal Reserve to the tune of more than 6.6 Trillion dollars as of July 2, 2003 (see http://www.publicdebt.treas.gov/opd/opdpenny.htm). This debt is paid off by peonage maintained by the illegal enforcement of the Internal Revenue Code. Isn't "peonage" against the Thirteenth Amendment and Title 18 of the U.S. Code, but that's what the U.S. Congress legalized when it nearly simultaneously passed the Federal Reserve Act and the Income Tax in 1913. The two are linked together because if you are going to run up a big public debt, then "peons" are needed to pay it off!

We agree that not all forms of taxation amount to slavery or peonage, but only taxes based on labor where the subject did not individually consent, or those NOT based on privilege or excise taxes. Excise taxes are voluntary in a sense, because if you don't want to pay taxes on the exercise of a government granted privilege, then you have a choice not to exercise the privilege. Sales taxes are voluntary because if you don't want to pay the tax, then don't buy the item that is taxed. Income taxes on labor, on the other hand, are quite a different matter entirely.

The Constitution grants us a right to life, liberty, and the pursuit of happiness. Would anyone be happy or have any liberty at all if income taxes were 100%? We would all be complete (financial) slaves for such a case. Well then, if we pay 50% of our income, then aren't we "peon" slaves working off a public debt we didn't even approve of (over 85% of Americans want a balanced budget amendment but Congress has repeatedly thwarted the will of the people by not passing one) Is that liberty or the pursuit of happiness, or is it slavery by a nicer name called peonage? The Supreme Court has ruled that labor is our property because our body is our own property:

> *"Among these unalienable rights, as proclaimed in the Declaration of Independence is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IS HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOLABLE..."*
> *[Butcher's Union Co. v. Crescent City Co., 111 U.S. 746 (1884)]*

So if labor is property, and when we get money (one type of property) in exchange for labor (another type of property), then why isn't that exchange treated as a nonprofit EQUAL exchange? To do otherwise would be to treat your body, in effect, as government property that doesn't belong to you, and to pay taxes on income derived from the "privilege" of borrowing your labor from the government long enough to earn money from it! Is that liberty and is this really a free country under such circumstances?

Relevant Case Law:

Porth v. Brodrick, 214 F.2d 925, 926 (10 th Cir. 1954) – the court described the taxpayer's Thirteenth and Sixteenth Amendment claims as "clearly unsubstantial and without merit," as well as "far-fetched and frivolous."

United States v. Drefke, 707 F.2d 978, 983 (8 th Cir. 1983) – the court affirmed Drefke's failure to file conviction, rejecting his claim that the Thirteenth Amendment prohibited his imprisonment because that amendment "is inapplicable where involuntary servitude is imposed as punishment for a crime."

Ginter v. Southern, 611 F.2d 1226 (8 th Cir. 1979) – the court rejected the taxpayer's claim that the Internal Revenue Code results in involuntary servitude in violation of the Thirteenth Amendment.

Kasey v. Commissioner, 457 F.2d 369 (9 th Cir. 1972) – the court rejected as without merit the argument that the requirements to keep records and to prepare and file tax returns violated the Kaseys' Fifth Amendment privilege against self-incrimination and amount to involuntary servitude prohibited by the Thirteenth Amendment.

5. Contention: The Sixteenth Amendment to the United States Constitution was not properly ratified, thus the federal income tax laws are unconstitutional.

This argument is based on the premise that all federal income tax laws are unconstitutional because the Sixteenth Amendment was not officially ratified, or because the State of Ohio was not properly a state at the time of ratification. This argument has survived over time because proponents mistakenly believe that the courts have refused to address this issue.

According to the Supreme Court, the 16th Amendment "conferred no new powers of taxation":

> *"..by the previous ruling it was settled that the provisions of 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 and being placed in the category of direct taxation subject to apportionment by a consideration of the sources from which the income was derived, that is by testing the tax not by what it was -- a tax on income, but by a mistaken theory deduced from the origin or source of the income taxed. "*
> *[Stanton v. Baltic Mining, 240 U.S. 103 (1916)]*

Therefore, why even argue about whether it was properly ratified. IT'S IRRELEVANT and red herring to keep attention off much more substantive issues discussed elsewhere in our rebuttal to this document.

The Law: The Sixteenth Amendment provides that Congress shall have the 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. U.S. Const. amend. XVI. The Sixteenth Amendment was ratified by forty states, including Ohio, and issued by proclamation in 1913. Shortly thereafter, two other states also ratified the Amendment. Under Article v. of the Constitution, only three-fourths of the states are needed to ratify an Amendment. There were enough states ratifying the Sixteenth Amendment even without Ohio to complete the number needed for ratification. Furthermore, the U.S. Supreme Court upheld the constitutionality of the income tax laws enacted subsequent to ratification of the Sixteenth Amendment in Brushaber v. Union Pacific R.R., 240 U.S. 1 (1916). Since that time, the courts have consistently upheld the constitutionality of the federal income tax.

Relevant Case Law:

Miller v. United States, 868 F.2d 236, 241 (7 th Cir. 1989) (per curiam) – the court stated, "We find it hard to understand why the long and unbroken line of cases upholding the constitutionality of the sixteenth amendment generally, Brushaber v. Union Pacific Railroad Company ... and those specifically rejecting the argument advanced in The Law That Never Was, have not persuaded Miller and his compatriots to seek a more effective forum for airing their attack on the federal income tax structure." The court imposed sanctions for them having advanced a "patently frivolous" position.

United States v. Stahl, 792 F.2d 1438, 1441 (9 th Cir. 1986), cert. denied, 479 U.S. 1036 (1987) – stating that "the Secretary of State's certification under authority of Congress that the sixteenth amendment has been ratified by the requisite number of states and has become part of the Constitution is conclusive upon the courts," the court upheld Stahl's conviction for failure to file returns and for making a false statement.

Knoblauch v. Commissioner, 749 F.2d 200, 201 (5 th Cir. 1984), cert. denied, 474 U.S. 830 (1986) – the court rejected the contention that the Sixteenth Amendment was not constitutionally adopted as "totally without merit" and imposed monetary sanctions against Knoblauch based on the frivolousness of his appeal. "Every court that has considered this argument has rejected it," the court observed.

United States v. Foster, 789 F.2d 457 (7 th Cir.), cert. denied, 479 U.S. 883 (1986) – the court affirmed Foster's conviction for tax evasion, failing to file a return, and filing a false W-4 statement, rejecting his claim that the Sixteenth Amendment was never properly ratified.

6. Contention: The Sixteenth Amendment does not authorize a direct non-apportioned federal income tax on United States citizens.

Some assert that the Sixteenth Amendment does not authorize a direct non-apportioned income tax and thus, U.S. citizens and residents are not subject to federal income tax laws.

The Law: The courts have both implicitly and explicitly recognized that the Sixteenth Amendment authorizes a non-apportioned direct income tax on United States citizens and that the federal tax laws as applied are valid. In United States v. Collins, 920 F.2d 619, 629 (10 th Cir. 1990), cert. denied, 500 U.S. 920 (1991), the court cited to Brushaber Union Pac .R.R., 240 U.S. 1, 12-19 (1916), and noted that the U.S. Supreme Court has recognized that the "sixteenth amendment authorizes a direct nonapportioned tax upon United States citizens throughout the nation."

We don't argue that the Sixteenth Amendment authorizes a nonapportioned income tax. The question is WHERE is it authorized, on WHAT type of income is it authorized, and WHO is responsible to pay the tax?

According to the U.S. Supreme Court in the case of Downes v. Bidwell, 182 U.S. 244, (1901):

> *"CONSTITUTIONAL RESTRICTIONS AND LIMITATIONS [Bill of Rights] WERE NOT APPLICABLE to the areas of lands, enclaves, territories, and possessions over which Congress had EXCLUSIVE LEGISLATIVE JURISDICTION"*

This ruling says that it doesn't matter WHAT the constitution says about apportionment of income taxes among the states, such apportionment isn't required on federal property covered by Article 1, Section 8, Clause 17 of the constitution, which gives Congress exclusive legislative jurisdiction over federal lands:

> *U.S. Constitution, Article 1, Section 8, Clause 17:*
>
> *To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be for the Erection of Forts, Magazines, Arsenals, dock-Yards, and other needful Buildings;—And [underlines added]*

The type of income that the 16th Amendment authorizes to be taxed is corporate profits and nothing more. The I.R.C. Subtitle A income tax is an indirect excise/privilege tax on a "trade or business", which is defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office". The is exhaustively analyzed in the article below:

The "Trade or Business" Scam
http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm

That public office is in the United States government, which is a federal corporation.

> *United States Code*
> *TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE*
> *PART VI - PARTICULAR PROCEEDINGS*
> *CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE*
> *SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS*
> *Sec. 3002. Definitions*
>
> *(15) "United States" means -*
> *(A) a Federal corporation;*
> *(B) an agency, department, commission, board, or other entity of the United States; or*
> *(C) an instrumentality of the United States.*

Therefore, the I.R.C. Subtitle A is a tax on corporate and partnership profits and earnings of public officials of the U.S. government, but not on the earnings from labor of private individuals who aren't corporate officers or U.S. public officials, unless they consent by voluntarily signing a W-4 form. If you doubt this, examine the following sections of the U.S. Code and the regulations:

- 26 U.S.C., Subchapter D - Seizure of Property for Collection of Taxes
  Sec. 6331. Levy and distraint

(a) Authority of Secretary

If any person liable to pay any tax neglects or refuses to pay the same within 10 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 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. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

- 26 CFR §31.3401(c)-1 Employee: "...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a [federal] State, Territory, Puerto Rico 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."

- 26 U.S.C. § 3401(c) Employee
  For purposes of this chapter, the term "employee" includes [is limited to] 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.

Congressional Research Service Report 97-59A dated May 7, 2001 clearly states that the I.R.C. Subtitle A income tax is an indirect excise tax, not a direct, non-apportioned tax. You can download a copy of this rebutted report from our website at: http://famguardian.org/Subjects/Taxes//FalseRhetoric/CRS-97-59A-rebuts.pdf

All excise taxes are taxes on "privileges" received by the taxpayer from the entity the tax is paid to.

> *"The term 'excise tax' is synonymous with 'privilege tax', and the two have been used interchangeable. Foster & C. Co. v. Graham, 154 Tenn. 412, 285 S.W. 570, 47 ALR 971. Whether a tax is characterized in a statute imposing it, as a privilege tax or an excise tax is merely a choice of synonymous words, for an excise tax is a privilege tax."*
> *[Bank of Commerce & T. Co. v. Senter, 149 Tenn. 569, 260 SW 144, American Airways v. Wallace, 57 F.2d 877, 880.]*

And the definition of privilege is:

> *Privilege: "A particular benefit or advantage enjoyed by a person, company, or class beyond the common advantages of other citizens..."*
> *[Black's Law Dictionary, Sixth Edition, p. 1197]*

An essential feature of excise taxes is that they may not be coerced and are voluntary:

> *"The obligation to pay an excise tax is based upon the voluntary action of the person taxed in performing the act, enjoying the privilege, or engaging in the occupation which is the subject of the excise, and the element of absolute and unavoidable demand is lacking."*
> *[People ex. rel. Atty Gen. v. Naglee, 1 Cal. 232, Bank of Commerce & T.Co. v. Senter, 149 Tenn. 441, 381 SW 144]*

So the questions are:

1. "What 'privilege' are we in receipt of from the government that makes us liable for the excise tax known as the income tax?"
2. "What aspect of our behavior, other than the exercise of constitutionally protected rights of life, liberty, and the pursuit of happiness, causes us to "volunteer" to be liable for the excise tax known as I.R.C. Subtitle A?"

Is it a privilege to live and eat and breath and to be responsible for supporting oneself with labor and the wages that result from that labor? In fact, it's a right granted by the Constitution, and the exercise of rights cannot be taxed or penalized or punished by the government:

> *"That the right to...accept employment as a laborer for hire is a fundamental right is inherent to every free citizen, and is indisputable."*
> *[United States v. Morris, 125 F.Rept. 325, 331]*

However, I.R.C. Subtitle A income taxes amount to a tax on the exercise of rights, which is unconstitutional if the party paying the tax doesn't consent. This, in fact, is why you have to sign a W-4 before you can earn "wages" as legally defined, and why private employers cannot compel you to sign it.

> *IRM 5.14.10.2 (09-30-2004)*
> *Payroll Deduction Agreements*
>
> *2. Private employers, states, and political subdivisions are not required to enter into payroll deduction agreements. Taxpayers should determine whether their employers will accept and process executed agreements before agreements are submitted for approval or finalized.*
> *[SOURCE: http://www.irs.gov/irm/part5/ch14s10.html]*

The opposite of "private employers" is "public employers". The only "public employer" under the I.R.C. is the U.S. government itself. What the government has done, in effect, is to turn the exercise a right into a taxable privilege and tax the exercise of the privilege, which violates and encroaches on our rights and violates the Constitution.

> *"Legislature…cannot name something to be a taxable privilege unless it is first a privilege [Taxation West Key 53]…The Right to receive income or earnings is a right belonging to every person and realization and receipt of income, is therefore, not a privilege that can be taxed." [Taxation West Key 533]"*
> *[Jack Cole Co. v. MacFarland, 337 S.W. 2d 453, Tenn.]*

Our fundamental rights come from the Bill of Rights and are also clarified and explained in the Declaration of Independence says so:

> *"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. "*

Part of the right to "life, liberty, and the pursuit of happiness" is the idea of making a living and supporting oneself so as not to become a burden to society and thereby encroach upon the rights of others by mandating that they support those who will not support themselves.

Once again, why do we pay this illegal [excise/privilege] income tax for privileges we aren't in receipt of?

Relevant Case Law:

In re Becraft, 885 F.2d 547 (9 th Cir. 1989) – the court affirmed a failure to file conviction, rejecting the taxpayer's frivolous position that the Sixteenth Amendment does not authorize a direct non-apportioned income tax.

Lovell v. United States, 755 F.2d 517, 518 (7 th Cir. 1984) – the court rejected the argument that the Constitution prohibits imposition of a direct tax without apportionment, and upheld the district court's frivolous return penalty assessment and the award of attorneys' fees to the government "because [the taxpayers'] legal position was patently frivolous." The appeals court imposed additional sanctions for pursuing "frivolous arguments in bad faith."

Broughton v. United States, 632 F.2d 706 (8 th Cir. 1980) – the court rejected a refund suit, stating that the Sixteenth Amendment authorizes imposition of an income tax without apportionment among the states.

E. Fictional Legal Bases

1. Contention: The Internal Revenue Service is not an agency of the United States.

Some argue that the Internal Revenue Service is not an agency of the United States but rather a private corporation, because it was not created by positive law (i.e., an act of Congress) and that, therefore, the IRS does not have the authority to enforce the Internal Revenue Code.

The Law: There is a host of constitutional and statutory authority establishing that the Internal Revenue Service is an agency of the United States. The U.S. Supreme Court stated in Donaldson v. United States, 400 U.S. 517, 534 (1971), "[w]e bear in mind that the Internal Revenue Service is organized to carry out the broad responsibilities of the Secretary of the Treasury under § 7801(a) of the 1954 Code for the administration and enforcement of the internal revenue laws."

Pursuant to section 7801, the Secretary of Treasury has full authority to administer and enforce the internal revenue laws and has the power to create an agency to enforce such laws. Based upon this legislative grant, the Internal Revenue Service was created. Thus, the Internal Revenue Service is a body established by "positive law" because it was created through a congressionally mandated power. Moreover, section 7803(a) explicitly provides that there shall be a Commissioner of Internal Revenue who shall administer and supervise the execution and application of the internal revenue laws.

We don't argue that the IRS was not created by positive law, but we do argue whether the Secretary of the Treasury or the Department of Justice or the Internal Revenue Service have any delegated authority to enforce Subtitle A personal income taxes inside the boundaries of the sovereign 50 states on nonfederal land. See, for instance, Treasury Order 150-10:

> *Treasury Order 150-10*
>
> *U.S. Territories and Insular Possessions. The Commissioner shall, to the extent of authority otherwise vested in him, provide for the administration of the United States internal revenue laws in the U.S. Territories and insular possessions and other authorized areas of the world.*
> *[Commerce Clearinghouse Publication 685. Also available at: http://www.ustreas.gov/regs/]*

There simply are NO delegation of authority orders authorizing this and there never have been, and the reason is because there is no federal legislative jurisdiction within states of the Union. Please show us such a delegation of authority order and a ruling from the Supreme Court and not lower showing that the federal government has legislative jurisdiction within a sovereign State on land that it does not own. Furthermore, the U.S. Supreme Court has held that Congress cannot authorize, license, or otherwise establish a "trade or business" or any other type of franchise within a state of the Union in order to tax it.

> *"Thus, Congress having power to regulate commerce with foreign nations, and among the several States, and with the Indian tribes, may, without doubt, provide for **granting** coasting **licenses**, licenses to pilots, licenses to trade with the Indians, and any other **licenses** necessary or proper for the exercise of that great and extensive power; and the same observation is applicable to every other power of Congress, to the exercise of which the granting of licenses may be incident. All such licenses confer authority, and give rights to the licensee.*
>
> *But very different considerations apply to the **internal commerce** or **domestic trade** of the **States**. **Over this commerce and trade Congress has no power of regulation nor any direct control. This power belongs exclusively to the States. No interference by Congress with the business of citizens transacted within a State is warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly granted to the legislature**. The power to authorize a business within a State is plainly repugnant to the exclusive power of the State over the same subject. It is true that the power of Congress to tax is a very extensive power. It is given in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports, and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited, and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing subjects. **Congress cannot authorize a trade or business within a State in order to tax it.**"*
> *[License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]*

If Congress cannot "license" a "trade or business" directly, then they also can't do it indirectly by using an SSN or TIN as the a de facto license number. This constitutional prohibition clearly includes the "trade or business" franchise that is the foundation of the modern income tax and which is defined in 26 U.S.C. §7701(a)(26) as "the functions of a public office'. 4 U.S.C. §72 mandates that all public offices must be exercised ONLY in the District of Columbia unless expressly authorized by law. Nowhere are the public offices that are the rightful subject of the tax ever expressly authorized to be exercised in a state of the Union, and therefore taxation cannot occur there.

The IRS indicates that the IRS was established by "positive law". This is FRAUD. 1 U.S.C. §204 indicates that Title 26 of the U.S. Code, also called the Internal Revenue Code, was not enacted into positive law and stands simply as "prima facie evidence". This means that the entire title is nothing more than a presumption. Presumptions are NOT evidence, and therefore nothing from the code can constitute evidence of a liability to do anything. That may be why most federal judges won't even allow the litigants to quote or use the "code" in front of the jury: Because it is a prejudicial presumption that impairs constitutional rights and therefore is a violatin of due process of law:

***"This court has never treated a presumption as any form of evidence**. See, e.g., A.C. Aukerman Co. v. R.L. Chaides Constr. Co., 960 F.2d 1020, 1037 (Fed.Cir.1992) ("[A] presumption is not evidence."); see also Del Vecchio v. Bowers, 296 U.S. 280, 286, 56 S.Ct. 190, 193, 80 L.Ed. 229 (1935) ("[A presumption] cannot acquire the attribute of evidence in the claimant's favor."); New York Life Ins. Co. v. Gamer, 303 U.S. 161, 171, 58 S.Ct. 500, 503, 82 L.Ed. 726 (1938) ("[A] presumption is not evidence and may not be given weight as evidence."). Although a decision of this court, Jensen v. Brown, 19 F.3d 1413, 1415 (Fed.Cir.1994) , dealing with presumptions in VA law is cited for the contrary proposition, the Jensen court did not so decide." [Routen v. West, 142 F.3d 1434 C.A.Fed.,1998]*

*(1) [8:4993] **Conclusive presumptions affecting protected interests:** A conclusive presumption may be defeated where its application would impair a party's constitutionally-protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a party's due process and equal protection rights. [Vlandis v. Kline (1973) 412 U.S. 441, 449, 93 S.Ct 2230, 2235; Cleveland Bed. of Ed. v. LaFleur (1974) 414 U.S. 632, 639-640, 94 S.Ct. 1208, 1215-presumption under Illinois law that unmarried fathers are unfit violates process]*
[Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34]

For a fascinating study that proves the IRS isn't part of the government and especially isn't an "agency" as that term is legally defined, and which contains an admission by a DOJ lawyer that disproves the above claim that the IRS is an "agency", see:

Origins and Authority of the Internal Revenue Service, Form #05.005
http://sedm.org/Forms/FormIndex.htm

Relevant Case Law:

Salman v. Dept. of Treasury, 899 F. Supp. 471 (D. Nev. 1995) – the court described Salman's contention that the Internal Revenue Service is not a government agency of the United States as wholly frivolous and dismissed his claim with prejudice.

Young v. I.R.S., 596 F. Supp. 141 (N.D. Ind. 1984) – the court granted summary judgment in favor of government, rejecting Young's claim that the Internal Revenue Service is a private corporation, rather than a government agency.

2. Contention: Taxpayers are not required to file a federal income tax return, because the instructions and regulations associated with the Form 1040 do not display an OMB control number as required by the Paperwork Reduction Act.

Some argue that taxpayers are not required to file tax returns because of the Paperwork Reduction Act of 1980, 44 U.S.C. § 3501, et seq. ("PRA"). The PRA was enacted to limit federal agencies' information requests that burden the public. The "public protection" provision of the PRA provides that no person shall be subject to any penalty for failing to maintain or provide information to any agency if the information collection request involved does not display a current control number assigned by the Office of Management and Budget [OMB] Director. 44 U.S.C. §3512. Advocates of this contention claim that they cannot be penalized for failing to file Form 1040, because the instructions and regulations associated with the Form 1040 do not display any OMB control number.

The Law: The courts have uniformly rejected this argument on different grounds. Some courts have simply noted that the PRA applies to the forms themselves, not to the instruction booklets, and because the Form 1040 does have a control number, there is no PRA violation. Other courts have held that Congress created the duty to file returns in section 6012(a) and "Congress did not enact the PRA's public protection provision to allow OMB to abrogate any duty imposed by Congress" United States v. Neff, 954 F.2d 698, 699 (11 th Cir. 1992).

The issue isn't just whether the form fails to display an OMB control number. The issue is whether it meets ALL THREE of the provisions of the Paperwork Reduction Act. These provisions include the following requirements, as indicated in Public Law 96-511:

1. Displays a valid OMB control number.
2. Indicates whether submission of the form is voluntary or mandatory.

3. Indicates the expiration date of the form, which can be no longer than three years after issuance of the form.

The PRA also says that if a form does not meet the above three requirements, then, and I quote:

> *[It] "requires all information requests of the public to display a control number, an expiration date, and indicate why the information is needed, how it will be used, and whether it is a voluntary or mandatory request. Requests which do not reflect a current OMB control number or fail to state why not, are 'bootleg'11 requests and may be ignored by the public."*

The hypocrisy of the government and the courts toward its own laws, as indicated below, is proof that we live in a lawless society of men, and not law which is devoid of justice.

Relevant Case Law:

United States v. Wunder, 919 F.2d 34 (6 th Cir. 1990) – the court rejected Wunder's claim of a PRA violation, affirming his conviction for failing to file a return.

Salberg v. United States, 969 F.2d 379 (7 th Cir. 1992) – the court affirmed Salberg's conviction for tax evasion and failing to file a return, rejecting his claims under the PRA.

United States v. Holden, 963 F.2d 1114 (8 th Cir.), cert. denied, 506 U.S. 958 (1992) – the court affirmed Holden's conviction for failing to file a return and rejected his contention that he should have been acquitted because tax instruction booklets fail to comply with the PRA.

United States v. Hicks, 947 F.2d 1356, 1359 (9 th Cir. 1991) – the court affirmed Hicks' conviction for failing to file a return, finding that the requirement to provide information is required by law, not by the IRS. "This is a legislative command, not an administrative request. The PRA was not meant to provide criminals with an all-purpose escape hatch."

Lonsdale v. United States, 919 F.2d 1440, 1445 (10 th Cir. 1990) – the court found that the PRA "is inapplicable to 'information collection request' forms issued during an investigation against an individual to determine his or her tax liability."

3. Contention: African Americans can claim a special tax credit as reparations for slavery and other oppressive treatment.

Proponents of this contention assert that African Americans can claim a so-called "Black Tax Credit" on their federal income tax returns as reparations for slavery and other oppressive treatment suffered by African Americans.

The Law: There is no provision in the Internal Revenue Code which allows taxpayers to claim a "Black Tax Credit." It is a well settled principle of law that deductions and credits are a matter of legislative grace. See e.g., Wilson v. Commissioner, T.C. Memo. 2001-139, 81 T.C.M. (CCH) 1745 (2001). Unless specifically provided for in the Internal Revenue Code, no deduction or credit may be allowed.

Relevant Case Law:

United States v. Bridges, 86 A.F.T.R.2d (RIA) 5280 (4 th Cir. 2000) – the court upheld Bridges' conviction of aiding and assisting the preparation of false tax returns, on which he claimed a non-existent "Black Tax Credit."

4. Contention: Taxpayers are entitled to a refund of the Social Security taxes paid over their lifetime.

[11] Bootleg—adj. 6. Made, sold, or transported unlawfully. (Websters's New Universal Unabridged Dictionary, Random House Dictionary of English Language).

Proponents of this contention encourage individuals to file claims for refund of the Social Security taxes paid during their lifetime, on the basis that the claimants have sought to waive all rights to their Social Security benefits. Additionally, some advise taxpayers to claim a charitable contribution deduction as a result of their "gift" of these benefits or of the Social Security taxes to the United States.

The Law: There is no provision in the Internal Revenue Code, or any other provision of law, which allows for a refund of Social Security taxes paid on the grounds asserted above. In Crouch v. Commissioner, T.C. Memo. 1990-309, 59 T.C.M. (CCH) 938 (1990), the Tax Court sustained an IRS determination that a person may not claim a charitable contribution deduction based upon the waiver of future Social Security benefits.

5. Contention: An "untaxing" package or trust provides a way of legally and permanently avoiding the obligation to file federal income tax returns and pay federal income taxes

Advocates of this idea believe that an "untaxing" package or trust provides a way of legally and permanently "untaxing" oneself so that a person would no longer be required to file federal income tax returns and pay federal income taxes. Promoters who sell such tax evasion plans and supposedly teach individuals how to remove themselves from the federal tax system rely on many of the above-described frivolous arguments, such as the claim that payment of federal income taxes is voluntary, that there is no requirement for a person to file federal income tax returns, and that there are legal ways not to pay federal income taxes.

"Nontaxpayers" pursue trusts and corporation soles and other forms of structuring in order to protect their assets from illegal IRS enforcement actions. They don't do it to "untax" themselves. They probably wouldn't do it at all if our government demonstrated a respect for the Constitution and did not try to enforce the Internal Revenue Code against those who are not even subject to it. The total disregard for enacted positive law, and the Constitution is described by Congress in 50 U.S.C. §841 as "Communism". The IRS is a communist organization, and those who are fighting communism must go to such extraordinary lengths not out of greed, but to ensure that they can support themselves and don't become a burden their friends and loved ones, and that they put their God first and don't allow government to become dictatorial or a false god or idol. Any government or public servant who is allowed to blatantly disregard enacted positive law and the Constitution is not only a communist, but a false god, and is certainly depriving others of the "equal protection of the laws" that is the foundation of our free Republican government:

TITLE 50 > CHAPTER 23 > SUBCHAPTER IV > Sec. 841.
Sec. 841. - Findings and declarations of fact

The Congress finds and declares that the Communist Party of the United States [consisting of the IRS, DOJ, and a corrupted federal judiciary], although purportedly a political party, ***is in fact an instrumentality of a conspiracy to overthrow the [de jure] Government of the United States [and replace it with a de facto government ruled by a the judiciary]. It constitutes an authoritarian dictatorship [IRS, DOJ, and corrupted federal judiciary in collusion] within a [constitutional] republic, demanding for itself the rights and privileges [including immunity from prosecution for their wrongdoing in violation of Article 1, Section 9, Clause 8 of the Constitution] accorded to political parties, but denying to all others the liberties [Bill of Rights] guaranteed by the Constitution.*** *Unlike political parties, which evolve their policies and programs through public means, by the reconciliation of a wide variety of individual views, and submit those policies and programs to the electorate at large for approval or disapproval, the policies and programs of the Communist Party are secretly [by corrupt judges and the IRS in complete disregard of the tax laws] prescribed for it by the foreign leaders of the world Communist movement [the IRS and Federal Reserve]. Its members [the Congress, which was terrorized to do IRS bidding recently by the framing of Congressman Traficant] have no part in determining its goals, and are not permitted to voice dissent to party objectives. Unlike members of political parties, members of the Communist Party are recruited for indoctrination [in the public schools by homosexuals, liberals, and socialists] with respect to its objectives and methods, and are organized, instructed, and disciplined [by the IRS and a corrupted judiciary] to carry into action slavishly the assignments given them by their hierarchical chieftains.* ***Unlike political parties, the Communist Party [thanks to a corrupted federal judiciary] acknowledges no constitutional or statutory limitations upon its conduct or upon that of its members.*** *The Communist Party is relatively small numerically, and gives scant indication of capacity ever to attain its ends by lawful political means.* ***The peril inherent in its operation arises not from its numbers, but from its failure to acknowledge any limitation as to the nature of its activities, and its dedication to the proposition that the present constitutional Government of the United States ultimately must be brought to ruin by any available means, including resort to force and violence [or using income taxes]. Holding that doctrine, its role as the agency of a hostile foreign power [the Federal Reserve and the American Bar Association (ABA)] renders its existence a clear present and continuing danger to the security of the United States. It is the means whereby individuals are seduced into the service of the world Communist movement, trained to do its bidding, and directed and controlled in the conspiratorial performance of their revolutionary services. Therefore, the Communist Party should be outlawed***

The Law: The underlying claims for these "untaxing" packages are frivolous, as specified above. Promoters of these "untaxing" schemes as well as willful taxpayers have been subjected to criminal penalties for their actions. Taxpayers who have purchased and followed these "untaxing" plans have also been subjected to civil penalties for failure to timely file a federal income tax return and failure to pay federal income taxes.

Section 7408 provides a cause of action for injunctive relief to the United States against a party suspected of violating the tax laws. On November 15, 2001, the United States filed complaints for permanent injunctions pursuant to section 7408 against three individuals (David Bosset, Thurston Bell, and Harold Hearn) for failing to sign tax returns, promoting schemes that they knew were false or fraudulent, and engaging in the preparation of documents that understate tax liability. United States v. Bosset, No. 8:01-cv-2154-T-26TBM (M.D. Fla. 2001); United States v. Bell, No. 1:CV-01-2159 (M.D. Penn. 2001); United States v. Hearn, No. 1:01-CV-3058 (N.D. Ga. 2001).

In several of the above cases, there was a gross violation of due process because:

1. The defendant was not within general or exclusive federal jurisdiction.
2. The defendant challenged federal subject matter and in personam jurisdiction and demanded proof of jurisdiction to appear on the record. The judge ignored such demand in stark violation of the rulings of the Supreme Court.
3. The accused was not allowed to admit any evidence on the record in their defense.
4. The government was not required to produce admissible evidence that the court had subject matter jurisdiction over the defendant.
5. The government was not even required to provide admissible evidence that the parties to whom these packages were offered were "taxpayers".
6. The judge would not allow a jury trial, but instead issued a "summary judgment", and suffered from a personal conflict of interest in violation of 28 U.S.C. §144, 28 U.S.C. §455, and 18 U.S.C. §208 because his retirement benefits and pay were derived from the very activity he was ruling on.

Is THIS your idea of "civil procedure". This is "uncivil procedure", not "civil procedure". Civilized people don't behave this way and any judge who does is a tyrant who ought to be removed from the bench. This isn't justice, but tyranny. Therefore, the judgments were void judgments because they proceeded entirely and exclusively on false and unsupported presumption. Show me a case where the above elements were completely satisfied and then maybe I'll start believing some of the government's rhetoric on this subject. This kind of malicious abuse of legal process has become commonplace in federal district courts across the country. Thomas Jefferson warned this would happen when he said:

> *"I do not charge the judges with willful and ill-intentioned error; but honest error must be arrested where its toleration leads to public ruin. As for the safety of society, we commit honest maniacs to Bedlam; so judges should be withdrawn from their bench whose erroneous biases are leading us to dissolution. It may, indeed, injure them in fame or in fortune; but it saves the republic, which is the first and supreme law."*
> *[Thomas Jefferson: Autobiography, 1821. ME 1:122]*

> *"The original error [of the Constitution was in] establishing a judiciary independent of the nation, and which, from the citadel of the law, can turn its guns on those they were meant to defend, and control and fashion their proceedings to its own will."*
> *[Thomas Jefferson to John Wayles Eppes, 1807. FE 9:68]*

> *"It is a misnomer to call a government republican in which a branch of the supreme power [the Federal Judiciary] is independent of the nation."*
> *[Thomas Jefferson to James Pleasants, 1821. FE 10:198]*

> *"Contrary to all correct example, [the Federal judiciary] are in the habit of going out of the question before them, to throw an anchor ahead and grapple further hold for future advances of power. They are then in fact the corps of sappers and miners, steadily working to undermine the independent rights of the States and to consolidate all power in the hands of that government in which they have so important a freehold estate."*
> *[Thomas Jefferson: Autobiography, 1821. ME 1:121]*

> *"We all know that permanent judges acquire an esprit de corps; that, being known, they are liable to be tempted by bribery; that they are misled by favor, by relationship, by a spirit of party, by a devotion to the executive or legislative; that it is better to leave a cause to the decision of cross and pile than to that of a judge biased to one side; and that the opinion of twelve honest jurymen gives still a better hope of right than cross and pile does."*

[Thomas Jefferson to Abbe Arnoux, 1789. ME 7:423, Papers 15:283]

"It is not enough that honest men are appointed judges. All know the influence of interest on the mind of man, and how unconsciously his judgment is warped by that influence. To this bias add that of the esprit de corps, of their peculiar maxim and creed that 'it is the office of a good judge to enlarge his jurisdiction,' and the absence of responsibility, and how can we expect impartial decision between the General government, of which they are themselves so eminent a part, and an individual state from which they have nothing to hope or fear [because of official and judicial immunity]?"
[Thomas Jefferson: Autobiography, 1821. ME 1:121]

"At the establishment of our [state and federal] Constitutions, the judiciary bodies were supposed to be the most helpless and harmless members of the government. Experience, however, soon showed in what way they were to become the most dangerous; that the insufficiency of the means provided for their removal gave them a freehold and irresponsibility in office; that their decisions, seeming to concern individual suitors only, pass silent and unheeded [and even unpublished] by the public at large; that these decisions nevertheless become law by precedent ["judge-made law"], sapping by little and little the foundations of the Constitution and working its change by construction before any one has perceived that that invisible and helpless worm has been busily employed in consuming its substance. In truth, man is not made to be trusted for life if secured against all liability to account."
[Thomas Jefferson to A. Coray, 1823. ME 15:486]

"It is left... to the juries, if they think the permanent judges are under any bias whatever in any cause, to take on themselves to judge the law as well as the fact. They never exercise this power but when they suspect partiality in the judges; and by the exercise of this power they have been the firmest bulwarks of English liberty."
[Thomas Jefferson to Abbe Arnoux, 1789. ME 7:423, Papers 15:283]

Consequently, federal courts have become political propaganda vehicles and means of extortion, slavery, and duress instead of a place where justice prevails. If you want to see some detailed examples of how the government has violated due process like the above cases, see:

http://famguardian.org/PublishedAuthors/Govt/TaxHonestyPersecution/TaxHonPersec.htm

On January 29, 2002, a consent order was entered in United States v. Hearn in favor of the United States. The order permanently enjoined Mr. Hearn and his representatives from, among other things, promoting or selling tax shelter plans, including but not limited to the section 861 argument. (See Section I.B.2 of this outline concerning a section 861 argument.) In the order, Mr. Hearn agreed that he relied upon the frivolous section 861 argument in making false or fraudulent statements on federal income tax returns regarding the excludibility of wages and other items from income. A permanent injunction order was entered in United States v. Bosset on February 27, 2003, barring Mr. Bosset from promoting the frivolous section 861 argument. A permanent injunction order was entered in United States v. Bell on January 29, 2004, enjoining Mr. Bell from promoting frivolous positions for fraudulent tax schemes.

In September 2004, a federal district court granted a preliminary injunction against James Binge and Terrence Bentivegna enjoining them from promoting abuse tax shelters and preparing federal tax returns. The court found that the plan promoted by these two individuals (doing business as Accounting & Financial Services) encouraging others to form various trusts without a legitimate legal basis in order to avoid federal taxes was an abusive tax scheme. United States v. Binge et. al, No. 5:04-CV-01419 (N.D. Ohio Sept. 27, 2004); see http://www.usdoj.gov/tax/txdv04658.htm; see also 2004 TNT 218-12 (Sept. 27, 2004).

Furthermore, persons making frivolous arguments may be denied the ability to practice before the Internal Revenue Service. In July 2004, the Treasury Department denied a request for reinstatement to practice before the IRS made by Joseph R. Banister, now a CPA but formerly an IRS Criminal Investigations agent. Mr. Banister made various frivolous arguments, including the contention that only foreign-source income is taxable and the contention that the Sixteenth Amendment was not ratified, which led to the decision to deny his request. See 2004 TNT 145-3 (July 14, 2004).

Relevant Case Law:

United States v. Andra, 218 F.3d 1106 (9th Cir. 2000) - in affirming the conviction of a promoter of an untaxing scheme for tax evasion and conspiracy, the court found that it was proper to include

the tax liabilities of persons Andra recruited into a tax fraud conspiracy when calculating the effect of his actions for sentencing.

United States v. Clark, 139 F.3d 485 (5th Cir.), cert. denied, 525 U.S. 899 (1998) - the court upheld convictions of defendants involved with The Pilot Connection Society for conspiracy to defraud the United States and aiding and abetting the filing of fraudulent Forms W-4.

Robinson v. Commissioner, T.C. Memo. 1995-102, 69 T.C.M. (CCH) 2061, 2062 (1995) - the court quoted language from Hanson v. Commissioner, 696 F.2d 1232, 1234 (9th Cir. 1983) that "[n]o reasonable person would have trusted this scheme to work."

King v. Commissioner, T.C. Memo. 1995-524, 70 T.C.M. (CCH) 1152 (1995) - the court found King, who had followed the Pilot Connection's "untaxing" techniques, liable for penalties for failure to file returns and for failing to make sufficient estimated tax payments.

United States v. Raymond, 228 F.3d 804, 812 (7th Cir. 2000), cert. denied, 121 S. Ct. 2242 (2001) - the court affirmed a permanent injunction against taxpayers who promoted a De-Taxing America Program, forbidding them from engaging in certain activities that incited others to violate tax laws. The court said, [W]e conclude that the statements the appellants made in the Just Say No advertisement were representations concerning the tax benefits of purchasing and following the De-Taxing America Program that the appellants reasonably should have known were false.

United States v. Kaun, 827 F.2d 1144 (7th Cir. 1987) - the court affirmed the district court's injunction prohibiting the taxpayer from inciting others to submit tax returns based on false income tax theories.

United States v. Krall, 835 F.2d 711 (8th Cir. 1987) - the court held that the trusts used were shams. The defendant, an optometrist, exercised the same dominion and control over the corpus and income of the trusts as he had before the trusts were executed. The court further found the defendant illegally attempted to assign his earned income to the various trusts.

United States v. Scott, 37 F.3d 1564 (10th Cir. 1994) - the court concluded the true grantor of the trusts was in substance the purchaser, who was also the trustee, as well as the beneficiary. It was as if there were no transfers at all. Therefore the purchaser was subject to tax on all the income of the various trusts. The defendants were the promoters of a multi-tiered trust package marketed to purchasers as a device to eliminate tax liability without losing control over their assets or income.

United States v. Meek, 998 F.2d 776 (10th Cir. 1993) – the court upheld Meek's conviction of willfully failing to file an income tax return and willfully attempting to evade taxes. Meek's trust had been formed through his membership in an organization (a "warehouse bank") that provided its members the opportunity to warehouse their funds until directed to disburse them. The warehouse bank's numbering system for conducting transactions protected its members' privacy, thus hiding their assets and income.

6. Contention: A "corporation sole" can be established and used for the purpose of avoiding federal income taxes

Advocates of this idea believe they can reduce their federal tax liability by taking the position that the taxpayer's income belongs to a "corporation sole," an entity created for the purpose of avoiding taxes. A valid corporation sole is a corporate form that enables religious leaders to hold property and conduct business for the religious entity. Participants in this scheme apply for incorporation under the pretext of being an official of a church or other religious organization. Participants contend that their income is exempt from taxation because the income allegedly belongs to the corporation sole, which is claimed to be a tax exempt organization described in section 501(c)(3).

Within the Holy Bible, Christians are the church. The Church IS NOT a building or an organization, but the collection of all believers all over the world.

"Do you not know that you are the temple of God and that the Spirit of God dwells in you? If anyone defiles the temple of God, God will destroy him. For the temple of God is holy, which temple you are."
[1 Cor. 3:16-17, Bible, NKJV]

"ye are the body of Christ, and members individually"
[1 Cor. 12: 27, Bible, NKJV]

"I beseech you therefore, brethren, by the mercies of God, that you present your bodies [God's temple] a living sacrifice, holy, acceptable to God, which is your reasonable service. And do not be conformed to this world [or the vain earthly laws of this world that violate God's laws], but be transformed by the renewing of your mind, that you may prove what is the good and acceptable and perfect will of God."
[Romans 12:1-2 , Bible, NKJV]

Anyone can be a church either as a family or as individuals. That's scriptural, and there is no need for "pretext", as the IRS falsely accuses. See the following article below for details, and please rebut it if you can:

We Are the Church
http://famguardian.org/Subjects/Spirituality/ChurchvState/WeAreTheChurch.htm

In the above context, everyone is a religious leader. Under the Biblical model for the family, fathers are not only patriarchs, but also are "religious leaders" within their believing families. The purpose of families is to transmit values and morality to their children and religious faith is the foundation of all morality. One of the purposes of the "police powers" granted to state governments is to "protect the public morals of the people", which implies protecting the free exercise of religion of the people as required under the First Amendment. Families where both spouses are believers can biblically be classified as a "church". Those who make their families into "corporation soles" do not do so because they want to be "exempt" from otherwise legitimate taxes authorized by the Constitution. Instead, they do so because they want to be left alone by the government to live their lives privately and not be compelled to associate with the government through voluntary income taxation or any other vehicle of political control. The First Amendment guarantees freedom from what is called "compelled association" with any group or government. Below is an important article from a prominent legal publisher on this subject:

Just as there is freedom to speak, to associate, and to believe, so also there is freedom not to speak, associate, or believe. "The right to speak and the right to refrain from speaking [on a government tax return, and in violation of the Fifth Amendment when coerced, for instance] are complementary components of the broader concept of 'individual freedom of mind.'' Wooley v. Maynard [430 U.S. 703] (1977). Freedom of conscience dictates that no individual may be forced to espouse ideological causes with which he disagrees:

"[A]t the heart of the First Amendment is the notion that the individual should be free to believe as he will, and that in a free society one's beliefs should be shaped by his mind and by his conscience rather than coerced by the State [through illegal enforcement of the revenue laws]."
[Abood v. Detroit Board of Education [431 U.S. 209] (1977)]

Freedom from compelled association is a vital component of freedom of expression. Indeed, freedom from compelled association illustrates the significance of the liberty or personal autonomy model of the First Amendment. As a general constitutional principle, it is for the individual and not for the state to choose one's associations and to define the persona which he holds out to the world.
[First Amendment Law, Barron-Dienes, West Publishing, ISBN 0-314-22677-X, pp. 266-267]

"Nontaxpayers" who are not subject to the Internal Revenue Code to begin with don't need to pursue an "exemption", and exemptions or money aren't the main reason for families and individuals to seek legal recognition as a church. Instead, the reasons are primarily spiritual and scriptural and have to do with separation of the "church", which are Christians both individually and collectively, from the "state", which are the atheist or pagan members of the political body within their jurisdiction or the government as they express their will through enacted positive law. Below are a few authorities on this subject:

"Come out from among them [the unbelievers]
And be separate, says the Lord.
Do not touch what is unclean,
And I will receive you.
I will be a Father to you,
And you shall be my sons and daughters,
Says the Lord Almighty."
[2 Corinthians 6:17-18, Bible, NKJV]

"Do not love the world or the things in the world. If anyone loves [is a citizen of] the world, the love of the Father is not in

Him. For all that is in the world--the lust of the flesh, the lust of the eyes, and the pride of life--is not of the Father but is of the world. And the world is passing away, and the lust of it; but he who does the will of God abides forever."
[1 John 2:15-17, Bible, NKJV]

"Adulterers and adulteresses! Do you now know that friendship [and "citizenship"] with the world is enmity with God? Whoever therefore wants to be a friend [citizen or "taxpayer"] of the world makes himself an enemy of God."
[James 4:4, Bible, NKJV]

"Pure and undefiled religion before God and the Father is this: to visit orphans and widows in their trouble, and to keep oneself unspotted from the world [and the corrupted governments and laws of the world]."
[James 1:27, Bible, NKJV]

"And you shall be holy to Me, for I the Lord am holy, and have separated you from the peoples, that you should be Mine."
[Leviticus 20:26, Bible, NKJV]

"I am a stranger in the earth;
Do not hide Your commandments from me."
[Psalms 119:19, Bible, NKJV]

"I have become a stranger to my brothers,
And an alien to my mother's children;
Because zeal for Your house has eaten me up,
And the reproaches of those who reproach You have fallen on me."
[Psalms 69:8-9, Bible, NKJV]

The IRS doesn't want to acknowledge any of the above motivations for seeking official recognition as a church, because they want to make everyone who wants separation of church and state to look just as greedy, materialistic, and selfish as the criminals and thieves who inhabit the Black's (Washington, D.C.). They also didn't mention that the only people or organizations they will officially recognize are those who falsely believe that the IRS has any lawful authority at all to do most of what they do. Indirectly, the only "churches" they will recognize under 501(c)(3) of the code, are those who "worship" and "serve" the pagan state and who are members of the political religion called "The Civil Religion of Socialism". See the following article below:

Our Government Has Become Idolatry and a False Religion
http://famguardian.org/Subjects/Taxes/Articles/Christian/GovReligion.htm

The Law: A valid corporation sole enables a bona fide religious leader, such as a bishop or other authorized religious official, to incorporate under state law, in his capacity as a religious official. See e.g., Berry v. Society of Saint Pius X, 69 Cal. App. 4th 354 (1999). A corporation sole may own property and enter into contracts as a natural person, but only for the purposes of the religious entity and not for the individual office holder's personal benefit. A legitimate corporation sole is designed to ensure continuity of ownership of property dedicated to the benefit of a legitimate religious organization.

A taxpayer cannot avoid income tax or other financial responsibilities by purporting to be a religious leader and forming a corporation sole for tax avoidance purposes. The claims that such a corporation sole is described in section 501(c)(3) and that assignment of income and transfer of assets to such an entity will exempt an individual from income tax are meritless.

They are playing on words again here. No doubt a "taxpayer", who is a person liable under the code, cannot avoid income tax. But what about "nontaxpayers" who are not subject to the I.R.C. and not liable for federal income taxes? When are they going to address THEM in this pamphlet? Don't they deserve "equal protection" and equal time in this pamphlet?

"The equal protection demanded by the fourteenth amendment forbids this. No language is more worthy of frequent and thoughtful consideration than these words of Mr. Justice Matthews, speaking for this court, in Yick Wo v. Hopkins, 118 U.S. 356, 369 , 6 S. Sup. Ct. 1064, 1071: 'When we consider the nature and the theory of our institutions of government, the principles upon which they are supposed to rest, and review the history of their development, we are constrained to conclude that they do not mean to leave room for the play and action of purely personal and arbitrary power.' The first official action of this nation declared the foundation of government in these words: 'We hold these truths to be self-evident, [165 U.S. 150, 160] that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.' While such declaration of principles may not have the force of organic law, or be made the basis of judicial decision as to the limits of right and duty, and while in all cases reference must be had to the organic law of the nation for such limits, yet the latter is but the body and the letter of which the former is the thought and the spirit, and it is always safe to read the letter of the constitution in the spirit of the Declaration of Independence. No duty rests more

imperatively upon the courts than the enforcement of those constitutional provisions intended to secure that equality of rights which is the foundation of free government."
[Gulf, C. & S. F. R. Co. v. Ellis, 165 U.S. 150 (1897)]

When is the existence of "nontaxpayers" even going to be not only recognized by the government but PROTECTED? Isn't PROTECTION the main reason that all governments are established to begin with? Isn't protection of the INNOCENT/NOT liable the most important aspect of any government? Instead, the government, through unlawful de facto action, is abusing its legislative power to try to make it illegal for people to protect their assets from illegal extortion by usurping government employees. This is not the purpose for which government authority should be used.

Courts have repeatedly rejected similar arguments as frivolous, imposed penalties for making such arguments, and upheld criminal tax evasion convictions against those making or promoting the use of such arguments.

The IRS issued Revenue Ruling 2004-27, 2004-12 I.R.B. 625, which discusses this frivolous argument in more detail, warning taxpayers of the consequences of attempting to use this scheme.

In December 2004, a federal district court in Oregon permanently barred Judy Harkins from selling a fraudulent tax scheme promoting the use of "corporation sole." The court found that Harkins falsely told customers the plan could be used to avoid federal income tax and that Harkins knew or had reason to know the statements were false. See http://www.usdoj.gov/tax/txdv04777.htm; see also 2004 TNT 234-65 (Dec. 3, 2004).

Relevant Case Law:

United States v. Heineman, 801 F.2d 86 (2d Cir. 1986) - the court upheld the conviction and three year prison sentence imposed against the defendants for promoting use of purported church entities to avoid taxes.

United States v. Adu, 770 F.2d 1511 (9th Cir. 1985) - the court upheld the conviction against Adu for aiding and assisting in the preparation and presentation of false income tax returns with respect to false charitable deductions to purported church entities.

Svedahl v. Commissioner, 89 T.C. 245 (1987) - the court sanctioned Svedahl under section 6673 in the amount of $5,000 for using contributions to purported church entities to shield income and pay personal expenses.

F. "Untaxing" Packages or "Untaxing" Trusts

1. Contention: An "untaxing" package or trust provides a way of legally and permanently avoiding the obligation to file federal income tax returns and pay federal income taxes.

Advocates of this idea believe that an "untaxing" package or trust provides a way of legally and permanently "untaxing" oneself so that a person would no longer be required to file federal income tax returns and pay federal income taxes. Promoters who sell such tax evasion plans and supposedly teach individuals how to remove themselves from the federal tax system rely on many of the above-described frivolous arguments, such as the claim that payment of federal income taxes is voluntary, that there is no requirement for a person to file federal income tax returns, and that there are legal ways not to pay federal income taxes.

The Law: The underlying claims for these "untaxing" packages are frivolous, as specified above. Promoters of these "untaxing" schemes as well as willful taxpayers have been subjected to criminal penalties for their actions. Taxpayers who have purchased and followed these "untaxing" plans have also been subjected to civil penalties for failure to timely file a federal income tax return and failure to pay federal income taxes.

We agree with the IRS that these "untaxing packages" do not deliver what they promise. The reason is that they don't attack where the underlying liability is *fraudulently* generated, which is the usually false information returns that associate the

earnings of the entity to the "trade or business"/"public office" excise taxable franchise. The only way to "untax" anything is to:

1. Not open financial accounts with an identifying number or use an identifying number.
   1.1. This number connects the applicant to the "trade or business" franchise pursuant to 26 CFR §301.6109-1(b)(2)(i) and also to employment within the IRS.
   1.2. The requirement to furnish identifying numbers originates from 26 CFR §301.6109-1, and this regulation is only for internal use within the I.R.C. pursuant to 5 U.S.C. §301: not for use by the general public. If it was for use by the general public, it would have the following regulatiuon number: 26 CFR §1.6109-1.
2. Ensure that the "person" is not associated with the "trade or business" and "public office" excise taxable franchise
3. Ensure that information returns are not filed against entities thar are not so engaged
4. Correct those false information returns that are filed, and to prosecute the filers of these false information returns.

Furthermore, section 7408 provides a cause of action for injunctive relief to the United States against a party suspected of violating the tax laws.

Relevant Case Law:

United States v. Andra, 218 F.3d 1106 (9 th Cir. 2000) – in affirming the conviction of a promoter of an untaxing scheme for tax evasion and conspiracy, the court found that it was proper to include the tax liabilities of persons Andra recruited into a tax fraud conspiracy when calculating the effect of his actions for sentencing.

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United States v. Raymond, 228 F.3d 804, 812 (7 th Cir. 2000), cert. denied, 121 S. Ct. 2242 (2001) – the court affirmed a permanent injunction against taxpayers who promoted a "De-Taxing America Program," forbidding them from engaging in certain activities that incited others to violate tax laws. The court said, "[W]e conclude that the statements the appellants made in the Just Say No advertisement were representations concerning the tax benefits of purchasing and following the De-Taxing America Program that the appellants reasonably should have known were false."

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United States v. Krall, 835 F.2d 711 (8 th Cir. 1987) – the court held that the trusts used were shams. The defendant, an optometrist, exercised the same dominion and control over the corpus and income of the trusts as he had before the trusts were executed. The court further found the defendant illegally attempted to assign his earned income to the various trusts.

United States v. Scott, 37 F.3d 1564 (10th Cir. 1994) – the court concluded the true grantor of the trusts was in substance the purchaser, who was also the trustee, as well as the beneficiary. It was as if there were no transfers at all. Therefore the purchaser was subject to tax on all the income of the various trusts. The defendants were the promoters of a multi-tiered trust package marketed to purchasers as a device to eliminate tax liability without losing control over their assets or income.

II. FRIVOLOUS ARGUMENTS IN COLLECTION DUE PROCESS CASES

Under sections 6320 (pertaining to liens) and 6330 (pertaining to levies), the IRS must provide taxpayers notice and an opportunity for an administrative appeals hearing upon the filing of a notice of federal tax lien (section 6320) and prior to levy (section 6330). Taxpayers have the right to seek judicial review of the IRS's determination in these proceedings. Section 6330(d). These reviews can extend to the merits of the underlying tax liability, if the taxpayer has not previously received the opportunity for review of the merits, e.g., did not receive a notice of deficiency. Section 6330(c)(2)(B). The Tax Court will impose sanctions pursuant to section 6673 against taxpayers who seek judicial relief based upon frivolous or groundless positions. Discussed below are some of the more common frivolous tax arguments raised in collection due process cases.

A. Invalidity of the Assessment

1. Contention: A tax assessment is invalid because the taxpayer did not get a Form 23C

The Law: Tax assessments are formally recorded on a record of assessment. Section 6203. The assessment is made by an assessment officer signing the summary record of assessment. Treas. Reg. §301.6203-1. The summary record of assessment must "provide identification of the taxpayer, the character of the liability assessed, the taxable period, if applicable, and the amount of the assessment." Id. "The date of the assessment is the date the summary record is signed." Id. There is no requirement in the statute or regulation that the assessment be recorded on a specific form or that the taxpayer be provided with a copy of the record of assessment.

Under the provisions of 26 U.S.C. §6065, ALL documents and assessments prepared both by "taxpayers" and by IRS employees, including 6020(b) Substitute For Return (SFR) assessments, MUST be signed under penalty of perjury. The title of that section says "returns", but 26 U.S.C. §7806(b) says the heading or title of a section is IRRELEVANT, and therefore only the body of the section is relevant. The IRS must therefore be able to produce an assessment with a signature under penalty of perjury which individually identifies the person against whom the assessment was instituted, and they cannot, do not, and never have been able to comply with this requirement of the code.

Furthermore, the Fair Debt Collection Practices Act (FDCPA), codified in 15 U.S.C., Chapter 41, Subchapter V, also requires that all imputed debts, whether tax related or otherwise, MUST be validated with the original debt instrument upon demand of the debtor within 30 days. This Act requires in 15 U.S.C. §1692g(a), among other things, that the debt collection has an obligation to validate any imputed debts. Tax debts constitute "debts" for the purposes of this provision, and section 3466 of the IRS Restructuring and Reform Act of 1998 makes the IRS Subject to the Provisions of the Fair Debt Collection Practices Act. See:

http://famguardian.org/Publications/IRSRRA98/IRSRRA98.htm

We and hundreds of others like us have requested such validation of debt signed under penalty of perjury and have not at any time been provided with validation of the debt signed under penalty of perjury by the assessment officer on a document showing the specific individual and his individual liability. None of the following typical assessment documents satisfies the requirements of the Fair Debt Collection Practices Act:

1. RACS0006 Report. Not signed and does not indicate the name of the alleged "taxpayer".
2. IRS Form 23C. Does not indicate the name of the alleged "taxpayer" and is not signed under penalty of perjury.
3. 6020(b) Certification Document, Form 13496. Not signed under penalty of perjury and signature is a computer and not a real person.
4. 1040 Substitute for Return-not signed.

No such certified validation of debt exists as required under the FDCPA, and yet the IRS Restructuring and Reform Act of 1998 makes the IRS subject to the Fair Debt Collection Practices Act. To do otherwise would be to deprive us of the "equal protection of the laws", in fact. Consequently, bogus debts are being fraudulently created, and this constitutes "peonage" and "involuntary servitude" within the meaning of the Thirteenth Amendment:

TITLE 42 > CHAPTER 21 > SUBCHAPTER I > Sec. 1994.
Sec. 1994. - Peonage abolished

The holding of any person to service or labor [using a W-4, for instance] under the system known as peonage is abolished [by the Thirteenth Amendment] and forever prohibited in any Territory or State of the United States; and all acts [or false tax debts], laws, resolutions, orders, regulations, or usages of any Territory or State, which have heretofore established, maintained, or enforced, or by virtue of which any attempt shall hereafter be made to establish, maintain, or enforce, directly or indirectly, ***the voluntary or involuntary service or labor of any persons as peons, in liquidation of any debt or obligation, or otherwise, are declared null and void***

What the IRS is doing indirectly is making everyone in the American public into surety for the debts of an out-of control government that keeps growing like a cancer to destroy our liberties and which has had a balanced budget but once in the last 40 years. The Bible says that Christians CANNOT be surety for the debts of "strangers". Our public dis-servants are "strangers" within the meaning of that requirement. To wit:

"The rich ruleth over the poor, and the borrower [is] servant to the lender."
[Prov. 22:7]

"A man devoid of understanding shakes hands in a pledge, and becomes surety for his friend."
[Proverbs 17:18, Bible, NKJV[]

"He who is surety for a stranger will suffer, but one who hates being surety is secure."
[Prov. 11:15, NKJV]

"My son, if you become surety for your friend, if you have shaken hands in pledge for a stranger, you are snared by the words of your mouth; you are taken by the words of your mouth. So do this, my son, and deliver yourself; for you have come into the hand of your friend [slavery!]: Go and humble yourself; plead with your friend. Give no sleep to your eyes, nor slumber to your eyelids. Deliver yourself like a gazelle from the hand of the hunter; and like a bird from the hand of the fowler."
[Prov. 6:1-5, Bible, NKJV]

*"****Owe no one anything except to love one another****, for he who loves another has fulfilled the law."*
[Romans 13:8]

*"****To preserve [the] independence [of the people,] we must not let our rulers load us with perpetual debt.*** *We must make our election between economy and liberty, or profusion and servitude. If we run into such debts as that we must be taxed in our meat and in our drink, in our necessaries and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-four, give the earnings of fifteen of these to the government for their debts and daily expenses, and the sixteenth being insufficient to afford us bread, we must live, as they now do, on oatmeal and potatoes, have no time to think, no means of calling the mismanagers to account, but be glad to obtain subsistence by hiring ourselves to rivet their chains on the necks of our fellow-sufferers."*
[Thomas Jefferson to Samuel Kercheval, 1816. ME 15:39. Click here for original quote]

"For the Lord your God will bless you just as He promised you; ***you shall lend to many nations, but you shall not borrow****; you shall reign over many nations, but they shall not reign over you."*
[Deut. 15:6, Bible, NKJV]

"The Lord will open to you His good treasure, the heavens, to give the rain to your land in its season, and to bless all the work of your hand. ***You shall lend to many nations, but you shall not borrow****."*
[Deut. 28:12, Bible, NKJV]

*"****You shall not charge interest to your brother****--interest on money or food or anything that is lent out at interest."*
[Deut. 23:19 , Bible, NKJV]

"To a foreigner you may charge interest, but to your brother you shall not charge interest, that the Lord your God may bless you in all to which you set your hand in the land which you are entering to possess."
[Deut. 23:20, Bible, NKJV]

Relevant Case Law:

Roberts v. Commissioner, 118 T.C. 365 (2002) - the petitioner in this collection due process case argued that an assessment was invalid because respondent did not use Form 23C, Assessment Certificate - Summary Record of Assessments, but instead used Revenue Accounting Control System (RACS) Report 006. The Tax Court held that there was nothing in the law to show that the use of the RACS report was not in compliance with the statute and regulation. The RACS report and the Form 23C are both signed by an assessment officer.

Nestor v. Commissioner, 118 T.C. 162 (2002) - the petitioner in this collection due process case requested production of certain documents at the hearing, including the Form 23C. The court held that the petitioner was not entitled to production of documents and that it was not an abuse of discretion for the appeals officer to use Form 4340, Certificate of Assessments and Payments to verify the assessment, for purposes of section 6330(c)(1). The Form 23C was not required to verify the assessment.

Perez v. Commissioner, T.C. Memo. 2002-274, 84 T.C.M. (CCH) 501 (2002) - the court held that it was not an abuse of discretion for an appeals officer to rely on a MFTRA-X transcript, rather than producing or relying upon a Form 23C, for purposes of section 6330(c)(1).

2. Contention: A tax assessment is invalid because the assessment was made from a substitute for return prepared pursuant to section 6020(b), which is not a valid return

The Law: Section 6020(b)(1) provides that [i]f 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. Section 6020(b)(2) further provides that any return prepared pursuant to section 6020(b)(1) shall be prima facie good and sufficient for all legal purposes. See also Treas. Reg. §301.6020-1.

The IRS' own Internal Revenue Manual, in section 5.1.11.6.8, indicates the types of returns for which a Substitute for Return are authorized. Conspicuously absent from the list of authorized returns is any variant of the 1040 return. The reason that type of return is not authorized is because of Constitutional considerations, e.g. the Bill of Rights, which say that a human being cannot be required to incriminate themselves and may not be deprived of property without just compensation or a court order. Here is a link to that section:

http://www.irs.gov/irm/part5/ch01s13.html

Under the provisions of 26 U.S.C. §6065, all returns and other documents prepared under the authority of the I.R.C. MUST be signed under penalty of perjury. The title says "returns", but 26 U.S.C. §7806(b) makes the title irrelevant and says only the body of the statute is relevant. Under the provisions of the Privacy Act, 5 U.S.C. §552a, we have requested all Substitute for Return (SFR) documentation required to be prepared in the case of literally hundreds of people. Not one SFR we have ever seen has been signed under penalty of perjury as required under 26 U.S.C. §6065.

Under the Federal Rules of Evidence, Rule 902, all evidence upon which assessments are based must be authenticated in some way in order to be admissible as evidence. The IRS Form W-2's provided by employers are NOT so authenticated and consequently, they constitute HEARSAY EVIDENCE that is inadmissible as a basis for determining liability. The IRS NEVER contacts employers to get authentication of the W-2 reports when it is attempting an SFR assessment. The corrupted federal courts also do not hold the IRS to the same standards of evidence as the rest of us must meet in litigation against the IRS. Consequently, they are depriving us of the equal protection of the laws and prejudicing our sacred Constitution rights. They are part of the problem, not part of the solution or the remedy. Show me even ONE SFR assessment against a human being on an IRS Form 1040 that is signed under penalty of perjury. There isn't any such thing. Not even the IRS employee who did the bogus and unconstitutional assessment is named on most of the SFR 1040's.

The 6020(b) Certification Document contains a block for "taxpayer signature". The assessment doesn't become valid until the target consents to it explicitly in writing. The IRS enforces collection of these assessments without the consent of the target of them, and therefore is subjecting the targets to peonage and involuntary servitude. All of the SFR documentation we have seen is constructively fraudulent. The unsigned SFR 1040's prepared illegally by the IRS and the bogus "Notice of Tax Liens" that result from them constitute "financial securities". In fact, the bogus "Notice of Federal Tax Lien", IRS Form 668(Y)(c) must be signed by a judge under the requirements of the Fifth Amendment and NEVER are. Instead, they are illegally sold as fraudulent securities by the IRS to unscrupulous investors on the open market. Nothing but theft and extortion is the result because these bogus securities are used by thieves and vultures as an excuse to STEAL the entire home and all the equity from what amount to law-abiding citizens. Is THIS what you call JUSTICE? Our government has become a PREDATOR, not a PROTECTOR of our God-given constitutional rights to property.

The Bible does NOT allow Christians to cooperate with such illegal extortion and robbery, or to allow the government to

become a false god and a religion that we must pay "tithes" called "taxes" to in violation of the Constitution and enacted federal law. This is idolatry, not taxation.

> *"Away with you , Satan! For it is written, 'You shall worship the Lord your God, and Him ONLY [NOT the government!] you shall serve [with your labor or your earnings from labor].'"*
> *[Jesus in Matt. 4:10, Bible, NKJV]*

> *"You were bought at a price; do not become slaves of men [and remember that governments are made up exclusively of men]."*
> *[1 Cor. 7:23, Bible, NKJV]*

> *"Stand fast therefore in the liberty wherewith Christ hath made us free, and be not entangled again with the yoke of bondage [to the government or the income tax or the IRS or federal statutes that are not "positive law" and do not have jurisdiction over us]."*
> *[Galatians 5:1, Bible, NKJV]*

For details on why the IRS Substitute for Returns are assessments but carry no liability in the case of IRS Form 1040, see:

Why the Government Can't Lawfully Assess Human Beings With an Income Tax Liability Without Their Consent, Form #05.011
http://sedm.org/Forms/FormIndex.htm

Relevant Case Law:

United States v. Updegrave, 97-1 U.S.T.C. & 50,465 (E.D. Pa. 1997) - the taxpayer argued that tax assessments may only be calculated from tax returns filed by the taxpayer and that an inferior agent of the IRS may not file substitute returns for the taxpayer. The court rejected this argument as "utterly meritless." The court recognized that section 6020(b) authorizes the IRS to file substitute returns on behalf of taxpayers who fail to voluntarily file returns and that the substitute return "shall be prima facie good for all legal purposes." Section 6020(b)(1) and (2). The court stated that a taxpayer may not stymie the IRS's collection of taxes by refusing to file a tax return. The court also held that, while section 6020 authorizes the Secretary of the Treasury to prepare substitute returns, such authority has been delegated down to the District Director or any authorized IRS officer or employee. Accordingly, the substitute return and the assessments in this case were properly made by an employee of the IRS in accordance with the Internal Revenue Code.

Holland v. La. Secretary of Revenue and Taxation, 97-1 U.S.T.C. & 50,403 (W.D. La. 1997) - the court rejected the taxpayer's argument that section 6020 does not apply to income taxes. The court further found that section 6065, requiring that a return be verified by a declaration under penalty of perjury, does not apply to section 6020(b) returns.

B. Invalidity of the Statutory Notice of Deficiency

1. Contention: A statutory notice of deficiency is invalid because it was not signed by the Secretary of the Treasury or by someone with delegated authority

The Law: Section 6212(a) provides the authority for the Secretary to send notices of deficiency to taxpayers. Section 7701(a)(11)(B) defines [Secretary to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate", as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. There is no statutory requirement that the notice of deficiency be signed.

Relevant Case Law:

Nestor v. Commissioner, 118 T.C. 162 (2002) - in this collection due process case, the Tax Court held that the Secretary's authority to issue statutory notices of deficiency has been delegated to district directors and service center directors.

Michael v. Commissioner, T.C. Memo. 2003-26, 85 T.C.M. (CCH) 803 (2003) - the petitioner contested the validity of a notice of deficiency signed by a service center director. The court rejected this argument as frivolous.

2. Contention: A statutory notice of deficiency is invalid because the taxpayer did not file an income tax return

The Law: Section 6211(a) defines "deficiency" as the amount by which the tax imposed by subtitle A or B (including income, estate, and gift taxes), or chapter 41, 42, 43, 44 (excise taxes) exceeds the excess of the sum of the amount shown as the tax by the taxpayer upon his return (if return made and amount shown thereon) plus any amounts previously assessed (or collected without assessment) as a deficiency, over the amount of rebates, as defined in section 6211(b)(2), made. In accordance with this definition, a taxpayer's failure to report tax on a return does not prevent the Service from determining a deficiency in his federal income tax and issuing a notice of deficiency, pursuant to section 6212(a).

Relevant Case Law:

Robinson v. Commissioner, T.C. Memo. 2002-316, 84 T.C.M. (CCH) 694 (2002) - the court found the petitioner liable for the section 6673(a) penalty in this case where petitioner argued, among other frivolous arguments, that the Service was not authorized to determine a deficiency for a taxpayer who has not filed a return.

C. Invalidity of Notice of Federal Tax Lien

1. Contention: A notice of federal tax lien is invalid because it is unsigned

The Law: The form and content of the notice of federal tax lien is controlled by federal law. Section 6323(f)(3) provides that the form and content of the notice of federal tax lien shall be prescribed by the Secretary and shall be valid notwithstanding any other provision of law regarding the form or content of a notice of lien. Treas. Reg. §301.6323(f)-1(d) further provides that the notice of federal tax lien is filed on a Form 668, which must identify the taxpayer, the tax liability giving rise to the lien, and the date the assessment arose. There is no requirement in the statute or regulation that the notice of federal tax lien be signed.

A valid "lien" under the Constitution requires the signature of a judge to meet the requirements of the Fifth Amendment. The Notice of Federal Tax Lien was originally intended to be a method of notifying the recipient that a legal proceeding had issued such a claim upon the property of the target of the lien. The only satisfactory evidence of a perfected claim upon the property of a person is what is called an "Abstract of Judgment", which is signed by the clerk of the court summarizing the judgment that was signed by the judge. The "Notice of Federal Tax Lien" cannot and should not be issued until an Abstract of Judgment is obtained by the IRS. In practice, this requirement is NEVER honored by the IRS, which results in a violation of the Fifth Amendment. Consequently, a "Notice of Federal Tax Lien", IRS Form 668(Y)(c) issued without an accompanying "Abstract of Judgment" cannot and should not be honored by the recipient. Any recipient who does honor it is opening themselves up to civil liability and a tort. This includes county records, title companies, attorneys, etc. Federal law cannot and does not protect parties who engage in such tortious activities because federal law has NOT JURISDICTION within states of the Union.

> *"It is no longer open to question that the general [federal] government, unlike the states, Hammer v. Dagenhart, 247 U.S. 251, 275 , 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation."*
> *[Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]*

Relevant Case Law:

United States v. Union Cent. Life Ins. Co., 368 U.S. 291, 294 (1961) - the Supreme Court held that the form used for filing a federal tax lien does not have to comply with an additional state law

requirement that it describe the property affected, although the lien did have to be filed in a designated state office.

Tolotti v. Commissioner, T.C. Memo. 2002-86, 83 T.C.M. (CCH) 1436 (2002) - in this collection due process case, the court upheld the validity of a notice of federal tax lien filed on Form 668(Y) and bearing a facsimile signature, although the lien was not certified as required by Nevada statute. The court noted that it is "well-settled that the form and content of the notice of federal tax lien is controlled by federal, not state, law."

2. Contention: A notice of federal tax lien is invalid because it was filed by someone without delegated authority

The Law: Section 6323(a) provides that "[t]he lien imposed by section 6321 shall not be valid as against any purchaser, holder of a security interest, mechanic's lienor, or judgment lien creditor until notice thereof which meets the requirements of subsection (f) has been filed by the Secretary." Section 7701(a)(11)(B) defines "Secretary" to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate" as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. See, e.g., Delegation Order 5-4, effective June 4, 2004 (formerly Delegation Order 196, Rev. 4) (delegating authority to file notices of federal tax lien).

Relevant Case Law:

Uveges v. United States, 2002-2 U.S.T.C. & 50,740 (D. Nev. 2002) - the court noted that with respect to section 6323, among other Code sections, which use the term "Secretary", "Secretary" refers to the Secretary of the Treasury and any delegates. See section 7701(a)(11)(B).

D. Invalidity of Collection Due Process Notice

1. Contention: A collection due process notice (Letter 1058, LT-11 or LT-3172) is invalid because it is not signed by the Secretary or his delegate

The Law: Section 6320(a)(1) provides that the Secretary shall notify a taxpayer in writing of the filing of a notice of federal tax lien, pursuant to section 6323, advising the taxpayer of the right to request a collection due process hearing. Section 6330(a)(1) provides that no levy may be made on any property or rights to property of any person unless the Secretary has notified such person of his or her right to a collection due process hearing before levy. There is no requirement for a signature on the collection due process notice in the statute or regulations.

Section 7701(a)(11)(B) defines "Secretary" to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate" , as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. Section 7803(a)(2) provides general authority for the Commissioner of Internal Revenue, as prescribed by the Secretary. Treas. Reg. §§301.6320-1(a)(1) and 301.6330-1(a)(1) further provide that the Commissioner, or his or her delegate, will prescribe procedures to provide notice of the right to request a collection due process hearing. See, e.g., Delegation Order 191 (Rev. 3), effective June 11, 2001 (redelegation of authority with respect to levy notices).

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - the court held that for purposes of section 6330(a), either the Secretary or his delegate (e.g., the Commissioner) may issue a final notice of intent to levy. In this case, the authority to levy was delegated to the Automated Collection Branch Chiefs pursuant to Delegation Order No. 191 (Rev. 2), effective October 1, 1999. Accordingly, the notice of intent to levy was valid.

Hodgson v. Commissioner, T.C. Memo. 2003-122, 85 T.C.M. (CCH) 1232 (2003) - taxpayer alleged that respondent's determination was lawless and erroneous for numerous reasons, including the fact that the section 6320 lien notice was not signed by the Secretary or his delegate. The court held that the allegations were frivolous and without any merit, and declined to address them. The court found the taxpayer liable for a section 6673(a) penalty.

2. Contention: A collection due process notice is invalid because no certificate of assessment is attached

The Law: Sections 6320(a)(3) and 6330(a)(3) list the information required to be included with the collection due process notice, such as the amount of unpaid tax, the right of the person to request a collection due process hearing, administrative appeals available, and the provisions of the Internal Revenue Code and procedures pertaining to the notice of federal tax lien or levy. See also Treas. Reg. §301.6320-1(a)(2), Q&A A10, and §301.6330-1(a)(3), Q&A A6. There is no requirement in the statute or regulations that a certificate of assessment be attached to the collection due process notice.

E. Verification Given as Required by I.R.C. 6330(c)(1)

1. Contention: Verification requires the production of certain documents

The Law: Pursuant to sections 6320(c) and 6330(c)(1), at a collection due process hearing, the appeals officer is required to obtain verification from the Secretary that the requirements of any applicable law or administrative procedure have been met. Section 6330(c)(1) does not require the appeals officer to rely upon a particular document (e.g., the summary record of assessment) to satisfy the verification requirement. Section 6330(c)(1) also does not require the appeals officer to give the taxpayer a copy of the verification upon which the appeals officer relied. See also Treas. Reg. §§301.6320-1(e)(1) and 301.6330-1(e)(1). There is no requirement in the statute or regulations that the taxpayer be provided with any documents as a part of the verification process. As a matter of practice, however, the taxpayer will be provided with a transcript of account such as a Form 4340 or MFTRA-X computer transcript. Transcripts such as the Form 4340 or MFTRA-X, which identify the taxpayer, the character of the liability assessed, the taxable period and the amount of the assessment, are sufficient to show the validity of an assessment, absent a showing of irregularity.

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - the court held that section 6330(c)(1) does not require the appeals officer to rely upon a particular document, such as the summary record of assessment, in order to satisfy the verification requirement of section 6330(c)(1). Nor does it mandate that the appeals officer actually provide the taxpayer with a copy of the verification upon which the appeals officer relied. Taxpayer was provided with Forms 4340, and did not demonstrate the invalidity of the assessment or any of the information contained in the Forms 4340.

Nestor v.Commissioner, 118 T.C. 162 (2002) - appeals officer's review of Forms 4340 is sufficient to meet the verification requirement in section 6330(c)(1). Actual production of documents is not required.

Davis v. Commissioner, 115 T.C. 35 (2000) - appeals officer did not abuse his discretion in relying on a Form 4340 to verify the validity of an assessment, where the taxpayer can point to no evidence of irregularity in the assessment process.

Standifird v. Commissioner, T.C. Memo. 2002-245, 84 T.C.M. (CCH) 371 (2002) - MFTRA-X transcript may be used for verification.

Schroeder v. Commissioner, T.C. Memo. 2002-190, 84 T.C.M. (CCH) 141 (2002) - TXMOD-A transcript is sufficient for verification.

Wagner v. Commissioner, T.C. Memo. 2002-180, 84 T.C.M. (CCH) 96 (2002) - Individual Master File Martinsburg Computing Center Transcript is sufficient for verification.

F. Invalidity of Statutory Notice and Demand

1. Contention: No notice and demand, as required by I.R.C. 6303, was ever received by taxpayer

The Law: Section 6303(a) provides that the Secretary shall, as soon as practicable, and within 60 days, after the making of an assessment pursuant to section 6203, give notice to each person liable for the unpaid tax, stating the amount and demanding payment thereof. This notice is to be left at the dwelling or usual place of business of such person, or shall be mailed to such person's last known address. See also Treas. Reg. §301.6303-1(a) (failure to give notice within 60 days does not invalidate notice). Nothing in the statute or regulation requires the Service to establish receipt of the notice and demand, as long as it is mailed to the taxpayer's last known address.

At a collection due process hearing, an appeals officer may rely upon a computer transcript to verify that notice and demand for payment has been sent to a taxpayer in accordance with section 6303. For example, the entry in a Form 4340 showing "notice of balance due" is a section 6303 notice and demand. On a TXMOD-A transcript, "status 21" indicated in the notice section indicates a section 6303 notice and demand.

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252, 262-63 (2002) - Forms 4340 showed that petitioner was sent notices of balance due on the same dates as assessments were made. The court held that a notice of balance due on a Form 4340 constitutes notice and demand for purposes of section 6303(a). The court further noted that the form on which a notice of assessment and demand for payment is made is irrelevant as long as it provides the taxpayer with all the information required under section 6303(a).

United States v. Chila, 871 F.2d 1015, 1019 (11th Cir. 1989) - the Eleventh Circuit held that the notice and demand requirements of section 6303 were only applicable to summary enforcement procedures, not as a prerequisite to filing a civil action. The court further noted that, even if notice was not required under section 6303, proper notice was given as established by the Form 4340. Taxpayer did not deny on the record that the notice was sent, only that he received it.

United States v. Lisle, 92-1 U.S.T.C. & 50,286 (N.D. Cal.), citing Thomas v. United States, 755 F.2d 728 (9th Cir. 1985) - Taxpayer claimed that liens were invalid because the government failed to give her proper notice and demand for payment as required by sections 6303(a) and 6321. The Service submitted documentation establishing that it sent the taxpayer notice. Proof that notice was sent is sufficient; the government need not prove receipt.

2. Contention: A notice and demand is invalid because it is not signed, it is not the correct form (such as Form 17), or because no certificate of assessment is attached

The Law: Section 6303(a) provides that the Secretary shall, as soon as practicable, and within 60 days, after the making of an assessment pursuant to section 6203, give notice to each person liable for the unpaid tax, stating the amount and demanding payment thereof. This notice is to be left at the dwelling or usual place of business of such person, or shall be mailed to such person's last known address. See also Treas. Reg. §301.6303-1(a) (failure to give notice within 60 days does not invalidate notice). Notice and demand is sufficient for purposes of section 6303 as long as it states the amount due and makes demand for payment. There is no requirement in the statute or regulation that the notice and demand be made on a specific form, have a signature, or include any specific attachments.

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - numerous notices received by petitioner, such as notices of intent to levy and notices of deficiency, were sufficient to meet the requirements of section 6303(a). The form on which notice of assessment and demand for payment is made is irrelevant, as long as it provides the taxpayer with the information specified in section 6303(a).

Keene v. Commissioner, T.C. Memo. 2002-277, 84 T.C.M. (CCH) 514 (2002) - notices such as final notice of intent to levy and Forms 4340 are sufficient to constitute notice and demand within the meaning of section 6303(a) because they informed petitioner of the amount owed and requested payment. The court rejected petitioner's argument as frivolous and groundless that a notice and demand for payment was not in accord with a Treasury decision issued in 1914 that required a Form 17 be used for such purpose.

G. Tax Court Authority

1. Contention: The Tax Court does not have the authority to decide legal issues

The Law: The United States Tax Court is a federal court of record established by Congress under Article I of the United States Constitution. Congress created the Tax Court to provide a judicial forum in which affected persons could dispute tax deficiencies prior to payment of the disputed amount. The jurisdiction of the Tax Court includes the authority to hear tax disputes concerning notices of deficiency, notices of transferee liability, certain types of declaratory judgment, readjustment and adjustment of partnership items, review of the failure to abate interest, administrative costs, worker classification, relief from joint and severable liability on a joint return, and review of collection due process actions.

Section 7441 provides that "[t]here is hereby established, under article I of the Constitution of the United States, a court of record to be known as the United States Tax Court. The members of the Tax Court shall be the chief judge and the judges of the Tax Court." Section 7442 provides "[t]he Tax Court and its divisions shall have such jurisdiction as is conferred on them by this title, by Chapters 1, 2, 3, and 4 of the Internal Revenue Code of 1939, by title II and title III of the Revenue Act of 1926 (44 Stat. 10-87), or by laws enacted subsequent to February 26, 1926." See also sections 7443-7448.

The U.S. Tax Court is a legislative franchise court whose judges are appointed for a limited tenure of 15 years under the authority of 26 U.S.C. §7443(e). Below is what the U.S. Supreme Court says about such a legislative, rather than "Constitutional" or "Judicial" court:

> *"As the only judicial power vested in Congress is to create courts whose judges shall hold their offices during good behavior, it necessarily follows that, if Congress authorizes the creation of courts and the appointment of judges for limited time, it must act independently of the Constitution upon territory which is not part of the United States within the meaning of the Constitution." [O'Donoghue v. United States, 289 U.S. 516, 53 S.Ct. 740 (1933)]*

The U.S. Tax Court is a part of the Legislative Branch of the government, not the Judicial Branch. It is an essentially the equivalent of an administrative office building under the control of the president, not the Judicial Branch. Consequently, the Tax Court may only rule over tax issues relating to the federal zone, consisting of federal territories, possessions, and the District of Columbia and NOT over issues relating to Constitutional rights. Most Americans DO NOT live in the federal zone, and signing a W-4 under duress or filing the wrong tax form, the 1040 form, and thereby indicating indirectly that they live there, doesn't change that fact. Therefore, no one can be compelled to use the Tax Court. The Tax Court is not a court, but an administrative appeal unit based out of Washington, D.C. The "judges", who in most cases are former IRS employees, travel around the country hearing cases that ignorant people like you VOLUNTEER and request of them. It is pure stupidity to volunteer to have your case heard by a former IRS employee who has a financial conflict of interest in violation of 18 U.S.C. §208, and whose benefits derive from the very payments which are at issue in the proceeding. It is a kangaroo court, and originally wasn't even called a "court", but an appeals board.

Within U.S. Tax Court, the only burden of proof imposed upon the Secretary of the Treasury is to demonstrate that the defendant is a "transferee" under 26 U.S.C. §6902(a). One must be engaged in a "trade or business", which is a "public office" under 26 U.S.C. §7701(a)(26), in order to meet this requirement, which is further described in 26 U.S.C. §6901(a)(1)(A)(i) and

later in the questions, Part C at the end. This means that the defendant in tax court must have voluntarily filed a W-4 or filed the wrong return, the 1040 form, and indicated a nonzero liability. The only people who earn "gross income" on a 1040 are those in receipt of earnings "effectively connected with a trade or business". The 1040NR form is the correct return to use for most Americans. If you don't meet either of these two criteria of voluntarily submitting a W-4 or 1040, and did not avail yourselves of any deductions, earned in come credits, or a graduated rates of tax, then you are not "effectively connected with a trade or business" and therefore cannot entertain your suit in a Tax Court. Furthermore, if you make this fact plain to the "kangaroo judge" in Tax Court, he will have to dismiss your case for lack of jurisdiction. For further information about why Tax Court is a TRAP with a capital "T", read the following article:

http://famguardian.org/Subjects/Taxes/ChallJurisdiction/WhyMostPeopleLoseInTaxCourt.pdf

For an exhaustive analysis of why the U.S. Tax Court is a legislative franchise court established pursuant to Article I of the Constitution, why it is available ONLY for "taxpayers", and why you must declare yourself to be a franchisee called a "taxpayer" before you can even lawfully petition the court, and why "nontaxpayers" cannot use this court without committing the crime of impersonating a public officer in violation of 18 U.S.C. §912, see:

The Tax Court Scam, Form #05.039
http://sedm.org/Forms/FormIndex.htm

Relevant Case Law:

Freytag v. Commissioner, 501 U.S. 868 (1991) - petitioners alleged that the adjudication of their case by a special trial judge was not authorized by section 7443A, and that the reassignment violated the appointments clause of U.S. Const. art. II, §2, cl. 2. The court of appeals rejected petitioners' claims and affirmed. The Supreme Court granted certiorari and affirmed, holding that section 7443A(b)(4) authorized the chief judge's assignment of petitioners' cases to the special trial judge. The Court further concluded that the special trial judge's appointment did not violate the Appointments Clause because the Tax Court's role in the federal judicial scheme closely resembled that of Article I courts, which were given appointment power by the United States Constitution.

Burns, Stix Friedman & Co., Inc. v. Commissioner, 57 T.C. 392 (1971) - petitioner sought review of income tax deficiencies, prior to the effective date of the Tax Reform Act of 1969 (the Act), Pub. L. 91-172. The petitioner contended that Congress exceeded its authority in creating the court as a court of record under U.S. Const. art I without regard to the sanctions of art. III. The court held that the provisions in the Act that removed the court from the executive branch, made the court a court of record, gave the court the power to punish for contempt, made review of the court's decisions by appeal rather than by petition for review, and simply recognized the court as a "court," was within Congress' authority without reliance upon U.S. Const. art. III.

Knighten v. Commissioner, 705 F.2d 777 (5th Cir. 1983) - petitioner argued that, as a court created under Article I of the Constitution, the Tax Court could not hear any cases that could be heard by Article III courts. The court held that this contention was frivolous and that the argument that the Tax Court violates Article III has been repeatedly rejected.

Martin v. Commissioner, 358 F.2d 63 (7th Cir. 1966) - petitioners' contention that the Tax Court is without a valid constitutional existence lacks substance and merit.

H. Challenges to the Authority of IRS Employees

1. Contention: Revenue Officers are not authorized to seize property in satisfaction of unpaid taxes

The Law: Section 6331(a) provides that "[i]f any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax ... 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 a lien provided in this chapter for the payment of such tax." Section 6331(b) provides that the term levy includes the power of

distraint and seizure by any means. In any case in which the Secretary may levy upon property or property rights, he may also seize and sell such property or property rights. Section 6331(b).

The liar and thief who wrote the above paragraph conveniently left out the most important language within 26 U.S.C. §6331(a), which says in pertinent part:

> *TITLE 26 > Subtitle F > CHAPTER 64 > Subchapter D > PART II > § 6331*
> *§ 6331. Levy and distraint*
>
> *(a) Authority of Secretary*
>
> *. . .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.. . .*

That same language above is also "conveniently" omitted from the back of the "Notice of Levy", IRS Form 668-A(c)(DO). The reason the Internal Revenue Service (IRS) omits it is because they don't want to admit that they can only levy the earnings of a federal employee and NO ONE else. This is confirmed by the following observations:

1. The IRS can only issue a "Notice of Levy" against federal employees without implementing regulations, as required by, 5 U.S.C. §553(a)(2), 26 CFR §601.702(a)(1), 31 CFR §1.3(a)(4), and 44 U.S.C. §1505(a)(1).
2. The Notice of Levy Form, IRS Form IRS Form 668-A(c)(DO), does not have a valid OMB Control number. Under the provisions of the Paperwork Reduction Act (PRA), this form may only be used within the government and may NOT be issued to the general public. The general public is also told in the act that such a form may safely be disregarded and is "bogus" if issued without a valid OMB control number.

Section 7701(a)(11)(B) defines "Secretary" to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate," as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. See Treas. Reg. §301.6331-1(a)(1) (district director is authorized to levy). See e.g., Delegation Order 191 (Rev. 3), effective June 11, 2001 (redelegation of authority with respect to levies to revenue officers and other Service employees).

Relevant Case Law:

Craig v. Commissioner, 119 T.C. 252 (2002) - the authority to levy on petitioner's property was delegated to Automated Collection Branch Chiefs pursuant to Delegation Order No. 191 (Rev. 2), effective October 1, 1999.

2. Contention: IRS employees lack credentials. For example, they have no pocket commission or the wrong color identification badge

The Law: The authority of IRS employees is derived from Internal Code provisions, Treasury Regulations, and other redelegations of authority (such as delegation orders). See the previous discussion on the authority of revenue officers to seize property. The authority of IRS employees is not contingent upon such criteria as possession of a pocket commission or a specific type of identification badge.

Notice they didn't directly address the real issue, which isn't "authority" but "enforcement authority". IRS Pocket Commissions are issued in two varieties:

1. Enforcement, which is black in color and has an "E" in the serial number;
2. Administrative, which is red in color and has an "A" in the serial number.

IRS employees may not involve themselves in enforcement actions if they do not have a black enforcement pocket commission. The reason is clear: Enforcement personnel must be "bonded" incase they make a mistake. If they make

mistakes too frequently, no one will sell them a bond and they have to be fired. This means that IRS personnel who have only Administrative pocket commissions (with an "A" in the serial number) cannot lien, levy, or seize property without first being issued an enforcement pocket commission. If they violate this requirement, they are personally liable for a tort. These constraints are described in the IRS Internal Revenue Manual, section 1.16.6 available at:

http://www.irs.gov/irm/part1/ch13s06.html

Even excluding all the above constraints, under the provisions of 26 U.S.C. §7601(a), IRS employees WITH an enforcement pocket commission may not enforce outside of appropriately designated Internal Revenue Districts. As a result of the IRS Restructuring and Reform Act of 1998, all Internal Revenue Districts EXCEPT for the District of Columbia were eliminated. This is confirmed by examining Treasury Order 150-02 (Item 18) at:

http://www.ustreas.gov/regs/to150-02.htm

Treasury Order 150-01, described all the Internal Revenue Districts, and was abolished by Treasury Order 150-01. Consequently, there are NO DISTRICTS left except in the District of Columbia. Consequently, no enforcement authority exists for the Internal Revenue Code outside of the District of Columbia. Do you live in the District of Columbia and is your real property, against whom "Notice of Federal Tax Liens" is issued, or is your private employer against whom "Notice of Levies" are delivered located in the District of Columbia? Did your private employer ever knowingly consent to be treated in law as a "resident" of the District of Columbia under the provisions of 26 U.S.C. §7701(a)(39)? These weasels are slippery, aren't they?

Relevant Case Law:

Gunselman v. Commissioner, T.C. Memo. 2003-11, 85 T.C.M. (CCH) 756 (2003) - appeals officer at collection due process hearing does not have to produce enforcement pocket commission for himself of for the Service employee who signed the notice of lien filing.

I. Use of Unauthorized Representatives

1. Contention: Taxpayers are entitled to be represented at hearings, such as collection due process hearings, and in court, by persons without valid powers of attorney

The Law: Section 330 of Title 31 of the United States Code authorizes the Secretary of the Treasury to regulate the practice of representatives before the Treasury Department and, after notice and an opportunity for a proceeding, to suspend or disbar from practice before the Treasury Department those representatives who are incompetent, disreputable, or who violate regulations prescribed under section 330. Pursuant to section 330, the Secretary, in Circular No. 230 (31 CFR part 10), published regulations that authorize the Director, Office of Professional Responsibility, to act upon applications for enrollment to practice before the Service, to make inquiries with respect to matters under the Director's jurisdiction, and to perform such other duties as are necessary to carry out these functions. The regulations were most recently amended on July 26, 2002 (T.D. 9011, 2002-33 I.R.B. 356 [67 FR 48760] to clarify the general standards of practice before the Service. Pursuant to Circular No. 230, a representative must be an attorney in good standing, a certified professional accountant, or an enrolled tax return preparer in good standing. Attorneys and non-attorneys are only entitled to practice before the United States Tax Court upon application and admission to practice, pursuant to Tax Court Rule of Practice and Procedure 200.

Relevant Case Law:

Young v. Commissioner, T.C. Memo. 2003-6, 85 T.C.M. (CCH) 739 (2003) - third party was not entitled to represent taxpayer in a collection due process hearing because of non-compliance with Circular No. 230.

Katz v. Commissioner, 115 T.C. 329 (2000) - collection due process hearings are informal, with no right to summons witnesses.

J. No Authorization Under I.R.C. 7401 to Bring Action

1. Contention: The Secretary has not authorized an action for the collection of taxes and penalties or the Attorney General has not directed an action be commenced for the collection of taxes and penalties

The Law: Section 7401 provides that "[n]o civil action for the collection or recovery of taxes, or of any fine, penalty, or forfeiture, shall be commenced unless the Secretary authorizes or sanctions the proceedings and the Attorney General or his delegate directs that the action be commenced." Treas. Reg. §301.7401-1(a) further provides that such action must be authorized by the Commissioner (or the Director, Alcohol, Tobacco and Firearms Division, with respect to subtitle E of the Code), or Chief Counsel for the Internal Revenue Service or his delegate, and such action must be commenced by the Attorney General or his delegate.

Section 7701(a)(11)(B) defines "Secretary" to include the Secretary of the Treasury or his delegate. Section 7701(a)(12)(A)(i) defines the term "delegate," as used with respect to the Secretary of the Treasury, to mean any officer, employee, or agency of the Treasury Department duly authorized by the Secretary directly, or indirectly by redelegation of authority, to perform a certain function. Section 7803(a)(2) provides general authority for the Commissioner of Internal Revenue, as prescribed by the Secretary.

The Attorney General is the head of the Department of Justice, appointed by the President. 28 U.S.C. §503. The Attorney General may from time to time make such provisions as he or she deems appropriate delegating authority to any other officer, employee, or agency of the Department of Justice. 28 U.S.C. §510. See 28 U.S.C. §§501-530D.

Relevant Case Law:

Perez v. United States, 2001-2 U.S.T.C. & 50,735 (W.D.Tex. 2001) - plaintiff requested the court to dismiss defendant's counterclaim because defendant did not attach a certified copy of the document in which the Attorney General or a United States Attorney authorized a cause of action against plaintiff, pursuant to section 7401. The court held that section 7401 does not require production of such document. Courts may ordinarily presume that the United States complied with section 7401 and obtained proper authorization to commence an action for the collection of taxes. However, since the plaintiff contested such compliance, the United States had to show that the counterclaim was in fact authorized. The court held that the United States demonstrated compliance with section 7401 by producing a letter from the Office of Chief Counsel for the Internal Revenue Service to a United States Attorney and a declaration from the counsel of record for the United States.

United States v. Bodwell, 96-2 U.S.T.C. & 50,592 (E.D. Cal. 1996) - the court noted that the defendant's argument that this suit was not authorized because section 7401 is rooted in the Federal Regulations concerning the Bureau of Alcohol, Tobacco and Firearms has been "[flatly rejected] by the Ninth Circuit."

United States v. Nuttall, 713 F. Supp. 132 (D. Del. 1989) - affidavit from the Chief, Civil Trial Section, Central Region, Tax Division, United States Department of Justice attached to government's summary judgment motion established authorization of the Secretary of the Treasury/Internal Revenue Service. Department of Justice Tax Division Memorandum No. 83-19, dated May 5, 1983, also attached, established authorization by the Attorney General to commence the action.

III. PENALTIES FOR PURSUING FRIVOLOUS TAX ARGUMENTS

Those who act on frivolous positions risk a variety of civil and criminal penalties. Those who adopt these positions may face harsher consequences than those who merely promote them. As the Seventh Circuit Court of Appeals noted in United States v. Sloan, 939 F.2d 499, 499-500 (7 th Cir.

1991), “Like moths to a flame, some people find themselves irresistibly drawn to the tax protestor movement’s illusory claim that there is no legal requirement to pay federal income tax. And, like moths, these people sometimes get burned.”

This kind of FUD (Fear, Uncertainty, Doubt)/scare tactic is designed by crafty lawyers at the IRS to keep you from looking into patriot or freedom arguments and amounts to a threat to assess penalties against anyone who tries them. However, what the IRS simply will NEVER tell you is that they have NO legal authority to assess penalties for Subtitle A income taxes found in the Internal Revenue Code against the vast majority of Americans. For example, below is the section right our of their own regulations found at the government’s own website at http://frwebgate.access.gpo.gov/cgi-bin/get-cfr.cgi?TITLE=26&PART=301&SECTION=6671-1&YEAR=2000&TYPE=TEXT

[Code of Federal Regulations]
[Title 26, Volume 17, Parts 300 to 499]
[Revised as of April 1, 2000]
From the U.S. Government Printing Office via GPO Access
[CITE: 26CFR301.6671-1]
Sec. 301.6671-1 Rules for application of assessable penalties.

(b) Person defined. For purposes of subchapter B of chapter 68, the term ``person'' 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.

Even more interesting, is that the above not only doesn’t apply to most Americans. It also doesn’t apply to most corporations or partnerships either! Why?…because the corporations or partnerships mentioned above must be registered in the District of Columbia (the federal zone). State-(only)chartered corporations or partnerships aren’t liable for IRS penalties either because they aren’t within the territorial jurisdiction of the IRS either. Furthermore, the only type of employee who can be penalized is an employee of a U.S. corporation registered in the District of Columbia and who is involved in reporting and complying with taxes for the corporation, and NOT for himself individually!

Taxpayers filing returns with frivolous positions may be subject to the accuracy-related penalty under section 6662 (twenty percent of the underpayment attributable to negligence or disregard of rules or regulations) or the civil fraud penalty under section 6663 (seventy-five percent of the underpayment attributable to fraud). Tax preparers who submit returns maintaining groundless positions may be subject to penalties in addition to those imposed on their clients.

Deceivers. They won’t tell you WHO the “person” at 26 U.S.C. §§6671(b) and 7343 or “taxpayer” at 26 U.S.C. §7701(a)(14) was who was liable for these penalties or clarify that this warning only applies to corporations or partnerships registered in the federal zone?

Moreover, section 6702 provides for the imposition of a $500 penalty against any individual who files a frivolous income tax return. The legislative history underlying this section states, “the Committee is concerned with the rapid growth of deliberate defiance of the tax laws by tax protesters. The Committee believes that an immediately assessable penalty on the filing of protest returns will help deter the filing of such returns.” S. Rep. No. 494, 97 th Cong., 2d Sess. 277, reprinted in 1982 U.S.C.C.A.N. 781, 1023-24.

The IRS just violated their own Internal Revenue Code with the above statement! It is AGAINST THE IRC to use the term “tax protesters” against taxpayers. Here is the text of the statute, from the IRS Restructuring and Reform act of 1998, Section 3707, available from http://famguardian.org/Publications/IRSRRA98/IRSRRA98.htm:

IRS Restructuring and Reform Act of 1998

Section 3707- Illegal Tax Protester Designation
A. Provision(s) covered: Act § 3707 (No Code section affected) Illegal Tax Protestor Designation Prohibited.
B. Background: The IRS designates individuals who meet certain criteria as "illegal tax protestors" in the IRS Master File. Congress was concerned that taxpayers may be unfairly stigmatized by a designation as an illegal tax protester.
C. Change(s):

1. The IRS shall not designate any more taxpayers as "illegal tax protesters." Removal of existing "illegal tax protester" designations from the individual master file is not required to begin before January 1, 1999.

2. IRS personnel must disregard any designation in a taxpayer's file (i.e., revenue agents report or other paper records) as of the date of enactment.

3. As of the date of enactment, IRS personnel should not describe taxpayers in written documents as "illegal tax protesters." 4. The IRS may designate appropriate taxpayers as nonfilers. The IRS must remove the nonfiler designation once the taxpayer has filed valid tax returns for two consecutive years and paid all taxes shown on these returns.

In the 1980s, Congress showed its concern about taxpayers misusing the courts and obstructing the appeal rights of others when it enacted tougher sanctions for bringing frivolous cases before the courts. Section 6673 allows the courts to impose a penalty of up to $25,000 when they come to any of three conclusions:
- a taxpayer instituted a proceeding primarily for delay,
- a position is frivolous or groundless, or
- a taxpayer unreasonably failed to pursue administrative remedies.

The court should also have penalized the IRS for delaying appeal conference hearings so that Americans can't complete the administrative process and thereby litigate their cases in court. They are famous for delaying such hearings, and often try to wait until the statute of limitations of two years expires before they will grant a aggrieved taxpayer the final step in the administrative process, an appeal conference. There are two sides to every coin.

An appeals court explained the rationale for the sanctions in Coleman v. Commissioner, 791 F.2d 68, 72 (7 th Cir. 1986): "The purpose of § 6673 ... is to induce litigants to conform their behavior to the governing rules regardless of their subjective beliefs. Groundless litigation diverts the time and energies of judges from more serious claims; it imposes needless costs on other litigants. Once the legal system has resolved a claim, judges and lawyers must move on to other things. They cannot endlessly rehear stale arguments. ... [T]here is no constitutional right to bring frivolous suits ... People who wish to express displeasure with taxes must choose other forums, and there are many available."

Relevant Case Law:

Jones v. Commissioner, 688 F.2d 17 (6 th Cir. 1982) – the court found the taxpayer's claim that his wages were paid in "depreciated bank notes" as clearly without merit and affirmed the Tax Court's imposition of an addition to tax for negligence or intentional disregard of rules and regulations.

Baskin v. United States, 738 F.2d 975 (8 th Cir. 1984) – the court found that the IRS's assessment of a frivolous return penalty without a judicial hearing was not a denial of due process, since there was an adequate opportunity for a later judicial determination of legal rights.

Holker v. United States, 737 F.2d 751, 752-53 (8 th Cir. 1984) – the court upheld the frivolous return penalty even though the taxpayer claimed the documents he filed to claim a refund did not constitute a tax return. Noting that "[t]axpayers may not obtain refunds without first filing returns," the court then found that "[h]is unexplained designation of his W-2 forms as 'INCORRECT' and his attempt to deduct his wages as the cost of labor on Schedule C also establish the frivolousness and incorrectness of his position."

Rowe v. United States, 583 F. Supp. 1516, 1520 (D. Del. 1984) – the court upheld section 6702 against various objections, including that it was unconstitutionally vague because it does not define a "frivolous" return. "Frivolous is commonly understood to mean having no basis in law or fact," the court stated.

Haines v. Commissioner, T.C. Memo. 2000-126, 79 T.C.M. (CCH) 1844, 1846 (2000) – stating, "[p]etitioner knew or should have known that his position was groundless and frivolous, yet he persisted in maintaining this proceeding primarily to impede the proper workings of our judicial system and to delay the payment of his Federal income tax liabilities," the court imposed a $25,000 penalty.

Sigerseth v. Commissioner, T.C. Memo 2001-148, 81 T.C.M. (CCH) 1792, 1794 (2001) – pointing out that this case involving the use of trusts to avoid taxes was "a waste of limited judicial and administrative resources that could have been devoted to resolving bona fide claims of other taxpayers," the court imposed a $15,000 penalty.

MatrixInfoSys Trust v. Commissioner, T.C. Memo. 2001-133, 81 T.C.M. (CCH) 1726, 1729 (2001) – in claiming that his income belonged to his trust, the court stated that the taxpayer had made "shopworn arguments characteristic of the tax-protester rhetoric that has been universally rejected by this and other courts," and imposed a $12,500 penalty.

The Nis Family Trust v. Commissioner, 115 T.C. 523, 545-46 (2000) – concluding that the Nis chose "to pursue a strategy of noncooperation and delay, undertaken behind a smokescreen of frivolous tax-protester arguments," the court imposed a $25,000 penalty against them, and also imposed sanctions of more than $10,600 against their attorney for arguing frivolous positions in bad faith.

Madge v. Commissioner, T.C. Memo. 2000-370, 80 T.C.M. (CCH) 804 (2000) – after having warned the taxpayer that continuing with his frivolous arguments – that he was not a taxpayer, that his income was not taxable, and that only foreign income was taxable – would likely result in a penalty, the court imposed the maximum $25,000 penalty.

Davis v. Commissioner, T.C. Memo. 2001-87, 81 T.C.M. (CCH) 1503 (2001) – after warning that the taxpayer could be penalized for presenting frivolous and groundless arguments, the court imposed a $4,000 penalty.

Gass v. United States, 2001 U.S. App. LEXIS 1513 (10 th Cir., Feb. 2, 2001) – the court imposed an $8,000 penalty for contending that taxes on income from real property are unconstitutional. The court had earlier penalized the taxpayers $2,000 for advancing the same arguments in another case.

Brashier v. Commissioner, 2001 U.S. App. LEXIS 6270 (10 th Cir., Apr. 13, 2001) – the court imposed $1,000 penalties on taxpayers who argued that filing sworn income tax returns violated their Fifth Amendment privilege against self-incrimination, after the Tax Court had warned them that their argument – rejected consistently for more than seventy years – was frivolous.

McAfee v. United States, 2001 U.S. Dist. LEXIS 7131, at *4 (N.D. Ga., Apr. 4, 2001) – after losing the argument that his wages were not income and receiving a $500 penalty, the taxpayer returned to court to try to stop the government from collecting that penalty by garnishing his wages. The court stated that "bringing this ill-considered, nonsensical litigation before this court for yet a second time is nothing but contumacious foolishness which wastes the time and energy of the court system," and imposed a $1,000 penalty.

QUESTIONS WHICH EASILY EXPOSE THE IRS FRAUD

TEST FOR FEDERAL TAX PROFESSIONALS

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"The taxpayer-- that's someone who works for the federal government but doesn't have to take the civil service examination."
[President Ronald W. Reagan]

1 PURPOSE/SCOPE

The purpose of this document is to establish facts in support of the reasonable conclusion that:

1. Submitter is not engaged in a "trade or business" or any other taxable activity that might make him subject to the terms of the Internal Revenue Code.
2. Submitter is a "nonresident alien".
3. Submitter is not a statutory "citizen" or "resident" under the Internal Revenue Code
4. Submitter is not the "individual" defined in 5 U.S.C. §552a(a)(2) and 5 U.S.C. §552a(a)(13) and that all "individuals" are "public officers" who work for the government.
5. Submitter is a "nontaxpayer" who is not "liable" to pay any monies to either the state or federal government under the authority of Subtitle A of the Internal Revenue Code.
6. Submitter is not subject to the provisions of the Internal Revenue Code and legislatively but not constitutionally "foreign" with respect to it.
7. The Internal Revenue Code qualifies as "legislation".
8. Federal government has no legislative jurisdiction within states of the Union.
9. States of the Union are legislatively but not constitutionally "foreign" with respect to the national government.

If you find yourself in receipt of this pamphlet, you are demanded to answer the questions within 10 days. Pursuant to Federal Rule of Civil Procedure 8(b)(6), failure to deny within 30 days constitutes an admission to each question. Pursuant to 26 U.S.C. §6065, all of your answers must be signed under penalty of perjury. We are not interested in agency policy, but only sources of reasonable belief identified in the pamphlet below:

Reasonable Belief About Income Tax Liability, Form #05.007 http://sedm.org/Forms/FormIndex.htm

Your answers will become evidence in future litigation, should that be necessary in order to protect the rights of the person against whom you are attempting to unlawfully enforce federal law.

This document consists of a series of factual statements supported by accompanying evidence. This form of inquiry is called an "admission" in the legal field. The person receiving this document must provide an "Admit" or "Deny" answer to each factual statement. The government, who is the moving party in this case, has the burden of proving the existence of jurisdiction and liability PRIOR to attempting any enforcement or collection actions against the submitter:

> *TITLE 5 - GOVERNMENT ORGANIZATION AND EMPLOYEES*
> *PART I - THE AGENCIES GENERALLY*
> *CHAPTER 5 - ADMINISTRATIVE PROCEDURE*
> *SUBCHAPTER II - ADMINISTRATIVE PROCEDURE*
> *Sec. 556. Hearings; presiding employees; powers and duties; burden of proof; evidence; record as basis of decision*
>
> *(d)* ***Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof****.*
>
> *Any oral or documentary evidence may be received, but the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence.* ***A sanction may not be imposed or rule or order issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence****. The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur. A party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In rule making or determining claims for money or benefits or applications for initial licenses an agency may, when a party will not be prejudiced thereby, adopt procedures for the submission of all or part of the evidence in written form.*

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The questions are structured in such a way that the only answer that is consistent with the evidence and context of each question is "Admit". To answer "Deny" is to argue against the supporting evidence provided for each question. The answer provided to each admission must be consistent with all the factual evidence provided and if it is not, the responding party must explain in the "Clarification" area of their answer why the evidence provided in support of the question is incorrect or not trustworthy.

At the end of the admissions, the recipient who completes these questions should sign under penalty of perjury, as required by 26 U.S.C. §6065. Failure of the person completing the questions to sign the legal birth name under penalty of perjury shall constitute an "Admit" to every question.

If the recipient of these admissions is not authorized to answer them, then the submitter insists that:

1. They be provided to someone within the receiving organization who can respond to each question.
2. That a letter be sent to the person who sent them the questions providing contact information of the person who will be responding to the admissions.

Note that this document does *not* constitute:

1. An attempt to impede the lawful administration of either state or federal revenue law. Instead, it is an attempt to ensure that the government respects and observes all of the Constitutional and lawful limits upon their authority to collect revenues and thereby fulfills its only function to protect and defend the Constitutional rights of all Americans.

> *"It is not the function of our Government to keep the citizen from falling into error; it is the function of the citizen to keep the government from falling into error."*
> *[American Communications Association v. Douds, 339 U.S. 382, 442. (1950)]*

2. An "argument" about anything, but simply a restatement of what the law and the courts say about a particular subject. Consequently, it is absolutely pointless to accuse the submitter of being "frivolous". To accuse the submitter of being frivolous would indirectly be an admission that the government is lying to the public, because all questions are backed by evidence derived directly from the government.
3. A request for legal advice. More than adequate evidence is provided in support of each admission to establish the answer to each question in a way that is completely consistent with prevailing law and judicial precedent.

Finally, if additional authorities are cited for a particular conclusion in response to each question, the person answering the questions ***must*** observe the same constraints as the IRS itself in regards to the authority of cases cited. The constraints it must operate under are as follows, from the Internal Revenue Manual off the IRS website:

> *"Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... **A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, District Courts, or Claims Court, are binding on the Service only for the particular taxpayer and the years litigated**. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers."*
> *[IRM 4.10.7.2.9.8 (05/14/99)*
> *http://www.irs.gov/irm/part4/ch10s11.html]*

2 INSTRUCTIONS TO RECIPIENT

1. For each question, check either the "Admit" or "Deny" blocks.
2. Add additional explanation in the "Clarification" block at the end of the question. You are also encouraged to add additional amplifying exhibits and explanation to your answers, and reference the section number and question number in your answers.
3. Any question left unanswered shall be deemed as "Admit" and constitute a default pursuant to Federal Rule of Civil Procedure 8(b)(6). To wit:

> *III. PLEADINGS AND MOTIONS > Rule 8.*
> *Rule 8. General Rules of Pleading*
>
> *(b) Defenses; Admissions and Denials.*

(6) Effect of Failing to Deny.

An allegation — other than one relating to the amount of damages — is admitted if a responsive pleading is required and the allegation is not denied. If a responsive pleading is not required, an allegation is considered denied or avoided.

4. If the whole questionnaire is left unanswered, then the answer to all questions by the recipient shall be deemed to be "Admit" and constitute a default under Fed.Rule.Civ.Proc. 8(b)(6).
5. Sign and date the end using blue original ink.
6. Photocopy.
7. Retain the copy for yourself and give the original to the requester.

3 ADMISSIONS

3.1 Status

1. Admit that the ONLY "individual" defined in the I.R.C. is a statutory "alien":

26 CFR §1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.

(c) Definitions

(3) Individual.

(i) Alien individual.

The term alien individual means an individual who is not a citizen or a national of the United States. See Sec. 1.1-1(c).

(ii) Nonresident alien individual.

The term nonresident alien individual means a person described in section 7701(b)(1)(B), an alien individual who is a resident of a foreign country under the residence article of an income tax treaty and Sec. 301.7701(b)-7(a)(1) of this chapter, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa as determined under Sec. 301.7701(b)-1(d) of this chapter. An alien individual who has made an election under section 6013 (g) or (h) to be treated as a resident of the United States is nevertheless treated as a nonresident alien individual for purposes of withholding under chapter 3 of the Code and the regulations thereunder

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that the above "individual" is the SAME "individual" mentioned in the upper left corner of the IRS Form 1040 as "U.S. Individual".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that no one can force you to become a "resident" against your will without violating the Thirteenth Amendment prohibition against involuntary servitude.

"That it does not conflict with the Thirteenth Amendment, which abolished slavery and involuntary servitude, except as a punishment for crime, is too clear for argument. Slavery implies involuntary servitude—a state of bondage; the ownership of mankind as a chattel, ***or at least the control of the labor and services of one man for the benefit of another, and the absence of a legal right to the disposal of his own person, property, and services [in their entirety].*** *This amendment was said in the Slaughter House Cases, 16 Wall, 36, to have been intended primarily to abolish slavery, as it had been previously known in this country, and that it equally forbade Mexican peonage or the Chinese coolie trade, when they amounted to slavery or involuntary servitude and that the use of the* ***word 'servitude' was intended to prohibit the use of all forms of involuntary slavery, of whatever class or name."***

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[Plessy v. Ferguson, 163 U.S. 537, 542 (1896)]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that you cannot be a "resident" of a place you have never been to and that it is FRAUD to declare oneself a "resident" of the "United States" if one has never physically lived there.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.2 Which "United States"?

1. Admit that the term "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) is the geographic region over which Subtitle A of the Internal Revenue Code is defined to apply.

> *"The term 'United States' may be used in any one of several senses. [1] It may be merely the name of a sovereign occupying the position analogous to that of other sovereigns in the family of nations. [2] It may designate the territory over which the sovereignty of the United States extends, [3] or it may be the collective name of the states which are united by and under the Constitution."*
> *[Hooven & Allison Co. v. Evatt, 324 U.S. 652 (1945)]*

#	*U.S. Supreme Court Definition of "United States" in Hooven*	*Context in which usually used*	*Referred to in this article as*	*Interpretation*
1	"It may be merely the name of a sovereign occupying the position analogous to that of other sovereigns in the family of nations."	International law	"United States*"	"These united States," when traveling abroad, you come under the jurisdiction of the President through his agents in the U.S. State Department, where "U.S." refers to the sovereign society. You are a "Citizen of the United States" like someone is a Citizen of France, or England. We identify this version of "United States" with a single asterisk after its name: "United States*" throughout this article.
2	"It may designate the territory over which the sovereignty of the United States extends, or"	Federal law Federal forms	"United States**"	"The United States (the District of Columbia, possessions and territories)". Here Congress has exclusive legislative jurisdiction. In this sense, the term "United States" is a singular noun. You are a person residing in the District of Columbia, one of its Territories or Federal areas (enclaves). Hence, even a person living in the one of the sovereign States could still be a member of the Federal area and therefore a "citizen of the United States." This is the definition used in most "Acts of Congress" and federal statutes. We identify this version of "United States" with two asterisks after its name: "United States**" throughout this article. This definition is also synonymous with the "United States" corporation found in 28 U.S.C. §3002(15)(A).

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#	U.S. Supreme Court Definition of "United States" in Hooven	Context in which usually used	Referred to in this article as	Interpretation
3	"...as the collective name for the states which are united by and under the Constitution."	Constitution of the United States	"United States***"	"The several States which is the united States of America." Referring to the 50 sovereign States, which are united under the Constitution of the United States of America. The federal areas within these states are not included in this definition because the Congress does not have exclusive legislative authority over any of the 50 sovereign States within the Union of States. Rights are retained by the States in the 9th and 10th Amendments, and you are a "Citizen of these united States." This is the definition used in the Constitution for the United States of America. We identify this version of "United States" with a three asterisks after its name: "United States***" throughout this article.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that the term "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) is the geographic region over which Subtitle A of the Internal Revenue Code is defined to apply.

> *TITLE 26 > Subtitle F > CHAPTER 79 >* ***Sec. 7701. [Internal Revenue Code]***
> *Sec. 7701. - Definitions*
>
> *(a)(9) United States*
>
> *The term "United States" when used in a geographical sense includes only the States and the District of Columbia.*
>
> *(a)(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.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that the term "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) is has the same meaning as United States** identified by the U.S. Supreme Court in Hooven and Allison v. Evatt above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that there is no other definition of "United States" applying to subtitle A of the Internal Revenue Code which might modify or enlarge the definition of "United States" found above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit the term "United States" as defined in the Internal Revenue Code Subtitle A to areas under exclusive federal jurisdiction and excludes areas under exclusive state legislative jurisdiction.

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See: http://famguardian.org/TaxFreedom/CitesByTopic/UnitedStates.htm

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that the rules of statutory construction state the following:

> *"**Expressio unius est exclusio alterius**. A maxim of statutory interpretation meaning that **the expression of one thing is the exclusion of another.** Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d. 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d. 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."*
> *[Black's Law Dictionary, Sixth Edition, p. 581]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that the rules of statutory construction above apply to the interpretation of all statutes, including the Internal Revenue Code and all 50 titles of the U.S. Code.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that observing the rules of statutory construction above and the following Supreme Court rulings in the case of the definition of "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) results in excluding states of the Union from the definition of "United States".

> *"It should never be held that Congress intends to supersede or by its legislation suspend the exercise of the police powers of the States, even when it may do so, unless its purpose to effect that result is clearly manifested."*
> *[Reid v. Colorado, 187 U.S. 137, 148 (1902)]*
>
> _____
>
> *"The principle thus applicable has been frequently stated. It is that the Congress may circumscribe its regulation and occupy a limited field, and that the intention to supersede the exercise by the State of its authority as to matters not covered by the federal legislation is not to be implied unless the Act of Congress fairly interpreted is in conflict with the law of the State. See Savage v. Jones, 225 U.S. 501, 533 ."*
> *[Atchison, T. & S. F. R. Co. v. Railroad Commission, 283 U.S. 380, 392 –393 (1931)]*
>
> _____
>
> *"If Congress is authorized to act in a field, it should manifest its intention clearly. It will not be presumed that a federal statute was intended to supersede the exercise of the power of the state unless there is a clear manifestation of intention to do so. The exercise of federal supremacy is not lightly to be presumed."*
> *[Schwartz v. Texas, 344 U.S. 199, 202-203 (1952)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that the term "United States" as used in the Constitution and "United States" and as used in 26 U.S.C. §7701(a)(9) and (a)(10) refer to two mutually exclusive geographical areas.

> *"**Foreign Laws**: "The laws of a foreign country or sister state. In conflicts of law, the legal principles of jurisprudence which are part of the law of a sister state or nation. Foreign laws are additions to our own laws, and in that respect are called 'jus receptum'."*
> *[Black's Law Dictionary, Sixth Edition, p. 647]*

> ***"Foreign States**: "Nations outside of the United States…Term may also refer to another state; i.e. a sister state. The term 'foreign nations', …should be construed to mean all nations and states other than that in which the action is brought; and hence, one state of the Union is foreign to another, in that sense."*
> *[Black's Law Dictionary, Sixth Edition, p. 648]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

1. Admit that ***all*** earnings originating within the "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) fall within the classification of a "trade or business" under 26 U.S.C. §864(c)(3).

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864*
> *§864. Definitions and special rules*
>
> *(c) Effectively connected income, etc.*
>
> *(3) Other income from sources within United States*
>
> ***All income, gain, or loss from sources within the United States (other than income, gain, or loss to which paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within the United States.***
>
> _____
>
> ***Income Subject to Tax***
>
> ***Income from sources outside the United States that is not effectively connected with a trade or business in the United States is not taxable if you receive it while you are a nonresident alien**. The income is not taxable even if you earned it while you were a resident alien or if you became a resident alien or a U.S. citizen after receiving it and before the end of the year.*
> *[IRS Publication 519, Year 2000, p. 26]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that the ONLY place where EVERYTHING is connected with a public office/"trade or business" in the U.S. government is the government itself, and hence, the term "United States" as used in the phrase "sources within the United States" within the I.R.C. Subtitle A can ONLY mean the GOVERNMENT of the United States and NOT any geographic place.

> *"Loughborough v. Blake, 5 Wheat. 317, 5 L.Ed. 98, was an action of trespass or, as appears by the original record, replevin, brought in the circuit court for the District of Columbia to try the right of Congress to impose a direct tax for general purposes on that District. 3 Stat. at L. 216, chap. 60. **It was insisted that Congress could act in a double capacity: in one as legislating [182 U.S. 244, 260] for the states; in the other as a local legislature for the District of Columbia. In the latter character, it was admitted that the power of levying direct taxes might be exercised, but for District purposes only, as a state legislature might tax for state purposes; but that it could not legislate for the District under art. 1, 8, giving to Congress the power 'to lay and collect taxes, imposts, and excises,' which 'shall be uniform throughout the United States,' inasmuch as the District was no part of the United States [described in the Constitution]. It was held that the grant of this power was a general one without limitation as to place, and consequently extended to all places over which the government extends; and that it extended to the District of Columbia as a constituent part of the United States.** The fact that art. 1 , 2, declares that 'representatives and direct taxes shall be apportioned among the several states . . . according to their respective numbers' furnished a standard by which taxes were apportioned, but not to exempt any part of the country from their operation. 'The words used do not mean that direct taxes shall be imposed on states only which are represented, or shall be apportioned to representatives; **but that direct taxation, in its application to states, shall be apportioned to numbers**.' That art. 1, 9, 4, declaring that direct taxes shall be laid in proportion to the census, was applicable to the District of Columbia, 'and will enable Congress to apportion on it its just and equal share of the burden, with the same accuracy as on the respective states. If the tax be laid in this proportion, it is within the very words of the restriction. It is a tax in proportion to the census or enumeration referred to.' It was further held that the words of the 9th section did not 'in terms require that the system of direct taxation, when resorted to, shall be extended to the territories, as the words of the 2d section require that it shall be extended to all the states. They therefore may, without*

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violence, be understood to give a rule when the territories shall be taxed, without imposing the necessity of taxing them.'"
[Downes v. Bidwell, 182 U.S. 244 (1901)]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.3 Citizenship

For additional information on the subjects covered in this section, please refer to:

Why You Are a "national", "state national", and Constitutional but not Statutory Citizen, Form #05.006 http://sedm.org/Forms/FormIndex.htm

1. Admit that if "United States" in the phrase "sources within the United States" means the GOVERNMENT, and no geographic place, then the statutory terms "U.S. citizen" and "U.S. resident" can only be synonyms for the government and have nothing to do with the nationality of the "person":

> *"A corporation is a citizen, resident, or inhabitant of the state or country by or under the laws of which it was created, and of that state or country only."*
> *[19 Corpus Juris Secundum, Corporations, §886]*
> _____
>
> *TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.*
> *Sec. 7701. - Definitions*
> *(a)(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,*
> *(D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and*
> *(E) any trust if -*
> *(i) a court within the United States is able to exercise primary supervision over the administration of the trust, and*
> *(ii) one or more United States persons have the authority to control all substantial decisions of the trust.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that because there are THREE definitions for the the term "United States", according to the U.S. Supreme Court in Hooven and Allison v. Evatt earlier, then there are potentially THREE distinctly different types of "citizens of the United States", depending on which definition is implied.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that it is up to NO ONE BUT ME to decide WHICH of the three types of "citizens" I want to be, because choice of citizenship is an act of First Amendment political association that cannot be coerced.

> *TITLE 22 > CHAPTER 38 > § 2721*
> *§ 2721. Impermissible basis for denial of passports*
>
> *A passport may not be denied issuance, revoked, restricted, or otherwise limited because of any speech, activity, belief, **affiliation, or membership, within or outside the United States,** which, if held or conducted within the United States, would be protected by the first amendment to the Constitution of the United States.*
>
> _____

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> ***"The citizen cannot complain, because he has voluntarily submitted himself to such a form of government.*** ***He owes allegiance to the two departments, so to speak, and within their respective spheres must pay the penalties which each exacts for disobedience to its laws. In return, he can demand protection from each within its own jurisdiction.****"*
> *[United States v. Cruikshank, 92 U.S. 542 (1875) [emphasis added]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that a human being who did not "voluntarily submit" himself as above by choosing a domicile in the "United States" would be called a "non-citizen national", just like foreigners visiting here who retain their domicile in a foreign country are called "nationals".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that DOMICILE rather than one's NATIONALITY is the origin of the government's authority to tax:

> *"**domicile**. A person's legal home. That place where a man has his true, fixed, and **permanent home** and principal establishment, and to which whenever he is absent he has **the intention of** returning. Smith v. Smith, 206 Pa.Super. 310, 213 A.2d. 94. Generally, physical presence within a state and **the intention** to make it one's home are the requisites of establishing a "domicile" therein. The permanent residence of a person or the place to which he **intends to** return even though he may actually reside elsewhere. A person may have more than one residence but only one domicile. **The legal domicile of a person is important since it, rather than the actual residence, often controls the jurisdiction of the taxing authorities and determines where a person may exercise the privilege of voting and other legal rights and privileges.**"*
> *[Black's Law Dictionary, Sixth Edition, p. 485]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that a passport is evidence of ALLEGIANCE rather than DOMICILE.

> *"No passport shall be granted or issued to or verified for any other persons than those owing **allegiance**, whether citizens or not, to the United States."*
> *[22 U.S.C. §212]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that the only status within Title 8 of the U.S. code connected EXCLUSIVELY and ONLY with "allegiance" is that of a "national".

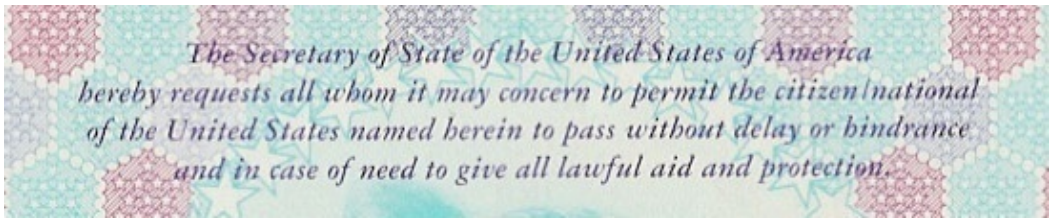
> *8 U.S.C. §1101: Definitions*
>
> *(a) As used in this chapter—*
>
> *(21) The term "national" means a person owing permanent allegiance to a state.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that U.S.A. passport identifies TWO groups of people eligible to receive it: "citizen" OR "national":

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"citizen/national"= "citizen" OR "national"

"/"= "virgule"

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that one can be a "national" WITHOUT being a statutory "citizen" under 8 U.S.C. §1401:

"7 Foreign Affairs Manual Section 012(a)

a. U.S. Nationals Eligible for Consular Protection and Other Services:

Nationality is the principal relationship that connects an individual to a State. *International law recognizes the right of a State to afford diplomatic and consular protection to its* ***nationals*** *and to represent their interests.* ***Under U.S. law the term "national" is inclusive of citizens but "citizen" is not inclusive of nationals. All U.S. citizens are U.S. nationals.*** *Section 101(a)(22) INA (8 U.S.C. 1101(a)(22)) provides that the term "national of the United States" means (A) a citizen of the United States, or (B) a person who, though not a citizen of the United States, owes permanent allegiance to the United States. U.S. nationals are eligible for U.S. consular protection.*
[SOURCE: http://www.state.gov/documents/organization/86556.pdf]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

10. Admit that the only type of "residence" within the I.R.C. is one connected to aliens and that "citizens" cannot have a "residence" within the I.R.C. as statutorily defined:

Title 26: Internal Revenue
PART 1—INCOME TAXES
nonresident alien individuals
§ 1.871-2 Determining residence of alien individuals.

(b) ***Residence defined.***

An alien actually present in the United States who is not a mere transient or sojourner is a resident of the United States for purposes of the income tax. ***Whether he is a transient is determined by his intentions with regard to the length and nature of his stay.*** *A mere floating intention, indefinite as to time, to return to another country is not sufficient to constitute him a transient. If he lives in the United States and has no definite intention as to his stay, he is a resident.* ***One who comes to the United States for a definite purpose which in its nature may be promptly accomplished is a transient but, if his purpose is of such a nature that an extended stay may be necessary for its accomplishment, and to that end the alien makes his home temporarily in the United States, he becomes a resident****, though it may be his intention at all times to return to his domicile abroad when the purpose for which he came has been consummated or abandoned. An alien whose stay in the United States is limited to a definite period by the immigration laws is not a resident of the United States within the meaning of this section, in the absence of exceptional circumstances.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

11. Admit that the term "resident" as used in the I.R.C. Subtitle A means someone engaged in a "trade or business", and has nothing to do with the nationality or physical location of the person.

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26 CFR §301.7701-5 Domestic, foreign, resident, and nonresident persons. (4-1-04)

A domestic corporation is one organized or created in the United States, including only the States (and during the periods when not States, the Territories of Alaska and Hawaii), and the District of Columbia, or under the law of the United States or of any State or Territory. A foreign corporation is one which is not domestic. A domestic corporation is a resident corporation even though it does no business and owns no property in the United States. ***A foreign corporation engaged in trade or business within the United States is referred to in the regulations in this chapter as a resident foreign corporation, and a foreign corporation not engaged in trade or business within the United States, as a nonresident foreign corporation.*** *A partnership engaged in trade or business within the United States is referred to in the regulations in this chapter as a resident partnership, and a partnership not engaged in trade or business within the United States, as a nonresident partnership.* ***Whether a partnership is to be regarded as resident or nonresident is not determined by the nationality or residence of its members or by the place in which it was created or organized.***
[Amended by T.D. 8813, Federal Register: February 2, 1999 (Volume 64, Number 21), Page 4967-4975]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

12. Admit that a public officer lawfully exercising a public office within a federal corporation is treated as having an effective civil domicile in the place of incorporation of the corporation, which for the "United States" government corporation is the District of Columbia.

IV. PARTIES > Rule 17.
Rule 17. Parties Plaintiff and Defendant; Capacity

(b) Capacity to Sue or be Sued.

Capacity to sue or be sued is determined as follows:

(1) for an individual who is not acting in a representative capacity, by the law of the individual's domicile;
(2) for a corporation[the "United States", in this case, or its officers on official duty representing the corporation], by the law under which it was organized [laws of the District of Columbia]; and
(3) for all other parties, by the law of the state where the court is located, except that:
(A) a partnership or other unincorporated association with no such capacity under that state's law may sue or be sued in its common name to enforce a substantive right existing under the United States Constitution or laws; and
(B) 28 U.S.C. §§ 754 and 959(a) govern the capacity of a receiver appointed by a United States court to sue or be sued in a United States court.
[SOURCE: http://www.law.cornell.edu/rules/frcp/Rule17.htm]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.4 Taxpayer Identification Numbers (TINs)

For additional information on the subjects covered in this section, please refer to:

Why It is Illegal for Me to Request or Use a "Taxpayer Identification Number", Form #04.205 http://sedm.org/Forms/FormIndex.htm

_____

1. Admit that nonresident aliens may only be required to use Taxpayer Identification Numbers if they are engaged in a "trade or business", which 26 U.S.C. §7701(a)(26) defines as a public office in the U.S. government.

26 CFR §301.6109-1(b)

(b) Requirement to furnish one's own number—

(1) U.S. persons.

*Every **U.S. person** who makes under this title a return, statement, or other document must furnish **its** own taxpayer identifying number as required by the forms and the accompanying instructions.*

(2) Foreign persons.

The provisions of paragraph (b)(1) of this section regarding the furnishing of one's own number shall apply to the following foreign persons--

(i) A foreign person that has income effectively connected with the conduct of a U.S. trade or business at any time during the taxable year;
(ii) A foreign person that has a U.S. office or place of business or a U.S. fiscal or paying agent at any time during the taxable year;
(iii) A nonresident alien treated as a resident under section 6013(g) or (h);
(iv) A foreign person that makes a return of tax (including income, estate, and gift tax returns), an amended return, or a refund claim under this title but excluding information returns, statements, or documents;
(v) A foreign person that makes an election under Sec. 301.7701-3(c);
(vi) A foreign person that furnishes a withholding certificate described in Sec. 1.1441-1(e)(2) or (3) of this chapter or Sec. 1.1441-5(c)(2)(iv) or (3)(iii) of this chapter to the extent required under Sec. 1.1441-1(e)(4)(vii) of this chapter;
(vii) A foreign person whose taxpayer identifying number is required to be furnished on any return, statement, or other document as required by the income tax regulations under section 897 or 1445. This paragraph (b)(2)(vii) applies as of November 3, 2003; and
(viii) A foreign person that furnishes a withholding certificate described in Sec. 1.1446-1(c)(2) or (3) of this chapter or whose taxpayer identification number is required to be furnished on any return, statement, or other document as required by the income tax regulations under section 1446. This paragraph (b)(2)(viii) shall apply to partnership taxable years beginning after May 18, 2005, or such earlier time as the regulations under Sec. Sec. 1.1446-1 through 1.1446-5 of this chapter apply by reason of an election under Sec. 1.1446-7 of this chapter.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that those nonresident aliens who use a Taxpayer Identification Number but who do not lawfully occupy a public office in the U.S. Government are committing the crime of impersonating a public officer in violation of 18 U.S.C. §912.

TITLE 18 > PART I > CHAPTER 43 > § 912
§ 912. Officer or employee of the United States

Whoever falsely assumes or pretends to be an officer or employee acting under the authority of the United States or any department, agency or officer thereof, and acts as such, or in such pretended character demands or obtains any money, paper, document, or thing of value, shall be fined under this title or imprisoned not more than three years, or both.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that nonresident aliens not engaged in a "trade or business" are expressly exempted from the reqruiement to furnish a Taxpayer Identification Number.

Title 31: Money and Finance: Treasury
PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS
Subpart C—Records Required To Be Maintained
§ 103.34 Additional records to be made and retained by banks.

*(a)(3) **A taxpayer identification number required under paragraph (a)(1) of this section need not be secured for accounts or transactions with the following:***

[. . .]

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(x) non-resident aliens who are not engaged in a trade or business in the United States.

In instances described in paragraphs (a)(3), (viii) and (ix) of this section, the bank shall, within 15 days following the end of any calendar year in which the interest accrued in that year is $10 or more use its best effort to secure and maintain the appropriate taxpayer identification number or application form therefor.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.5 Federal jurisdiction

For additional information on the subjects covered in this section, please refer to:

1. *Federal Jurisdiction*, Form #05.018
   http://sedm.org/Forms/FormIndex.htm
2. *Tax Deposition Questions*, Form #03.016
   http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm

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1. Admit that the federal government has *no legislative jurisdiction* within states of the Union according to the U.S. Supreme Court.

   *"It is no longer open to question that **the general [federal] government, unlike the states**, Hammer v. Dagenhart, 247 U.S. 251, 275 , 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, **possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.**"*
   [Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]

   ---

   *"But very different considerations apply to the **internal commerce** or **domestic trade** of the **States**. Over this commerce and trade Congress has **no power of regulation** [or taxation] **nor any direct control**. This power belongs **exclusively** to the States. **No interference by Congress with the business of citizens transacted within a State is warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly granted to the legislature**. The power to authorize a business within a State is plainly repugnant to the exclusive power of the State over the same subject. It is true that the power of Congress to tax is a very extensive power. It is given in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports, and it must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited, and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing subjects. Congress cannot authorize a trade or business within a State in order to tax it."*
   [License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)]

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

2. Admit that Subtitle A of the Internal Revenue Code qualifies as "legislation" with respect to the above court ruling(s).

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

3. Admit that because the Subtitle A of the Internal Revenue Code qualifies as "legislation", then its jurisdiction does not include areas internal to states of the Union, excepting possibly federal areas under the exclusive jurisdiction of the United States and coming under Article 1, Section 8, Clause 17 of the Constitution.

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

4. Admit that the District of Columbia and the territories and possessions of the United States are *outside* of areas within the exclusive jurisdiction of states of the Union and outside the "United States" as used in the Constitution.

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*"As the only judicial power vested in Congress is to create courts whose judges shall hold their offices during good behavior, it necessarily follows that, **if Congress authorizes the creation of courts and the appointment of judges for limited time, it must act independently of the Constitution upon territory which is not part of the United States within the meaning of the Constitution.**"*
[O'Donohue v. United States, 289 U.S. 516, 53 S.Ct. 740 (1933)]

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*"The earliest case is that of Hepburn v. Ellzey, 2 Cranch, 445, 2 L.Ed. 332, in which this court held that, under that clause of the Constitution limiting the jurisdiction of the courts of the United States to controversies between citizens of different states, a citizen of the District of Columbia could not maintain an action in the circuit court of the United States. It was argued that the word 'state.' in that connection, was used simply to denote a distinct political society. 'But,' said the Chief Justice, '**as the act of Congress obviously used the word 'state' in reference to that term as used in the Constitution, it becomes necessary to inquire whether Columbia is a state in the sense of that instrument. The result of that examination is a conviction that the members of the American confederacy only are the states contemplated in the Constitution , . . . and excludes from the term the signification attached to it by writers on the law of nations.**' This case was followed in Barney v. Baltimore, 6 Wall. 280, 18 L.Ed. 825, and quite recently in Hooe v. Jamieson, 166 U.S. 395 , 41 L.Ed. 1049, 17 Sup.Ct.Rep. 596. **The same rule was applied to citizens of territories in New Orleans v. Winter, 1 Wheat. 91, 4 L.Ed. 44, in which an attempt was made to distinguish a territory from the District of Columbia. But it was said that 'neither of them is a state in the sense in which that term is used in the Constitution.**' In Scott v. Jones, 5 How. 343, 12 L.Ed. 181, and in Miners' Bank v. Iowa ex rel. District Prosecuting Attorney, 12 How. 1, 13 L.Ed. 867, it was held that under the judiciary act, permitting writs of error to the supreme court of a state in cases where the validity of a state statute is drawn in question, an act of a territorial legislature was not within the contemplation of Congress."*
[Downes v. Bidwell, 182 U.S. 244 (1901), emphasis added]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that the District of Columbia and territories and possessions of the United States are subject to the exclusive legislative jurisdiction of the federal government under Article 1, Section 8, Clause 17 of the Constitution.

United States Constitution, Article 1, Section 8, Clause 17

To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of Particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards and other needful Buildings;--And

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that IRS Form 1040 (not 1040NR, but 1040) is intended to be submitted only by those who are "citizens or residents" of the "United States".

1040A 11327A Each
U.S. Individual Income Tax Return

*Annual income tax return **filed by citizens and residents of the United States**. There are separate instructions available for this item. The catalog number for the instructions is 12088U.*

W:CAR:MP:FP:F:I Tax Form or Instructions
[IRS Published Products Catalog, Document 7130, Year, 2003, p. F-15]

7. Admit that those who do not maintain a "domicile" within the District of Columbia or the territories or possessions of the United States do not qualify as either "citizens" or "residents" of the "United States" as used above.

domicile. *A person's legal home. That place where a man has his true, fixed, and permanent home and principal establishment, and to which whenever he is absent he has the intention of returning. Smith v. Smith, 206 Pa.Super. 310, 213 A.2d. 94. Generally, physical presence within a state and the intention to make it one's home are the requisites of establishing a "domicile" therein. The permanent residence of a person or the place to which he intends to return even though he may actually reside elsewhere. A person may have more than one*

residence but only one domicile. The legal domicile of a person is important since it, rather than the actual residence, often controls the jurisdiction of the taxing authorities and determines where a person may exercise the privilege of voting and other legal rights and privileges. The established, fixed, permanent, or ordinary dwellingplace or place of residence of a person, as distinguished form his temporary and transient, though actual, place of residence. It is his legal residence, as distinguished from his temporary place of abode; or his home, as distinguished from a place to which business or pleasure may temporarily call him. See also Abode; Residence.

"Citizenship," "habitancy," and "residence" are severally words which in particular cases may mean precisely the same as "domicile," while in other uses may have different meanings.

"Residence" signifies living in particular locality while "domicile" means living in that locality with intent to make it a fixed and permanent home. Schreiner v. Schreiner, Tex.Civ.App., 502 S.W.2d. 840, 843.

For purpose of federal diversity jurisdiction, "citizenship" and "domicile" are synonymous. Hendry v. Masonite Corp., C.A.Miss., 455 F.2d. 955.
[Black's Law Dictionary, Sixth Edition, p. 485]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that under 4 U.S.C. §72, all those exercising a "public office" within the federal government ***must*** do so in the District of Columbia and NOT elsewhere.

TITLE 4 > CHAPTER 3 > § 72
§ 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.

[http://www4.law.cornell.edu/uscode/html/uscode04/usc_sec_04_00000072----000-.html]

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

9. Admit that there is no provision of law extending "public offices" to any state of the Union as required by the above positive law statute.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

10. Admit that 48 U.S.C. §1612(a) extends the authority of the Secretary of the Treasury to enforce Title 26, Subchapter F to the Virgin Islands.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

11. Admit that Congress has not "expressly" extended the authority of the Secretary of the Treasury to any one of the several states of the Union.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

12. Admit that there is no statutory authority or Treasury Order which would "expressly" extend the authority of the Secretary outside the District of Columbia to the several Union states.

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YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

13. Admit that 26 U.S.C. §7621 authorizes the President of the United States to establish internal revenue districts.

> *TITLE 26 > Subtitle F > CHAPTER 78 > Subchapter B > § 7621*
> *§ 7621. Internal revenue districts*
>
> *(a) Establishment and alteration*
>
> *The President shall establish convenient internal revenue districts for the purpose of administering the internal revenue laws. The President may from time to time alter such districts.*
>
> *(b) Boundaries*

For the purpose mentioned in subsection (a), the President may subdivide any State, or the District of Columbia, or may unite into one district two or more States.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

14. Admit that the United States Constitution forbids the President of the United States to "join or divide" any state of the Union.

> *United States Constitution*
> *Article 4, Section 3, Clause 1*
>
> *New States may be admitted by the Congress into this Union; but no new State shall be formed or erected within the Jurisdiction of any other State; nor any State be formed by the Junction of two or more States, or Parts of States, without the Consent of the Legislatures of the States concerned as well as of the Congress.*

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

15. Admit that 26 U.S.C. §7621 authorizes the President of the United States to join or divide "States":

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

16. Admit that pursuant 26 U.S.C. §7621, the President has not authorized any part of any state of the Union to be part of any internal revenue district.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

17. Admit that the "State" referred to in 26 U.S.C. §7621 above is a federal "State" defined in 4 U.S.C. §110(d), which is a territory or possession of the United States and includes no part of any state of the Union:

> *TITLE 4 > CHAPTER 4 > § 110*
> *§ 110. Same; definitions*
>
> *As used in sections 105–109 of this title—*
>
> *(d) The term "State" includes any Territory or possession of the United States.*

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YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

18. Admit that the states of the Union are not "territories" of the United States:

> *Corpus Juris Secundum Legal Encyclopedia*
> *Territories*
> *"§1. Definitions, Nature, and Distinctions*
>
> ***"The word 'territory,' when used to designate a political organization has a distinctive, fixed, and legal meaning under the political institutions of the United States, and does not necessarily include all the territorial possessions of the United States, but may include only the portions thereof which are organized and exercise governmental functions under act of congress."***
>
> *"While the term 'territory' is often loosely used, and has even been construed to include municipal subdivisions of a territory, and 'territories of the' United States is sometimes used to refer to the entire domain over which the United States exercises dominion, the word 'territory,' when used to designate a political organization, has a distinctive, fixed, and legal meaning under the political institutions of the United States, and the term 'territory' or 'territories' does not necessarily include only a portion or the portions thereof which are organized and exercise government functions under acts of congress. The term 'territories' has been defined to be political subdivisions of the outlying dominion of the United States, and in this sense the term 'territory' is not a description of a definite area of land but of a political unit governing and being governed as such. The question whether a particular subdivision or entity is a territory is not determined by the particular form of government with which it is, more or less temporarily, invested.*
>
> ***"Territories' or 'territory' as including 'state' or 'states." While the term 'territories of the' United States may, under certain circumstances, include the states of the Union, as used in the federal Constitution and in ordinary acts of congress "territory" does not include a foreign state.***
>
> ***"As used in this title, the term 'territories' generally refers to the political subdivisions created by congress, and not within the boundaries of any of the several states."***
> *[86 C.J.S. [Corpus, Juris, Secundum, Legal Encyclopedia], Territories, §1, Emphasis added]*

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

19. Admit that pursuant to Executive Order 10289, the President has delegated to the Secretary of the Treasury the authority to establish internal revenue districts.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

20. Admit that the Secretary of the Treasury has not established internal revenue districts which include any part of any state of the Union that is not federal territory or property.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

21. Admit that the only existing internal revenue district is the District of Columbia.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

22. Admit that pursuant to 26 U.S.C. §7601, the only place the IRS is authorized to search for taxable persons and property is within internal revenue districts created by the President.

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YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

23. Admit that the term "State" as used in the Constitution includes states of the Union and excludes territories and possessions of the United States or the "State" mentioned in 4 U.S.C. §110(d).

> *"The earliest case is that of Hepburn v. Ellzey, 2 Cranch, 445, 2 L.Ed. 332, in which this court held that, under that clause of the Constitution limiting the jurisdiction of the courts of the United States to controversies between citizens of different states, a citizen of the District of Columbia could not maintain an action in the circuit court of the United States. It was argued that the word 'state.' in that connection, was used simply to denote a distinct political society. 'But,' said the Chief Justice, 'as the act of Congress obviously used the word 'state' in reference to that term as used in the Constitution, it becomes necessary to inquire whether Columbia is a state in the sense of that instrument.* ***The result of that examination is a conviction that the members of the American confederacy only are the states contemplated in the Constitution , . . . and excludes from the term the signification attached to it by writers on the law of nations.' This case was followed in Barney v. Baltimore, 6 Wall. 280, 18 L.Ed. 825, and quite recently in Hooe v. Jamieson, 166 U.S. 395 , 41 L.Ed. 1049, 17 Sup.Ct.Rep. 596. The same rule was applied to citizens of territories in New Orleans v. Winter, 1 Wheat. 91, 4 L.Ed. 44, in which an attempt was made to distinguish a territory from the District of Columbia. But it was said that 'neither of them is a state in the sense in which that term is used in the Constitution.'*** *In Scott v. Jones, 5 How. 343, 12 L.Ed. 181, and in Miners' Bank v. Iowa ex rel. District Prosecuting Attorney, 12 How. 1, 13 L.Ed. 867, it was held that under the judiciary act, permitting writs of error to the supreme court of a state in cases where the validity of a state statute is drawn in question, an act of a territorial legislature was not within the contemplation of Congress."*
> *[Downes v. Bidwell, 182 U.S. 244 (1901)]*

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

24. Admit that the term "State" as defined in 4 U.S.C. §110(d) refers to a territory or possession of the United States pursuant to the Buck Act.

> *TITLE 4 - FLAG AND SEAL, SEAT OF GOVERNMENT, AND THE STATES*
> *CHAPTER 4 - THE STATES*
>
> *Sec. 110. Same; definitions*
> ***(d) The term ''State'' includes any Territory or possession of the United States.***

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

25. Admit that the term "State" as used 4 U.S.C. §110(d) is the "State" upon which state income taxes are levied pursuant to the Buck Act, 4 U.S.C. §§105-113.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

26. Admit that states of the Union are foreign, for the purposes of federal legislative jurisdiction, for most federal subject matters.

> *Foreign States: "Nations outside of the United States…Term may also refer to another state; i.e. a sister state. The term 'foreign nations', …should be construed to mean all nations and states other than that in which the action is brought; and hence, one state of the Union is foreign to another, in that sense."*
> *[Black's Law Dictionary, 6th Edition, p. 648]*
>
> *Foreign Laws: "The laws of a foreign country or sister state."*
> *[Black's Law Dictionary, 6th Edition, p. 647]*

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> ***Dual citizenship.*** *Citizenship in two different* ***countries****. Status of citizens of United States who reside within a state; i.e., person who are born or naturalized in the U.S. are citizens of the U.S. and the state wherein they reside.*
> *[Black's Law Dictionary, Sixth Edition, page 498]*

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

27. Admit that following are the only subject matters for which the states of the Union are "domestic" for the purposes of federal legislative jurisdiction, pursuant to the authority of the Constitution of the United States of America.
    a. Counterfeiting pursuant to Article 1, Section 8, Clause 5 of the United States Constitution.
    b. Postal matters pursuant to Article 1, Section 8, Clause 7 of the United States Constitution.
    c. Foreign commerce pursuant to Article 1, Section 8, Clause 3 of the United States Constitution.
    d. Treason pursuant to Article 4, Section 2, Clause 2 of the United States Constitution.
    e. Property, contracts, and franchises of the U.S. Government coming under Article 4, Section 3, Clause 2 of the United States Constitution.
    f. Jurisdiction over aliens (foreign nationals who are NOT state nationals), which is a foreign relations issue reserved exclusively to the federal and not state government. See Chae Chan Ping v. U.S., 130 U.S. 581 (1889).

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

28. Admit that what makes a human being a statutory "U.S. citizen" under 8 U.S.C. §1401 is a legal domicile on federal territory.

> *"The writers upon the law of nations distinguish between a temporary residence in a foreign country for a special purpose and a residence accompanied with an intention to make it a permanent place of abode. The latter is styled by Vattel [in his book The Law of Nations as] "domicile," which he defines to be "a habitation fixed in any place, with an intention of always staying there."* ***Such a person, says this author, becomes a member of the new society at least as a permanent inhabitant, and is a kind of citizen of the inferior order from the native citizens, but is, nevertheless, united and subject to the society****, without participating in all its advantages.* ***This right of domicile, he continues, is not established unless the person makes sufficiently known his intention of fixing there, either tacitly or by an express declaration****. Vatt. Law Nat. pp. 92, 93.* ***Grotius nowhere uses the word "domicile," but he also distinguishes between those who stay in a foreign country by the necessity of their affairs, or from any other temporary cause, and those who reside there from a permanent cause. The former he denominates "strangers," and the latter, "subjects."*** *The rule is thus laid down by Sir Robert Phillimore:*
>
> *There is a class of persons which cannot be, strictly speaking, included in either of these denominations of naturalized or native citizens, namely, the class of those who have ceased to reside [maintain a domicile] in their native country, and have taken up a permanent abode in another.* ***These are domiciled inhabitants. They have not put on a new citizenship through some formal mode enjoined by the law or the new country. They are de facto, though not de jure, citizens of the country of their [new chosen] domicile.***
> *[Fong Yue Ting v. United States, 149 U.S. 698 (1893)]*

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

29. Admit that there is no provision of currently enacted law, including "judge-made law" that "expressly extends" beyond the District of Columbia and the Virgin Islands: 1. Enforcement of the Internal Revenue Code by the IRS; 2. "Public offices" needed to conduct said enforcement.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

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30. Admit that because there is neither legislative authority to enforce the Internal Revenue Code in states of the Union, nor any Treasury order that establishes internal revenue districts within any state of the Union, that the states of the Union are "foreign" with respect to the jurisdiction of Internal Revenue Code, Subtitle A.

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

31. Admit that according to the U.S. Supreme Court, the taxing powers of Congress do not extend into any state of the Union.

> *"**It is no longer open to question that the general government, unlike the states, Hammer v. Dagenhart, 247 U.S. 251, 275 , 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.**"*
> *[Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]*
>
> _____
>
> *"The difficulties arising out of our dual form of government and the opportunities for differing opinions concerning the relative rights of state and national governments are many; **but for a very long time this court has steadfastly adhered to the doctrine that the taxing power of Congress does not extend to the states or their political subdivisions**. The same basic reasoning which leads to that conclusion, we think, requires like limitation upon the power which springs from the bankruptcy clause. United States v. Butler, supra."*
> *[Ashton v. Cameron County Water Improvement District No. 1, 298 U.S. 513, 56 S.Ct. 892 (1936)]*

YOUR ANSWER (circle one): Admit/Deny

CLARIFICATION:_____

3.6 Liability

For additional information on the subjects covered in this section, please refer to:

1. *Tax Deposition Questions*, Form #03.016, Section 1: Liability.
   http://sedm.org/Forms/FormIndex.htm
2. *Sovereignty Forms and Instructions Online*, Cites By Topic: "liability"
   http://famguardian.org/TaxFreedom/CitesByTopic/Liability.htm
3. *Great IRS Hoax*, Form #11.302, Section 5.5: Why We Aren't Liable to File Tax Returns or Keep Records
   http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm
4. *Great IRS Hoax*, Form #11.302, Section 5.6: Why We Aren't Liable to Pay Income Tax
   http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm

_____

1. Admit that the only statute within Internal Revenue Code which makes a person liable for the tax described in Subtitle A is withholding agents on nonresident aliens found in 26 U.S.C. §1461.

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

2. Admit that there is no other statute applicable within I.R.C. Subtitle A which creates a duty or liability for the average American domiciled in a state of the Union.

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

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3. Admit that the only condition in which a "citizens or residents of the United States" can owe a tax under the I.R.C. is when they are abroad pursuant to 26 U.S.C. §911.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that there is no statute within the Internal Revenue Code Subtitle A which institutes a tax upon "citizens or residents of the United States" when they are NOT "abroad" pursuant to 26 U.S.C. §911.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that the term "abroad" is nowhere defined in the Internal Revenue Code or the Treasury Regulations.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that the term "abroad" cannot lawfully include any part of a state of the Union.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that what "citizens and residents of the United States" mentioned in 26 U.S.C. §911 have in common is a legal domicile in the "United States", which is described in 26 U.S.C. §911(d)(3) as an "abode".

> ***Abode***. *One's home; habitation; place of dwelling; or residence. Ordinarily means "domicile." Living place impermanent in character. Fowler v. Fowler, 156 Fla. 316, 22 So.2d. 817, 818. The place where a person dwells. In re Erickson, 18 N.J.Misc. 5, 10 A.2d. 142, 146. Residence of a legal voter. Pope v. Board of Education Com'rs, 370 Ill. 196, 18 N.E.2d. 214, 216. Fixed place of residence for the time being. Augustus Co., for Use of Bourgeois v. Manzella, 19 N.J.Misc. 29, 17 A.2d. 68, 70. For service of process, one's fixed place of residence for the time being; his "usual place of abode." Fed.R. Civil P.4. Kurilla v Roth, 132 N.J.L. 213, 38 A.2d. 862, 864. See Domicile; Residence.*
> *[Black's Law Dictionary, Sixth Edition, p. 7]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that only "aliens" can have a "residence" under I.R.C. Subtitle A and that there is no provision within the I.R.C. which associates either a "national" or a "citizen" with a "residence".

> *Title 26: Internal Revenue*
> *PART 1—INCOME TAXES*
> *nonresident alien individuals*
> *§ 1.871-2 Determining residence of alien individuals.*
>
> *(b) Residence defined.*
>
> *An alien actually present in the United States who is not a mere transient or sojourner is a resident of the United States for purposes of the income tax.* ***Whether he is a transient is determined by his intentions with regard to the length and nature of his stay.*** *A mere floating intention, indefinite as to time, to return to another country is not sufficient to constitute him a transient. If he lives in the United States and has no definite intention as to his stay, he is a resident.* ***One who comes to the United States for a definite purpose which in its nature may be promptly accomplished is a transient; but, if his purpose is of such a nature that an extended stay may be necessary for its accomplishment, and to that end the alien makes his home temporarily in the United States, he becomes a resident****, though it may be his intention at all times to return to his domicile abroad when the purpose for which he came has been consummated or abandoned. An alien whose stay in the*

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United States is limited to a definite period by the immigration laws is not a resident of the United States within the meaning of this section, in the absence of exceptional circumstances.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that the "abode" within the "United States" described in 26 U.S.C. §911(d)(3) is the same "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10).

TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701. [Internal Revenue Code]
Sec. 7701. - Definitions

(a)(9) United States

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

(a)(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.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.7 How One "volunteers" to participate in the "trade or business" franchise

For additional information on the subjects covered in this section, please refer to:

1. *Tax Deposition Questions*, Section 1
   http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm
2. *Great IRS Hoax*, Form #11.302, Sections 5.4 through 5.4.27.8 entitled "The 'Voluntary' Aspect of Income Taxes
   http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm
3. *Requirement for Consent*, Form #05.003
   http://sedm.org/Forms/FormIndex.htm

---

1. Admit that if the I.R.C. Subtitle A describes a franchise agreement or contract, then it doesn't need a liability statute.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that the term "wages" includes only amounts earned in connection with employment under which a W-4 is in place.

26 CFR §31.3401(a)-3 Amounts deemed wages under voluntary withholding agreements

(a) In general.

*Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations thereunder, **the term "wages" includes the amounts described in paragraph (b)(1) of this section with respect to which there is a voluntary withholding agreement in effect under section 3402(p)**. References in this chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section (§31.3401(a)–3).*

(b) Remuneration for services.

(1) Except as provided in subparagraph (2) of this paragraph, the amounts referred to in paragraph (a) of this section include any remuneration for services performed by an employee for an employer which, without regard to this section, does not constitute wages under section 3401(a). For example, remuneration for services performed by an agricultural worker or a domestic worker in a private home (amounts which are specifically excluded from the definition of wages by section 3401(a) (2) and (3), respectively) are amounts with respect to which a voluntary withholding agreement may be entered into under section 3402(p). See §§31.3401(c)–1 and 31.3401(d)–1 for the definitions of "employee" and "employer".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that a person who never submitted a IRS Form W-4 in the context of their private employment cannot earn "wages" as defined above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that a "voluntary withholding agreement" or "agreement" is a contract.

*"**Agreement**. A meeting of two or more minds; a coming together in opinion or determination; the coming together in accord of two minds on a given proposition. In law, a concord of understanding and intention between two or more parties with respect to the effect upon their relative rights and duties, of certain past or future facts or performances. **The consent of two or more persons concurring respecting the transmission of some property, right, or benefits, with the view of contracting an obligation, a mutual obligation.***

"A manifestation of mutual assent on the part of two or more persons as to the substance of a contract. Restatement, Second, Contracts, §3.

"The act of two or more persons, who unite in expressing a mutual and common purpose, with the view of altering their rights and obligations. The union of two or more minds in a thing done or to be done; a mutual assent to do a thing. A compact between parties are there are thereby subjected to the obligation or to whom the contemplated right is thereby secured. "
[Black's Law Dictionary, Sixth Edition, p. 67]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit the IRS Form W-4 is entitled "Employee Withholding Allowance Certificate" says NOTHING about the formation of a "contract" or "agreement" anywhere on the form.

See the following for IRS form W-4: http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormw4_01.pdf

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that no federal legislative jurisdiction within states of the Union is required in order to enforce a private contract called a W-4 between a sovereign American and the federal government in a federal court.

***"Independent of these views, there are many considerations which lead to the conclusion that the power to impair contracts, by direct action to that end, does not exist with the general [federal] government.** In the first place, one of the objects of the Constitution, expressed in its preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture. As he observes, at the time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of compact were established between the people of the original States and the people of the Territory, for the purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty, upon which the States, their laws and constitutions, were erected. By that ordinance it was declared, that, in the just preservation of rights and property, 'no law ought ever to be made, or have force in the said Territory, that shall, in any manner, interfere with or affect private*

contracts or engagements bona fide and without fraud previously formed.' The same provision, adds the Chief Justice, found more condensed expression in the prohibition upon the States [in Article 1, Section 10 of the Constitution] against impairing the obligation of contracts, which has ever been recognized as an efficient safeguard against injustice; and though the prohibition is not applied in terms to the government of the United States, he expressed the opinion, speaking for himself and the majority of the court at the time, that ***it was clear 'that those who framed and those who adopted the Constitution intended that the spirit of this prohibition should pervade the entire body of legislation, and that the justice which the Constitution was ordained to establish was not thought by them to be compatible with legislation [or judicial precedent] of an opposite tendency.' 8 Wall. 623. [99 U.S. 700, 765] Similar views are found expressed in the opinions of other judges of this court.****"*
[Sinking Fund Cases, 99 U.S. 700 (1878)]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that consent to the constructive contract formed by signing and submitting the IRS Form W-4 ***must*** be procured voluntarily and absent duress in order to be legally enforceable against the parties to it.

> ***"duress****. Any unlawful threat or coercion used by a person to induce another to act (or to refrain from acting) in a manner he or she otherwise would not (or would). Subjecting person to improper pressure which overcomes his will and coerces him to comply with demand to which he would not yield if acting as free agent. Head v. Gadsden Civil Service Bd., Ala.Civ.App., 389 So.2d. 516, 519. Application of such pressure or constraint as compels man to go against his will, and takes away his free agency, destroying power of refusing to comply with unjust demands of another. Haumont v. Security State Bank, 220 Neb. 809, 374 N.W.2d. 2,6.*
>
> …
>
> *A contract entered into under duress by physical compulsion is void. Also, if a party's manifestation of assent to a contract is induced by an improper threat by the other party that leaves the victim no reasonable alternative, the contract is voidable by the victim. Restatement, Second, Contracts §§174, 175.*
>
> *As a defense to a civil action, it must be pleaded affirmatively. Fed.R.Civil P. 8(c)."*
> *[Black's Law Dictionary, Sixth Edition, p. 504]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that threats by a private employer against prospective or current private employees to the effect that refusal to sign or submit an form W-4 will result in termination of employment or refusal to hire cannot be considered "voluntary" and must instead be considered to be instituted under duress.

> *"****voluntary****. Unconstrained by interference; unimpelled by another's influence; spontaneous; acting of oneself. Coker v. State, 199 Ga. 20, 33 S.E.2d 171, 174. Done by design or intention. Proceeding from the free and unrestrained will of the person. Produced in or by an act of choice. Resulting from free choice, without compulsion or solicitation. The word, especially in statutes, often implies knowledge of essential facts. Without valuable consideration; gratuitous, as a voluntary conveyance. Also, having a merely nominal consideration; as, a voluntary deed."*
> *[Black's Law Dictionary, Sixth Edition, p. 1575]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that any contract obtained under duress is voidable and unenforceable against the party who was under the duress.

> *"An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not exercising his free will, and the test is not so much the means by which the party is compelled to execute the agreement as the state of mind induced. [1] Duress, like fraud, rarely becomes material, except where a contract or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract*

[1] Brown v Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

or conveyance voidable, not void, at the option of the person coerced, [2] and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. [3] However, duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so, is generally deemed to render the resulting purported contract void. [4]"
[American Jurisprudence 2d, Duress, Section 21]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

10. Admit that acts accomplished or liabilities contracted under duress are legally treated as having been performed by or executed by the source of the duress, and not the person acting under the duress.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

11. Admit that federal officials, including employees of the IRS, who condone or tolerate the imposition of duress are parties to it, and under federal law, become "accessories after the fact", which is a criminal act.

TITLE 18 > PART I > CHAPTER 1 > § 3
§ 3. Accessory after the fact

Whoever, knowing that an offense against the United States has been committed, receives, relieves, comforts or assists the offender in order to hinder or prevent his apprehension, trial or punishment, is an accessory after the fact.

Except as otherwise expressly provided by any Act of Congress, an accessory after the fact shall be imprisoned not more than one-half the maximum term of imprisonment or (notwithstanding section 3571) fined not more than one-half the maximum fine prescribed for the punishment of the principal, or both; or if the principal is punishable by life imprisonment or death, the accessory shall be imprisoned not more than 15 years.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

12. Admit that an IRS form W-2 provided by a private employer on a W-2 creates at least a "presumption" of receipt of "wages" in block 1. This is because 26 CFR §31.3401(a)-3 says that a person can only receive "wages" if they submit a W-4 agreement to their private employer.

26 CFR §31.3401(a)-3 Amounts deemed wages under voluntary withholding agreements

*(a) In general. Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations thereunder, **the term "wages" includes the amounts described in paragraph (b)(1) of this section with respect to which there is a voluntary withholding agreement in effect under section 3402(p)**. References in this chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section (§31.3401(a)–3).*

(b) Remuneration for services. (1) Except as provided in subparagraph (2) of this paragraph, the amounts referred to in paragraph (a) of this section include any remuneration for services performed by an employee for an employer which, without regard to this section, does not constitute wages under section 3401(a). For example, remuneration for services performed by an agricultural worker or a domestic worker in a private home (amounts which are specifically excluded from the definition of wages by section 3401(a) (2) and (3),

[2] Barnette v Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v Fetty, 121 W Va 215, 2 SE2d 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

[3] Faske v Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

[4] Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

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respectively) are amounts with respect to which a voluntary withholding agreement may be entered into under section 3402(p). See §§31.3401(c)–1 and 31.3401(d)–1 for the definitions of "employee" and "employer".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

13. Admit that a nonzero amount for "wages" in block 1 of a W-2 form creates a rebuttable "presumption" in the mind of the IRS that the subject of the W-2 completed and submitted an IRS Form W-4 to their private employer.

    See preceding question, 26 CFR §31.3401(a)-3(a) .

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

14. Admit that a person who never submitted an IRS form W-4 to their employer and thereby consented or "agreed" to participate in federal income taxes, should have a zero amount listed in block 1 of the W-2 filed by their private employer.

    See 26 CFR §31.3401(a)-3(a) above, in question 17.

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

15. Admit that the same result as the preceding question also applies in the case of an employee who submitted a W-4 under duress but who in fact did not wish to participate. To do otherwise would be to condone theft and robbery.

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

16. Admit that the only method available for rebutting false presumptions about the receipt of "wages" is to complete, sign, and submit an IRS Form 4852 or W-2c or 4598 to the IRS and/or one's private employer.

    See the following for sample IRS Form 4852: http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm4852.pdf

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

17. Admit that the IRS DOES NOT make the IRS Form 4598 entitled "Form W-2, 1099, 1098, or 1099 Not Received, Incorrect or Lost" available to the public on their website.

    See: http://www.irs.gov/formspubs/index.html

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

18. Admit that ***not*** making the IRS Form 4598 available on the IRS website has the effect of increasing IRS revenues derived form involuntarily withheld payroll taxes.

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

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19. Admit that when an IRS employee or IRS publication encourages private nonfederal employers to withhold earnings from their private employees against their will or without their informed voluntary consent constitutes involuntary servitude in violation of the Thirteenth Amendment to the U.S. Constitution, extortion under the color of office, and peonage.

> *Thirteenth Amendment*
>
> *Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.*
>
> *Section 2. Congress shall have power to enforce this article by appropriate legislation.*
>
> ---
>
> *TITLE 42 > CHAPTER 21 > SUBCHAPTER I > Sec. 1994.*
> *Sec. 1994. - Peonage abolished*
>
> *The holding of any person to service or labor under the system known as peonage is abolished and forever prohibited in any Territory or State of the United States; and all acts, laws, resolutions, orders, regulations, or usages of any Territory or State, which have heretofore established, maintained, or enforced, or by virtue of which any attempt shall hereafter be made to establish, maintain, or enforce, directly or indirectly, the voluntary or involuntary service or labor of any persons as peons, in liquidation of any debt or obligation, or otherwise, are declared null and void*
>
> ---
>
> ***"extortion under the color of office**. ...Unlawful taking by any officer by color of his office, of any money or thing of value, that **is not due to him**, or more than is due or before it is due." 4 Bla.Comm. 141; Com. v. Saulsbury, 152 Pa. 554, 25 A. 610; U.S. v. Denver, D.C.N.C. 14 F. 595; Bush v. State, 19 Ariz. 195, 168 P. 508, 509…"Obtaining property from another, induced by wrongful use of force or fear, OR under color of official right." See State v. Logan, 104 La. 760, 29 So. 336; In re Rempfer, 51 S.D. 393, 216 N.W. 355, 359, 55 A.L.R. 1346; Lee v. State, 16 Ariz. 291, 145 P. 244, 246, Ann.Cas. 1917B, 131."*
> *[Black's Law Dictionary, Fourth Edition]*
>
> ---
>
> *"That is does not conflict with the Thirteenth Amendment, which abolished slavery and involuntary servitude, except as a punishment for crime, is too clear for argument. **Slavery implies involuntary servitude—a state of bondage; the ownership of mankind as a chattel, or at least the control of the labor and services of one man for the benefit of another, and the absence of a legal right to the disposal of his own person, property, and services.** This amendment was said in the Slaughter House Cases, 16 Wall, 36, to have been intended primarily to abolish slavery, as it had been previously known in this country, and that it equally forbade Mexican peonage or the Chinese coolie trade, when they amounted to slavery or involuntary servitude and that the use of the word 'servitude' was intended to prohibit the use of all forms of involuntary slavery, of whatever class or name."*
> *[Plessy v. Ferguson, 163 U.S. 537, 542 (1896)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

20. Admit that the decision to either hold public office or sign a W-4 agreement is a voluntary personal decision that *cannot* be coerced, and if it is, it becomes invalid and unenforceable at the option of the person so coerced.

> *"An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not exercising his free will, and the test is not so much the means by which the party is compelled to execute the agreement as the state of mind induced.*[5] *Duress, like fraud, rarely becomes material, except where a contract or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract or conveyance voidable, not void, at the option of the person coerced,*[6] *and it is susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it.* [7] *However, duress*

[5] Brown v Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

[6] Barnette v Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v Fetty, 121 W Va 215, 2 SE2d 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

[7] Faske v Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of doing so, is generally deemed to render the resulting purported contract void. [8]"
[American Jurisprudence 2d, Duress, Section 21]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

21. Admit that because holding public office is "voluntary", then all taxes based upon this activity must also be voluntary and avoidable for those who are not already "public officers".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

22. Admit that because holding public office is "voluntary", then all taxes based upon this activity must also be voluntary and avoidable.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

23. Admit that the way to legally avoid taxes based on the activity of holding of a public office is to choose not to involve oneself in the activity.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.8 Withholding and Reporting

For additional information on the subjects covered in this section, please refer to:

1. *Income Tax Withholding and Reporting*, Form #12.004: Short training course on income tax withholding and reporting.
   http://sedm.org/Forms/FormIndex.htm
2. *Federal and State Tax Withholding Options for Private Employers*, Form #09.001
   http://sedm.org/Forms/FormIndex.htm
3. *Federal Tax Withholding*, Form #04.102: Terse summary of the content of item 2 above.
   http://sedm.org/Forms/FormIndex.htm
4. *Correcting Erroneous Information Returns*, Form #04.001: How to correct false IRS Forms W-2, 1042s, 1098, and 1099.
   http://sedm.org/Forms/FormIndex.htm

_____

1. Admit that IRS Form W-4 is identified as an "agreement" in the Treasury Regulations.

26 CFR §31.3401(a)-3 Amounts deemed wages under voluntary withholding agreements

(a) In general. ***Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations thereunder, the term "wages" includes the amounts described in paragraph (b)(1) of this section with respect to which there is a voluntary withholding agreement in effect under section 3402(p).*** *References in this chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section (§31.3401(a)–3.*

_____

[8] Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

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Title 26: Internal Revenue
PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE
Subpart E—Collection of Income Tax at Source
§ 31.3402(p)-1 Voluntary withholding agreements.

(a) In general.

An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)–3, made after December 31, 1970. ***An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee.*** *The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)–1, Q&A–3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that "private employers", which are entities not engaged in a "public office", are not required to enter into any kind of agreements:

IRM 5.14.10.2 (09-30-2004)
Payroll Deduction Agreements

2. ***Private employers, states, and political subdivisions are not required to enter into payroll deduction agreements****. Taxpayers should determine whether their employers will accept and process executed agreements before agreements are submitted for approval or finalized.*
[http://www.irs.gov/irm/part5/ch14s10.html]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that the term "wages" is defined in 26 U.S.C. §3401(a).

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that the IRS Form W-2 may only lawfully be filed in connection with persons who have signed IRS Form W-4 agreements.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that the IRS Form W-2 is called an "information return" by the IRS.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that all information returns may only be filed in connection with a "trade or business" pursuant to 26 U.S.C. §6041(a).

TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III > Subpart B > § 6041
§ 6041. Information at source

(a) Payments of $600 or more

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All persons engaged in a trade or business and making payment in the course of such trade or business 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 6050N (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 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.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that all earnings reported on an IRS Form W-2 are "trade or business" earnings connected with a "public office" in the United States government.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that information returns filed against a person who is not engaged in a "trade or business" or a "public office" are false and that those who submit them, if notified they are false, are engaged in criminal FRAUD if they submit said information returns to the government.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that a biological person who does not work for the federal government as a "public officer" and who did not voluntarily sign and submit an IRS Form W-4 is not engaged in a "trade or business" and may not lawfully have any amount of earnings reported against him or her on an IRS Form W-2 without violating 26 U.S.C. §7206 and 7207.

TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter A > PART I > § 7206
§ 7206. Fraud and false statements

Any person who—

(1) Declaration under penalties of perjury

Willfully makes and subscribes any return, statement, or other document, which contains or is verified by a written declaration that it is made under the penalties of perjury, and which he does not believe to be true and correct as to every material matter; or

(2) Aid or assistance

Willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under, the internal revenue laws, of a return, affidavit, claim, or other document, which is fraudulent or is false as to any material matter, whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document; or

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

10. Admit that withholding and levies in connection with earnings from employment apply ONLY to "wages" as legally defined and NOT against ***all earnings***, meaning that they apply only to the portion of one's earnings that are connected with a "public office" or "trade or business' and therefore connected to a "public use".

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Public use. *Eminent domain. The constitutional and statutory basis for taking property by eminent domain. For condemnation purposes, "public use" is one which confers some benefit or advantage to the public; it is not confined to actual use by public. It is measured in terms of right of public to use proposed facilities for which condemnation is sought and, as long as public has right of use, whether exercised by one or many members of public, a "public advantage" or "public benefit" accrues sufficient to constitute a public use. Montana Power Co. v. Bokma, Mont., 457 P.2d. 769, 772, 773.*

Public use, in constitutional provisions restricting the exercise of the right to take property in virtue of eminent domain, means a use concerning the whole community distinguished from particular individuals. But each and every member of society need not be equally interested in such use, or be personally and directly affected by it; if the object is to satisfy a great public want or exigency, that is sufficient. Ringe Co. v. Los Angeles County, 262 U.S. 700, 43 S.Ct. 689, 692, 67 L.Ed. 1186. The term may be said to mean public usefulness, utility, or advantage, or what is productive of general benefit. It may be limited to the inhabitants of a small or restricted locality, but must be in common, and not for a particular individual. The use must be a needful one for the public, which cannot be surrendered without obvious general loss and inconvenience. A "public use" for which land may be taken defies absolute definition for it changes with varying conditions of society, new appliances in the sciences, changing conceptions of scope and functions of government, and other differing circumstances brought about by an increase in population and new modes of communication and transportation. Katz v. Brandon, 156 Conn. 521, 245 A.2d. 579, 586.

See also Condemnation; Eminent domain.
[Black's Law Dictionary, Sixth Edition, p. 1232]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

11. Admit that the IRS Individual Master File (IMF) applies the tax to one's "wages" as legally defined and NOT all of their earnings or to wages as commonly understood.

See: http://famguardian.org/TaxFreedom/Instructions/0.8ObtAndAnalyzingIMF.htm

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

12. Admit that a subset of those holding "public office" are described as "employees" within 26 U.S.C. §3401(c) and 26 CFR §31.3401(c)-1.

26 U.S.C. §3401(c) Employee

For purposes of this chapter, the term "employee" includes [is limited to] 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.

_____

26 CFR §31.3401(c)-1 Employee:

"...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a [federal] State, Territory, Puerto Rico 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."

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

13. Admit that the "employee" defined above is the SAME "employee" described in IRS Form W-4.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

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14. Admit that the IRS Form W-4 may not lawfully be used to intiate withholding against a person who was not ALREADY engaged in a "publc office" BEFORE they signed the form. In other words, admit that the W-4 form does not CREATE a "public office" but simply authorizes taxation of an EXISTING public office within the U.S. government.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

15. Admit that the use or abuse of IRS Form W-4 to CREATE public offices in the U.S. government would constitute a criminal violation of 18 U.S.C. §912 and a civil violation of 4 U.S.C. §72.

> *TITLE 18 > PART I > CHAPTER 43 > § 912*
> *§ 912. Officer or employee of the United States*
>
> *Whoever **falsely assumes or pretends to be an officer or employee acting under the authority of the United States** or any department, agency or officer thereof, and acts as such, or in such pretended character demands or obtains any money, paper, document, or thing of value, shall be fined under this title or imprisoned not more than three years, or both.*
>
> _____
>
> *TITLE 4 > CHAPTER 3 > § 72*
> *§ 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.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

16. Admit that IRS Forms W-2, 1042s, 1098, and 1099 cannot lawfully be used to CREATE public offices, but merely document the exercise of those already lawfully occupying said office pursuant to Article VI of the United States Constitution.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

17. Admit that if IRS Forms W-2, 1042s, 1098, and 1099 are used to "elect" an otherwise private person involuntarily into public office that he or she does not consent to occupy, the filer of the information return is criminally liable for:
    1.1. Filing false returns and statuements pursuant to 26 U.S.C. §§7206, 7207.
    1.2. Impersonating a public officer pursuant to 18 U.S.C. §912.
    1.3. Involuntary servitude in violation of 18 U.S.C. §§1581, 1593 and the Thirteenth Amendment.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

18. Admit that one cannot be an "employee" as defined above or within the meaning of 5 U.S.C. §2105 without *also* being engaged in a "trade or business" activity.

> *TITLE 5 > PART III > Subpart A > CHAPTER 21 > § 2105*
> *§ 2105. Employee*
>
> *(a) For the purpose of this title, "employee", except as otherwise provided by this section or when specifically modified, means an officer and an individual who is—*
>
> *(1) appointed in the civil service by one of the following acting in an official capacity—*

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(A) the President;
(B) a Member or Members of Congress, or the Congress;
(C) a member of a uniformed service;
(D) an individual who is an employee under this section;
(E) the head of a Government controlled corporation; or
(F) an adjutant general designated by the Secretary concerned under section 709 (c) of title 32;

(2) engaged in the performance of a Federal function under authority of law or an Executive act; and
(3) subject to the supervision of an individual named by paragraph (1) of this subsection while engaged in the performance of the duties of his position.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

19. Admit that the practical affect of signing a W-4 agreement is to make one's earnings into "wages" as legally defined in 26 U.S.C. §3401 and to make them into "gross income".

Title 26: Internal Revenue
PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE
Subpart E—Collection of Income Tax at Source
§ 31.3402(p)-1 Voluntary withholding agreements.

(a) In general.

An employee and his employer may enter into an agreement under section 3402(b) to provide for the withholding of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)–3, made after December 31, 1970. ***An agreement may be entered into under this section only with respect to amounts which are includible in the gross income of the employee under section 61, and must be applicable to all such amounts paid by the employer to the employee.*** *The amount to be withheld pursuant to an agreement under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations thereunder. See §31.3405(c)–1, Q&A–3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

20. Admit that the above provision within 26 CFR §31.3402(p)-1(a) is NOT found anywhere within the I.R.C. and therefore is unenforceable.

"When enacting §7206(1) Congress undoubtedly knew that the Secretary of the Treasury is empowered to prescribe all needful rules and regulations for the enforcement of the internal revenue laws, so long as they carry into effect the will of Congress as expressed by the statutes. Such regulations have the force of law. ***The Secretary, however, does not have the power to make law****,[9]"*
[United States v. Levy, 533 F.2d. 969 (1976)]

Finally, the Government points to the fact that the Treasury Regulations relating to the statute purport to include the pick-up man among those subject to the s 3290 tax,[FN11] and argues (a) that this constitutes an administrative interpretation to which we should give weight in construing the statute, particularly because (b) section 3290 was carried over in haec verba into s 4411 of the Internal Revenue Code of 1954, 26 U.S.C.A. s 4411. ***We find neither argument persuasive. In light of the above discussion, *359 we cannot but regard this Treasury Regulation as no more than an attempted addition to the statute of something which is not there.[FN12] As such the regulation can furnish no sustenance to the statute. Koshland v. Helvering, 298 U.S. 441, 446-447, 56 S.Ct. 767, 769-770, 80 L.Ed. 1268.***
[U.S. v. Calamaro, 354 U.S. 351, 77 S.Ct. 1138 (U.S. 1957)]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

[9] Dixon v. United States, 1965, 381 U.S. 68, 85 S.Ct. 1301, 14 L.Ed.2d 223; Werner v. United States, 7 Cir., 1959, 264 F.2d. 489; Whirlwind Manufacturing Company v. United States, 5 Cir., 1965, 344 F.2d. 153.

3.9 Assessment authority

For additional information on the subjects covered in this section, please refer to:

1. *Authorities on "assessment"*: Family Guardian Cites by Topic
   http://famguardian.org/TaxFreedom/CitesByTopic/assessment.htm
2. *Why the Government Can't Lawfully Assess Human Beings With an Income Tax Liability Without Their Consent*, Form #05.011
   http://sedm.org/Forms/FormIndex.htm
3. *Tax Deposition Questions*, Form #03.016, Section 13 entitled "26 U.S.C. §6020(b) Substitute For Returns"
   http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm

---

1. Admit that an involuntary assessment is called a "Substitute For Return (SFR)" by the IRS.

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

2. Admit that I.R.C. 6020(b) is the authority for the IRS to do involuntary assessments.

   > *TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart D > § 6020*
   > *§ 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 regulations 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 therefor, 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.*
   > *[SOURCE: http://www.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00006020----000-.html]*

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

3. Admit that Internal Revenue Manual, Section 5.1.11.6.8 describes and limits I.R.C. 6020(b) authority of the IRS.

   > *Internal Revenue Manual 5.1.11.6.8 (03-01-2007)*
   > *IRC 6020(b) Authority*
   >
   > *1. The following returns may be prepared, signed and executed by revenue officers under the authority of IRC 6020(b):*
   > *A. Form 940, Employer's Annual Federal Unemployment Tax Return;*
   > *B. Form 941, Employer's Quarterly Federal Tax Return;*
   > *C. Form 943, Employer's Annual Tax Return for Agricultural Employees;*

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D. Form 944, Employer's Annual Federal Tax Return;
E. Form 720, Quarterly Federal Excise Tax Return;
F. Form 2290, Heavy Vehicle Use Tax Return;
G. Form CT–1, Employer's Annual Railroad Retirement Tax Return;
H. Form 1065, U.S. Return of Partnership Income.

2. Pursuant to IRM 1.2.44.5, Delegations of Authority, Order Number 182 (rev. 7), dated 5/5/1997, revenue officers GS-09 and above, and Collection Support Function managers GS-09 and above, have the authority to prepare and execute returns under IRC 6020(b).
[SOURCE: http://www.irs.gov/irm/part5/ch01s12.html]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that IRS Forms 1040, 1040NR, etc are not listed in IRM 5.1.11.6.8 as forms which are authorized to have SFR's done against them.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that IRS Form 1040 or 1040NR are the type of form you expect me to file as part of this proceeding.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that the IRS admitted in Congressional Research Service Report GAO/GGD-00-60R that "Substitute For Returns" are not "returns", but simply PROPOSED assessments.

"In its response to this letter, IRS officials indicated that they do not generally prepare actual tax returns. Instead, they said IRS prepares substitute documents that propose assessments. Although IRS and legislation refer to this as the substitute for return program, these officials said that the document does not look like an actual tax return."
[Congressional Research Service Report GAO/GGD-00-60R;
SOURCE: http://famguardian.org/PublishedAuthors/Govt/GAO/GAO-GGD-00-60R-SFR.pdf]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that the U.S. Supreme Court said that our system of income taxation is based upon voluntary assessment and not "distraint", meaning enforcement.

"Our system of taxation is based upon voluntary assessment and payment, not distraint."
*[*Flora v. U.S., 362 *U.S. 145 (1960)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.10 Who are "taxpayers"

For more information about the subjects covered in this section, refer to the pamphlet below:

Who are "Taxpayers" and Who Needs a "Taxpayer Identification Number", Form #05.013 http://sedm.org/Forms/FormIndex.htm

1. Admit that the only married and unmarried individuals mentioned within the Internal Revenue Code Section 1 are "aliens" and therefore "residents" who have income "effectively connected with a "trade or business".

> *NORMAL TAXES AND SURTAXES*
> *DETERMINATION OF TAX LIABILITY*
> *Tax on Individuals*
> *Sec. 1.1-1 Income tax on individuals.*
>
> *(a)(2)(ii) For taxable years beginning after December 31, 1970, the tax imposed by section 1(d), as amended by the Tax Reform Act of 1969, shall apply to the income effectively connected with the conduct of a trade or business in the United States by a* ***married alien individual who is a nonresident of the United States for all or part of the taxable year or by a foreign estate or trust****. For such years the tax imposed by section 1(c), as amended by such Act, shall apply to the income effectively connected with the conduct of a trade or business in the United States by an* ***unmarried alien individual (other than a surviving spouse) who is a nonresident of the United States for all or part of the taxable year.*** *See paragraph (b)(2) of section 1.871-8."*
> *[26 CFR § 1.1-1(a)(2)(ii)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that there is such a thing as a "nontaxpayer", and that such a person is characterized by not coming within the jurisdiction of the Internal Revenue Code.

> *"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."*
>
> *"The distinction between persons and things within the scope of the revenue laws and those without is vital."*
> *[Long v. Rasmussen, 281 F. 236 @ 238(1922)*
> *http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Evidence/Q03.038.pdf]*

See also: 26 U.S.C. §7426, which mentions "persons other than taxpayers", as well as South Carolina v. Regan, 465 U.S. 367 (1984), which mentions "nontaxpayers".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that a "resident" is defined in 26 U.S.C. §7701(b)(1)(B).

> *26 U.S.C. §7701(b)(1)(A) Resident alien*
>
> *(b)* ***Definition of resident alien and nonresident alien***
>
> *(1) In general*
>
> *For purposes of this title (other than subtitle B) -*
>
> *(A)* ***Resident alien***
>
> *An alien individual shall be treated as a resident of the* ***United States*** *with respect to any calendar year if (and only if) such individual meets the requirements of clause (i), (ii), or (iii):*
>
> *(i) Lawfully admitted for permanent residence*
>
> *Such individual is a lawful permanent resident of the United States at any time during such calendar year.*
>
> *(ii) Substantial presence test*
>
> *Such individual meets the substantial presence test of paragraph (3).*

(iii) First year election

Such individual makes the election provided in paragraph (4).

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that the only type of "resident" defined in the Internal Revenue Code are "aliens" as shown above.

Title 26: Internal Revenue
PART 1—INCOME TAXES
nonresident alien individuals
§ 1.871-2 Determining residence of alien individuals.

(b) Residence defined.

An alien actually present in the United States who is not a mere transient or sojourner is a resident of the United States for purposes of the income tax. ***Whether he is a transient is determined by his intentions with regard to the length and nature of his stay.*** *A mere floating intention, indefinite as to time, to return to another country is not sufficient to constitute him a transient. If he lives in the United States and has no definite intention as to his stay, he is a resident.* ***One who comes to the United States for a definite purpose which in its nature may be promptly accomplished is a transient; but, if his purpose is of such a nature that an extended stay may be necessary for its accomplishment, and to that end the alien makes his home temporarily in the United States, he becomes a resident****, though it may be his intention at all times to return to his domicile abroad when the purpose for which he came has been consummated or abandoned. An alien whose stay in the United States is limited to a definite period by the immigration laws is not a resident of the United States within the meaning of this section, in the absence of exceptional circumstances.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that there is no definition of "resident" anywhere in the I.R.C. or Treasury Regulations which would enlarge or expand upon the definition of "resident" above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that a person cannot simultaneously be a "resident" and a "citizen" at the same time and that these are two mutually exclusive classes of persons.

26 CFR §1.1-1(c): Income Tax on individuals

(c) Who is a citizen.

Every person born or naturalized in the [federal] United States and subject to its [exclusive federal jurisdiction under Article 1, Section 8, Clause 17 of the Constitution] jurisdiction is a citizen. For other rules governing the acquisition of citizenship, see chapters 1 and 2 of title III of the Immigration and Nationality Act (8 U.S.C. 1401-1459). For rules governing loss of citizenship, see sections 349 to 357, inclusive, of such Act (8 U.S.C. 1481-1489), Schneider v. Rusk, (1964) 377 U.S. 163, and Rev. Rul. 70-506, C.B. 1970-2, 1. For rules pertaining to persons who are nationals but not citizens at birth, e.g., a person born in American Samoa, see section 308 of such Act (8 U.S.C. 1408). For special rules applicable to certain expatriates who have lost citizenship with a principal purpose of avoiding certain taxes, see section 877. A foreigner who has filed his declaration of intention of becoming a citizen but who has not yet been admitted to citizenship by a final order of a naturalization court is an alien.
[26 CFR §1.1-1(c)]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

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7. Admit that the document entitled "Law of Nations" defines "resident" as follows:

> *"Residents, as distinguished from citizens, are aliens who are permitted to take up a permanent abode in the country. Being bound to the society by reason of their dwelling in it, they are subject to its laws so long as they remain there, and, being protected by it, they must defend it, although they do not enjoy all the rights of citizens. They have only certain privileges which the law, or custom, gives them. Permanent residents are those who have been given the right of perpetual residence. They are a sort of citizen of a less privileged character, and are subject to the society without enjoying all its advantages. Their children succeed to their status; for the right of perpetual residence given them by the State passes to their children."*
> *[The Law of Nations, Vattel, Book 1, Chapter 19, Section 213, p. 87, SEDM Exhibit #04.015]*
> *[SOURCE: http://sedm.org/Exhibits/ExhibitIndex.htm]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that American Citizens domiciled within states of the Union do not qualify as "residents" within the meaning of 26 U.S.C. §7701(b)(1)(B) unless they elect to do so under the provisions of 26 U.S.C. §6013(g).

> *TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart B > § 6013*
> *§ 6013. Joint returns of income tax by husband and wife*
>
> *(g) Election to treat nonresident alien individual as resident of the United States*
>
> *(1) In general*
>
> *A nonresident alien individual with respect to whom this subsection is in effect for the taxable year shall be treated as a resident of the United States—*
>
> *(A) for purposes of chapter 1 for all of such taxable year, and*
>
> *(B) for purposes of chapter 24 (relating to wage withholding) for payments of wages made during such taxable year.*
>
> *(2) Individuals with respect to whom this subsection is in effect*
>
> *This subsection shall be in effect with respect to any individual who, at the close of the taxable year for which an election under this subsection was made, was a nonresident alien individual married to a citizen or resident of the United States, if both of them made such election to have the benefits of this subsection apply to them.*
>
> *(3) Duration of election*
>
> *An election under this subsection shall apply to the taxable year for which made and to all subsequent taxable years until terminated under paragraph (4) or (5); except that any such election shall not apply for any taxable year if neither spouse is a citizen or resident of the United States at any time during such year.*
>
> *(4) Termination of election*
>
> *An election under this subsection shall terminate at the earliest of the following times:*
>
> *(A) Revocation by taxpayers*
>
> *If either taxpayer revokes the election, as of the first taxable year for which the last day prescribed by law for filing the return of tax under chapter 1 has not yet occurred.*
>
> *(B) Death*
>
> *In the case of the death of either spouse, as of the beginning of the first taxable year of the spouse who survives following the taxable year in which such death occurred; except that if the spouse who survives is a citizen or resident of the United States who is a surviving spouse entitled to the benefits of section 2, the time provided by this subparagraph shall be as of the close of the last taxable year for which such individual is entitled to the benefits of section 2.*

(C) Legal separation

In the case of the legal separation of the couple under a decree of divorce or of separate maintenance, as of the beginning of the taxable year in which such legal separation occurs.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that the term "continental United States", for the purposes of citizenship, is defined in 8 CFR §215.1 as follows:

[Code of Federal Regulations]
[Title 8, Volume 1]
[Revised as of January 1, 2002]
From the U.S. Government Printing Office via GPO Access
[CITE: 8CFR215]

TITLE 8--ALIENS AND NATIONALITY CHAPTER I--IMMIGRATION AND NATURALIZATION SERVICE, DEPARTMENT OF JUSTICE
PART 215--CONTROLS OF ALIENS DEPARTING FROM THE UNITED STATES
Section 215.1: Definitions

(f) The term continental United States means the District of Columbia and the several States, except Alaska and Hawaii.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

10. Admit that the term "State" within the context of federal citizenship is defined in 8 U.S.C. §1101(a)(36):

8 U.S.C. §1101(a)(36): State [Aliens and Nationality]

The term "State" includes the District of Columbia, Puerto Rico, Guam, and the Virgin Islands of the United States.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

11. Admit that a person born in a state of the Union was not born in a "State" or within the "continental United States" within the meanings defined above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

12. Admit that there is no other definition of "State" or "continental United States" anywhere in Title 8 of the U.S. Code that might modify or enlarge the meanings of "State" or "continental United States" within the context of citizenship under federal law.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

13. Admit that the term "individual" appearing in the upper left corner of the IRS Form 1040 is defined as follows:

26 CFR §1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.

(c) Definitions

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(3) Individual.

(i) Alien individual.

The term alien individual means an individual who is not a citizen or a national of the United States. See Sec. 1.1-1(c).

(ii) Nonresident alien individual.

The term nonresident alien individual means a person described in section 7701(b)(1)(B), an alien individual who is a resident of a foreign country under the residence article of an income tax treaty and Sec. 301.7701(b)-7(a)(1) of this chapter, or an alien individual who is a resident of Puerto Rico, Guam, the Commonwealth of Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa as determined under Sec. 301.7701(b)-1(d) of this chapter. An alien individual who has made an election under section 6013 (g) or (h) to be treated as a resident of the United States is nevertheless treated as a nonresident alien individual for purposes of withholding under chapter 3 of the Code and the regulations thereunder

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

14. Admit that there are no other definitions or explanations of the term "individual" within the Internal Revenue Code that would modify or enlarge the definition of "individual" beyond what appears above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

15. Admit that "Individual Taxpayer Identification Numbers" may ONLY be issued to "aliens" under 26 CFR §301.6109-1(d)(3) and that there is no authority to issue them to "citizens":

26 CFR §301.6109-1(d)(3)

(3) IRS individual taxpayer identification number –

(i) Definition.

*The term IRS individual taxpayer identification number means a taxpayer identifying number **issued to an alien individual** by the Internal Revenue Service, upon application, for use in connection with filing requirements under this title. **The term IRS individual taxpayer identification number does not refer to a social security number or an account number for use in employment for wages.** For purposes of this section, the term alien individual means an individual who is not a citizen or national of the United States.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

16. Admit that SSN's may be used VOLUNTARILY under 26 U.S.C. §6109(d) as a substitute for a "Taxpayer Identification Number", but only in the case of "aliens" and not "citizens":

TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter B > § 6109
§ 6109. Identifying numbers

(d) Use of social security account number

The social security account number issued to an individual for purposes of section 205(c)(2)(A) of the Social Security Act shall, except as shall otherwise be specified under regulations of the Secretary, be used as the identifying number for such individual for purposes of this title.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

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17. Admit that Social Security participation is voluntary for those who are *not* engaged in a "trade or business".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

18. Admit that because Social Security participation is voluntary as described above, then the only people who can lawfully be "Taxpayers" are "aliens"

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

19. Admit that a statutory "U.S. citizen" defined in 8 U.S.C. §1401 and who is domiciled abroad in a foreign country is an "alien" with respect to a tax treaty with that foreign country.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

20. Admit that the estate of a "nonresident alien" who has no income "effectively connected with a trade or business" is called a "foreign estate".

> *TITLE 26 > Subtitle F > CHAPTER 79 > § 7701*
> *§ 7701. Definitions*
>
> *(31) Foreign estate or trust*
>
> *(A) Foreign estate*
>
> *The term "foreign estate" means an estate 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.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

21. Admit that "foreign" in the above context means "not subject to the Internal Revenue Code".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

22. Admit that persons who are not subject to the Internal Revenue Code are described as "nontaxpayers".

> *26 U.S.C. Sec. 7701(a)(14)*
>
> *Taxpayer*
>
> *The term "taxpayer" means any person subject to any internal revenue tax.*
>
> _____
>
> *"Revenue Laws relate to taxpayers [officers, employees, and elected officials of the Federal Government] and not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive jurisdiction of the Federal Government]. The latter are without their scope. No procedures are prescribed for non-taxpayers and no attempt is made to annul any of their Rights or Remedies in due course of law. With them[non-taxpayers] Congress does not assume to deal and they are neither of the subject nor of the object of federal revenue laws."*

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[Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972)
SOURCE: http://famguardian.org/TaxFreedom/Authorities/Circuit/EconomyPlumbHtgVUnitedStates-470F2d585(1972).pdf]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.11 Taxable "activities" and "taxable income"

For more information about the subjects covered in this section, refer to the pamphlet below:

The "Trade or Business" Scam, Form #05.001 http://sedm.org/Forms/FormIndex.htm

_____

1. Admit that the term "trade or business" is defined in 26 U.S.C. §7701(a)(26).

26 U.S.C. §7701(a)(26)

*"The term 'trade or business' includes the performance of **the functions** [activities] of a public office."*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that there are no other definitions or references in I.R.C. Subtitle A relating to a "trade or business" which would change or expand the definition of "trade or business" above to include things other than a "public office".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that a "trade or business" is an "activity".

*"**Trade or Business in the United States***

*Generally, you must be engaged in a trade or business during the tax year to be able to treat income received in that year as effectively connected with that trade or business. **Whether you are engaged in a trade or business in the United States depends on the nature of your activities.** The discussions that follow will help you determine whether you are engaged in a trade or business in the United States."*
[IRS Publication 519, Year 2000, p. 15, emphasis added]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that all excise taxes are taxes on privileged or licensed "activities".

*"**Excise tax.** A tax imposed on the **performance of an act**, the engaging in an occupation, or the enjoyment of a privilege. Rapa v. Haines, Ohio Comm.Pl., 101 N.E.2d. 733, 735. A tax on the manufacture, sale, or use of goods or on the carrying on of an occupation or activity or tax on the transfer of property. "*
[Black's Law Dictionary, Sixth Edition, p. 563]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that holding "public office" in the United States government is an "activity".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that those holding "public office" are described as "employees" within 26 CFR §31.3401(c)-1.

> *26 CFR §31.3401(c)-1 Employee:*
>
> *"...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a [federal] State, Territory, Puerto Rico 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."*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that one cannot be engaged in a "trade or business" WITHOUT ALSO being an "employee" as defined above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that all revenues collected under the authority of I.R.C. Subtitle A in connection with a "trade or business" are upon the entity engaged in the "activity", who are identified in 26 U.S.C. §7701(a)(26) as those holding "public office".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that the decision to hold public office is a voluntary personal decision that cannot be coerced.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

10. Admit that because holding public office is "voluntary", then all taxes based upon this activity must also be voluntary and avoidable.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

11. Admit that the way to legally avoid taxes based on the activity of holding of a public office is to choose not to involve oneself in the activity.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

12. Admit that there are no taxable "activities" mentioned anywhere within Subtitle A of the Internal Revenue Code except that of a "trade or business" as defined within 26 U.S.C. §7701(a)(26).

YOUR ANSWER: ____Admit ____Deny

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CLARIFICATION:_____

13. Admit that all taxes falling upon "public officers" are upon the office, and not upon the private person performing the functions of the public office during his off-duty time.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

14. Admit that a tax upon a "public office" rather than directly upon a natural person is an "indirect" rather than a "direct" tax within the meaning of the Constitution Of the United States.

> *"Direct taxes bear immediately upon persons, upon the possession and enjoyment of rights; indirect taxes are levied upon the happening of an event as an exchange."*
> *[Knowlton v. Moore, 178 U.S. 41 (1900)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

15. Admit that ***all*** earnings originating within the "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) fall within the classification of a "trade or business" under 26 U.S.C. §864(c)(3).

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864*
> *§864. Definitions and special rules*
>
> *(c) Effectively connected income, etc.*
>
> *(3) Other income from sources within United States*
>
> *All income, gain, or loss from sources within the United States (other than income, gain, or loss to which paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within the United States.*
>
> _____
>
> ***Income Subject to Tax***
>
> *Income from sources outside the United States that is not effectively connected with a trade or business in the United States is not taxable if you receive it while you are a nonresident alien. The income is not taxable even if you earned it while you were a resident alien or if you became a resident alien or a U.S. citizen after receiving it and before the end of the year.*
> *[IRS Publication 519, Year 2000, p. 26]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

16. Admit that the amount of "taxable income" defined in 26 U.S.C. §863 that a person must include in "gross income" within the meaning of 26 U.S.C. §61 is determined by their earnings from a "trade or business" plus any earnings of "nonresident aliens" coming under 26 U.S.C. §871(a).

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > **Sec. 863.***
> *Sec. 863. - Special rules for determining source*
>
> *(a) Allocation under regulations*
>
> *Items of gross income, expenses, losses, and deductions, other than those specified in sections 861(a) and 862(a), shall be allocated or apportioned to sources within or without the United States, under regulations prescribed by the Secretary. Where items of gross income are separately allocated to sources within the United States, there shall be deducted (for the purpose of computing the taxable income therefrom) the expenses, losses, and other deductions properly apportioned or allocated thereto and a ratable part of other expenses,*

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losses, or other deductions which cannot definitely be allocated to some item or class of gross income. The remainder, if any, shall be included in full as taxable income from sources within the United States.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

17. Admit that the phrase "from whatever source derived" found in the Sixteenth Amendment \c 7 DOES NOT mean any source, but a SPECIFIC taxable activity within the jurisdiction of the United States.

> *"The Court has hitherto consistently held that a literal reading of a provision of the Constitution which defeats a purpose evident when the instrument is read as a whole, is not to be favored... [and one of the examples they give is...]**'From whatever source derived,' as it is written in the Sixteenth Amendment, does not mean from whatever source derived.** Evans v. Gore, 253 U.S. 245 , 40 S.Ct. 550, 11 A.L.R. 519. See, also, Robertson v. Baldwin, 165 U.S. 275, 281 , 282 S., 17 S.Ct. 326; Gompers v. United States, 233 U.S. 604, 610 , 34 S.Ct. 693, Ann.Cas.1915D, 1044; Bain Peanut Co. v. Pinson, 282 U.S. 499, 501 , 51 S.Ct. 228, 229; United States v. Lefkowitz, 285 U.S. 452, 467 , 52 S.Ct. 420, 424, 82 A.L.R. 775."*
> *[Wright v. U.S., 302 U.S. 583 (1938)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

18. Admit that only earnings derived from a "trade or business" are includible in "gross income" for the purposes of "self employment":

> *TITLE 26 > Subtitle A > CHAPTER 2 > §1402*
> *§1402: Definitions*
>
> *(a) Net earnings from self-employment*
>
> *The term "net earnings from self-employment" means the gross income derived by an individual from any trade or business carried on by such individual, less the deductions allowed by this subtitle which are attributable to such trade or business, plus his distributive share (whether or not distributed) of income or loss described in section 702(a)(8) from any trade or business carried on by a partnership of which he is a member; ….*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

19. Admit that earnings from a "foreign employer" by a "nonresident alien" are not considered to be includible in "trade or business" income and therefore not "gross income:

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > §864*
> *§864. Definitions and special rules*
>
> *(b) Trade or business within the United States*
>
> *For purposes of this part, part II, and chapter 3, the term "trade or business within the United States" includes the performance of personal services within the United States at any time within the taxable year, but **does not include**—*
>
> *(1) Performance of personal services for foreign employer*
>
> *The performance of personal services—*
>
> *(A) for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, or*
>
> *(B) for an office or place of business maintained in a foreign country or in a possession of the United States by an individual who is a citizen or resident of the United States or by a domestic partnership or a domestic corporation,*

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YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

20. Admit that private businesses in states of the Union that do not have Employer Identification Numbers and who do not do voluntary withholding on their workers qualify as "foreign employers" as described above.

> *Internal Revenue Manual, Section 5.14.10.2 (09-30-2004)*
> *Payroll Deduction Agreements*
>
> *2. **Private employers, states, and political subdivisions are not required to enter into payroll deduction agreements.** Taxpayers should determine whether their employers will accept and process executed agreements before agreements are submitted for approval or finalized.*
> *[SOURCE: http://www.irs.gov/irm/part5/ch13s10.html]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

21. Admit that the term "personal services" is limited exclusively to services performed in connection with a "trade or business".

> *26 CFR Sec. 1.469-9 Rules for certain rental real estate activities.*
>
> *(b)(4) PERSONAL SERVICES. Personal services means any work performed by an individual in connection with a **trade or business**. However, personal services do not include any work performed by an individual in the individual's capacity as an investor as described in section 1.469-5T(f)(2)(ii).*
> _____
>
> *26 U.S.C. §861 Income from Sources Within the United States*
>
> *(a)(3) "...Compensation for labor or personal services performed in the United States shall not be deemed to be income from sources within the United States if-*
>
> *(C) the compensation for labor or services performed as an employee of or under contract with--*
>
> *(i) a nonresident alien..not engaged in a trade or business in the United States..."*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

22. Admit that there is no definition of "personal services" anywhere in the I.R.C. or the Treasury Regulations that would expand the definition of "personal services" beyond that appearing above.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

23. Admit that a nonresident alien with no earnings from a "trade or business" earns no "gross income" as defined in 26 U.S.C. §61.

> *26 CFR § 1.872-2 Exclusions from gross income of nonresident alien individuals.*
>
> *(f) Other exclusions.*
>
> ***Income which is from sources without[outside] the United States [District of Columbia and territories and possessions per 26 U.S.C. §7701(a)(9) and (a)(10) and 4 U.S.C. §110(d)], as determined under the provisions of sections 861 through 863, and the regulations thereunder, is not included in the gross income of a nonresident alien individual unless such income is effectively connected for the taxable year with the conduct of a trade or business in the United States by that individual.** To determine specific exclusions in the case of other items which are from sources within the United States, see the applicable sections of the Code.*

For special rules under a tax convention for determining the sources of income and for excluding, from gross income, income from sources without the United States which is effectively connected with the conduct of a trade or business in the United States, see the applicable tax convention. For determining which income from sources without the United States is effectively connected with the conduct of a trade or business in the United States, see section 864(c)(4) and §1.864–5.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.12 What is "Included"?

For more information about the subjects covered in this section, refer to the pamphlet below:

Meaning of the Words "Includes" and "Including", Form #05.014
http://sedm.org/Forms/FormIndex.htm

_____

1. Admit that the term "includes" is used in the definition of all of the following words in the Internal Revenue Code:

    1. *"person" in 26 U.S.C. §§6671 and 7343*
    2. *"United States" in 26 U.S.C. §7701(a)(9)*
    3. *"State" in 26 U.S.C. §7701(a)(10).*
    4. *"trade or business" in 26 U.S.C. §7701(a)(26)*
    5. *"employee" in 26 U.S.C. §7701(c).*

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

2. Admit that the word "includes" is defined as follows in Black's Law Dictionary, Sixth Edition:

    *"**Include**. (Lat. Inclaudere, to shut in. keep within.) To confine within, hold as an inclosure. Take in, attain, shut up, contain, inclose, comprise, comprehend, embrace, involve. Term may, according to context, express an enlargement and have the meaning of and or in addition to, or merely specify a particular thing already included within general words theretofore used. "Including" within statute is interpreted as a word of enlargement or of illustrative application as well as a word of limitation. Premier Products Co. v. Cameron, 240 Or. 123, 400 P.2d. 227, 228."*
    [Black's Law Dictionary, Sixth Edition, p. 763 (1990)]

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

3. Admit that the word "includes" is defined as follows in Treasury Decision 3980:

    *"(1) **To comprise, comprehend, or embrace**…**(2) To enclose within; contain; confine**…But granting that the word '**including**' is a term of enlargement, it is clear that it **only** performs that office by introducing the **specific elements** constituting the enlargement. It thus, and thus **only**, enlarges the otherwise more **limited, preceding general language**…The word 'including' is obviously used in the sense of its **synonyms**, comprising; comprehending; embracing."*
    [Treasury Decision 3980, Vol. 29, January-December, 1927, pgs. 64 and 65;
    SOURCE: http://famguardian.org/TaxFreedom/CitesByTopic/includes-TD3980.pdf]

    YOUR ANSWER: ____Admit ____Deny

    CLARIFICATION:_____

4. Admit that the word "includes" is defined as follows in 26 U.S.C. §7701(c):

    26 U.S.C. Sec. 7701(c) INCLUDES AND INCLUDING.

The terms 'include' and 'including' when used in a definition contained in this title shall not be deemed to exclude other things otherwise within the meaning of the term defined."

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that the U.S. Supreme Court has stated that statutory definitions of terms supersede and replace rather than enlarge the common definitions of terms.

> *"**When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's ordinary meaning.** Meese v. Keene, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory definition of the term excludes unstated meanings of that term"); Colautti v. Franklin, 439 U.S. at 392-393, n. 10 ("As a rule, `a definition which declares what a term "means" . . . excludes any meaning that is not stated'"); Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial portion," indicate the contrary."*
> *[Stenberg v. Carhart, 530 U.S. 914 (2000)]*

> *"It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. Colautti v. Franklin, 439 U.S. 379, 392, and n. 10 (1979). Congress' use of the term "propaganda" in this statute, as indeed in other legislation, has no pejorative connotation.{19} **As judges, it is our duty to [481 U.S. 485] construe legislation as it is written, not as it might be read by a layman, or as it might be understood by someone who has not even read it."***
> *[Meese v. Keene, 481 U.S. 465, 484 (1987)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that the rules of statutory construction require that the definitions of words in statutes must prescribe EVERYTHING that is included:

> *"**Expressio unius est exclusio alterius**. A maxim of statutory interpretation meaning that **the expression of one thing is the exclusion of another**. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d. 321, 325; Newblock v. Bowles, 170 Okl. 487, 40 P.2d. 1097, 1100. Mention of one thing implies exclusion of another. **When certain persons or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be inferred.** Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded."*
> *[Black's Law Dictionary, Sixth Edition, p. 581]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that all doubts about the meaning of words MUST be resolved in favor of the person upon which a tax is sought to be laid and NOT in favor of the government:

> *"…if doubt exists as to the construction of a taxing statute, the doubt should be resolved in favor of the taxpayer..."*
> *[Hassett v. Welch., 303 U.S. 303, pp. 314 - 315, 82 L.Ed. 858. (1938)]*

> *"Keeping in mind the well-settled rule that **the citizen is exempt from taxation unless the same is imposed by clear and unequivocal language, and that where the construction of a tax law is doubtful, the doubt is to be resolved in favor of those upon whom the tax is sought to be laid**."*
> *[Spreckels Sugar Refining Co. v. McClain, 192 U.S. 297 (1904)]*

> ***Additional authorities**: Gould v. Gould, 245 U.S. 151, 153 (1917); Smietanka v. First Trust & Savings Bank, 257 U.S. 602, 606 (1922); Lucas v. Alexander, 279 U.S. 573, 577 (1929); Crooks v. Harrelson, 282 U.S. 55 (1930); Burnet v. Niagra Falls Brewing Co., 282 U.S. 648, 654 (1931); Miller v. Standard Nut Margarine Co., 284 U.S. 498, 508 (1932); Gregory v. Helvering, 293 U.S. 465, 469 (1935); Hassett v. Welch, 303 U.S. 303, 314*

(1938); U.S. v. Batchelder, 442 U.S. 114, 123 (1978); Security Bank of Minnesota v. CIA, 994 F.2d. 432, 436 (CA8 1993).

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that statutes which fail to explicitly describe ALL things which are included in the definition of a word fail to give "reasonable notice" to the affected parties of the conduct expected of them and therefore are "void for vagueness" and violate due process of law:

> *That the terms of a penal statute creating a new offense must be sufficiently explicit to inform those who are subject to it what conduct on their part will render them liable to its penalties is a well- recognized requirement, consonant alike with ordinary notions of fair play and the settled rules of law; and a statute which either forbids or requires the doing of an act in terms so vague that men of common intelligence must necessarily guess at its meaning and differ as to its application violates the first essential of due process of law. International Harvester Co. v. Kentucky, 234 U.S. 216, 221 , 34 S. Ct. 853; Collins v. Kentucky, 234 U.S. 634, 638 , 34 S. Ct. 924*
>
> *...*
>
> *[269 U.S. 385, 393] ... The dividing line between what is lawful and unlawful cannot be left to conjecture. The citizen cannot be held to answer charges based upon penal statutes whose mandates are so uncertain that they will reasonably admit of different constructions. A criminal statute cannot rest upon an uncertain foundation. The crime, and the elements constituting it, must be so clearly expressed that the ordinary person can intelligently choose, in advance, what course it is lawful for him to pursue. Penal statutes prohibiting the doing of certain things, and providing a punishment for their violation, should not admit of such a double meaning that the citizen may act upon the one conception of its requirements and the courts upon another.'*
> *[Connally vs. General Construction Co., 269 U.S. 385 (1926)]*
>
> _____
>
> *"Law fails to meet requirements of due process clause if it is so vague and standardless that it leaves public uncertain as to conduct it prohibits or leaves judges and jurors free to decide, without any legally fixed standards, what is prohibited and what is not in each particular case."*
> *[Giaccio v. State of Pennsylvania, 382 U.S. 399; 86 S.Ct. 518 (1966)]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3.13 What Participation in the "Trade or Business" franchise does to your legal status

For additional information on the subjects covered in this section, please refer to:

1. *Federal Jurisdiction*, Form #05.018, Sections 3 through 3.6
   http://sedm.org/Forms/FormIndex.htm
2. *The "Trade or Business" Scam*, Form #05.001
   http://sedm.org/Forms/FormIndex.htm

_____

1. Admit that the only type of earnings includible as "gross income" on a 1040 return are earnings in connection with a "trade or business".

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864*
> *§864. Definitions and special rules*
>
> *(c) Effectively connected income, etc.*
>
> *(3) Other income from sources within United States*

All income, gain, or loss from sources within the United States (other than income, gain, or loss to which paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within the United States.

_____

"The Trade or Business Scam"
http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

2. Admit that there is no block on an IRS Form 1040 where a person can write earnings that are *not* derived from a "trade or business"

Click here for IRS Form 1040

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

3. Admit that the only way for a natural person to indicate earnings that are not connected with a "trade or business" on a tax return is to submit an IRS Form 1040NR.

Click here for IRS Form 1040NR

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4. Admit that a person who has no earnings from a "trade or business" would have to file a "zero" for "gross income" on a 1040 return.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that a person who is a "nonresident alien" may NOT lawfully elect to declare themselves a "citizen" within the meaning of 8 U.S.C. §1401, because they were not born in the "continental United States".

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that a person born in a state of the Union on land not territory of or ceded to the federal government is not a "citizen", but a "national" under federal law, as described by 8 U.S.C. §1101(a)(21).

Why You Are a "national", "state national", and Constitutional but not Statutory Citizen, Form #05.006
http://sedm.org/Forms/FormIndex.htm

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that 26 U.S.C. §6041 is the authority for filing Information Returns under the Internal Revenue Code, such as the IRS Forms W-2 and 1099:

TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III > Subpart B > § 6041

§ 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 or business 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 6050N (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 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.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that those who have no "trade or business" earnings under 26 U.S.C. §6041 above cannot lawfully have an Information Return filed against them.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that the "United States" is defined as a federal corporation in 28 U.S.C. §3002(15)(A).

United States Code
TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE
PART VI - PARTICULAR PROCEEDINGS
CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE
SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS
Sec. 3002. Definitions

*(15) **"United States" means** -*
*(A) **a Federal corporation**;*
(B) an agency, department, commission, board, or other entity of the United States; or
(C) an instrumentality of the United States.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

10. Admit that a person holding a "public office" in the United States Government is an "officer of a corporation"

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

11. Admit that officers of federal corporations and partnerships are the only proper subject of penalties under 26 U.S.C. §6671(b)

TITLE 26 > Subtitle F > CHAPTER 68 > Subchapter B > PART I > § 6671
§6671. Rules for application of assessable penalties

(b) Person defined

The term "person", as used in this subchapter, 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.

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YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

12. Admit that officers of federal corporations and partnerships are the only proper subject of the criminal provisions of the Internal Revenue Code under 26 U.S.C. §7343.

> *TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter D > Sec. 7343.*
> *Sec. 7343. - Definition of term "person"*
>
> *The term "person" as used in this chapter [Chapter 75] 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*
>
> *[**NOTE**: This is the "person" for the purposes of some of the **miscellaneous penalties** under the Internal Revenue Code]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

13. Admit that indicating "income" on an IRS Form 1040 that is "effectively connected with a trade or business in the United States" or signing and submitting an IRS Form W-4 creates a presumption with the IRS that the submitter is an officer or instrumentality of a federal corporation called the "United States Government".

> *TITLE 26 > Subtitle F > CHAPTER 64 > Subchapter D > PART II > § 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 10 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 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.** If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

14. Admit that the presumption that one is an "officer of a federal corporation" is the basis for why the IRS believes that they can institute penalties against natural persons under the provisions of the Internal Revenue Code.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

15. Admit that only those with income "effectively connected with a trade or business" can claim deductions, apply a graduated rate of tax, or apply for earned income credit.

> *TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B*
> *Part VI-Itemized deductions for Individuals and Corporations*
> *Sec. 162. - Trade or business expenses*
>
> ***(a)** In general*

*There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the taxable year in carrying on any **trade or business**, including –*

(1) a reasonable allowance for salaries or other compensation for personal services actually rendered;

TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART II > Subpart A > § 871
§ 871. Tax on nonresident alien individuals

(b) Income connected with United States business—graduated rate of tax

(1) Imposition of tax

A nonresident alien individual engaged in trade or business within the United States during the taxable year shall be taxable as provided in section 1 or 55 on his taxable income which is effectively connected with the conduct of a trade or business within the United States.

(2) Determination of taxable income

In determining taxable income for purposes of paragraph (1), gross income includes only gross income which is effectively connected with the conduct of a trade or business within the United States.

TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter A > PART IV > Subpart C > § 32
§32. Earned income

(c) Definitions and special rules

For purposes of this section—

(1) Eligible individual

(E) Limitation on eligibility of nonresident aliens

The term "eligible individual" shall not include any individual who is a nonresident [of the United States/District of Columbia] alien individual for any portion of the taxable year unless such individual is treated for such taxable year as a resident of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

16. Admit that at least a “perceived” financial benefit or “privilege” is accepted by availing oneself of any of the above three types of tax reductions.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

17. Admit that those who are “nontaxpayers” and who do not have any income derived from a “trade or business in the United States” do not need any deductions, earned in come credits, or graduated rate of tax to reduce their liability under the I.R.C. to zero, because their taxable income is already “zero”.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

18. Admit that there is no legal requirement under federal law for financial institutions to prepare “Currency Transaction Reports” (CTRs) upon persons who are not in any way “effectively connected with a trade or business in the United States”.

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31 CFR 103.30(d)(2) General

(2) Receipt of currency not in the course of the recipient's ***trade or business****. The receipt of currency in excess of $10,000 by a person other than in the course of the person's* ***trade or business*** *is not reportable under 31 U.S.C. 5331.*

Title 31: Money and Finance: Treasury
PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS
Subpart B—Reports Required To Be Made
§103.30 Reports relating to currency in excess of $10,000 received in a trade or business.

(11) ***Trade or business****. The term trade or business has the same meaning as under section 162 of title 26, United States Code.*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

4 INTERROGATORIES

If any of your answers were deny within this questionnaire, please produce legally admissible evidence signed under penalty of perjury supporting your claim and explaining all of the contradictions your answer produces within all the remaining questions. Nothing can be truthful which contradicts either itself or the rest of the law. Your evidence in support:

1. May not come from a federal court, because:
   1.1. There is no federal common law within states of the Union. Erie Railroad v. Tompkins, 304 U.S. 64 (1938).
   1.2. The IRS says it is not obligated to change its position based on any court ruling below the U.S. Supreme Court. Therefore, I am not EITHER under the concept of equal protection and equal treatment. IRM 4.10.7.2.9.8.
   1.3. The Declaratory Judgments Act, 28 U.S.C. §2201(a) forbids federal courts from creating new "taxpayers" or declaring rights or status of parties in tax cases. You have to declare yourself a "taxpayer" before they can even hear a controversy under the "taxpayer" franchise codified in Internal Revenue Code Subtitle A.
2. May not come from that which is not positive law or "prima facie evidence". Prima facie means presumption, and all presumptions that violate due process of law or constitutionally protected rights are not allowed. 1 U.S.C. §204 says that the entire Internal Revenue Code is not positive law, and that it is prima facie evidence, meaning that it is one big statutory presumption:

> *"It is apparent,' this court said in the Bailey Case (* **219 U.S. 239** *, 31 S. Ct. 145, 151) 'that a constitutional prohibition cannot be transgressed indirectly by the creation of a statutory presumption any more than it can be violated by direct enactment. The power to create presumptions is not a means of escape from constitutional restrictions."*
> *[Heiner v. Donnan, 285 U.S. 312 (1932)]*

For much more on the above, please read and rebut the questions at the end of the following within 30 days or be found to conclusively agree and be subject to equitable estoppel:

1. *Reasonable Belief About Income Tax Liability*, Form #05.007
   http://sedm.org/Forms/FormIndex.htm
2. *Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction*, Form #05.017
   http://sedm.org/Forms/FormIndex.htm

5 CRIMINAL CONSEQUENCES OF FAILING TO DENY THE CONTENT OF THIS COMMUNICATION WITH SUPPORTING EVIDENCE

A failure to deny the content of this correspondence with evidence signed under penalty of perjury constitutes a constructive admission that it is true per Federal Rule of Civil Procedure 8(b)(6). This section documents all the criminal consequences ensuing to the recipient of proceeding against the submitter in violation of the facts established herein.

1. Admit that the recipient of this document has no evidence in their possession that the person who submitted this document to them is a public officer within the U.S. and not state government.

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

2. Admit that the ability to regulate or tax EXCLUSIVELY PRIVATE rights is repugnant to the constitution.

   > *"The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to provide modes of redress" against offensive state action, was "repugnant" to the Constitution. Id., at 15. See also United States v. Reese,* 92 U.S. 214, 218 *(1876) ; United States v. Harris,* 106 U.S. 629, 639 *(1883) ; James v. Bowman,* 190 U.S. 127, 139 *(1903) . Although the specific holdings of these early cases might have been superseded or modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States,* 379 U.S. 241 *(1964) ; United States v. Guest,* 383 U.S. 745 *(1966) , their treatment of Congress' §5 power as corrective or preventive, not definitional, has not been questioned."*
   > *[City of Boerne v. Florez, Archbishop of San Antonio, 521 U.S. 507 (1997)]*

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

3. Admit that the recipient of this correspondence has no evidence in their possession that the person who submitted this document to them is operating in anything OTHER than an EXCLUSIVELY PRIVATE capacity.

   YOUR ANSWER: ____Admit ____Deny

   CLARIFICATION:_____

4. Admit that the following crimes inevitably result from either TREATING a PRIVATE person as a PUBLIC OFFICER:

   4.1. 18 U.S.C. §912: Impersonating a public officer. A statutory "Taxpayers" are public officers within the U.S. and not state government. See:

   > Why Your Government is Either a Thief or You Are a "Public Officer" for Income Tax Purposes, Form #05.008
   > DIRECT LINK: http://sedm.org/Forms/MemLaw/WhyThiefOrPubOfficer.pdf
   > FORMS PAGE: http://sedm.org/Forms/FormIndex.htm

   4.2. 18 U.S.C. §201: Bribery of public officials and witnesses. All tax forms signed under penalty of perjury constitute testimony of a witness. If the witness is NOT a lawfully appointed or elected public officer and those tax forms result in compensation or "benefits" being paid to the witness, including tax refunds, then there is a bribery occurring. That bribery in essence is bribery to become or pretend to be a public officer outside of the only place such office can lawfully be occupied, which is 4 U.S.C. §72.

   4.3. 18 U.S.C. §208: Acts affecting a personal financial interest. "Benefits" paid to "taxpayers" constitute "kickbacks" of monies paid to the government. Taxes used to pay them are upon the PUBLIC OFFICE occupied by the "taxpayer". Hence, there is no way that one can be a statutory "Taxpayer" and receive ANY PORTION of them monies paid in without being a criminal.

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4.4. 18 U.S.C. §210: Offer to procure appointive public office. The withholding of any service to anyone who REFUSES to fill out a tax form identifying themselves as a "person", "individual", and "taxpayer" constitutes a penalty for NOT committing the crime of impersonating a public officer called a "taxpayer". Likewise, the giving of such service as a REWARD for impersonating a public officer called a 'taxpayer" constitutes in essence an offer to procure an appointive public office, and the false tax form is the method of appointment.

4.5. 18 U.S.C. §1503: Influencing or injuring officer or juror generally. Those who punish people for refusing to perjur their testimony on a tax form, who threaten them with the denial of any service for a failure to fill out a tax form in a specific way, or who deny to them business opportunities, PRIVATE employment, or any other thing of value because constitute and yet who believe that the person upon whom they are acting is a statutory "taxpayer" and therefore public officer is tampering with a public officer to influence their decision.

4.6. 18 U.S.C. §1512: Tampering with a witness, victim, or informant. All tax forms signed under penalty of perjury constitute testimony of a witness. Those who punish people for refusing to perjur their testimony on a tax form, who threaten them with the denial of any service for a failure to fill out a tax form in a specific way, or who deny to them business opportunities, PRIVATE employment, or any other thing of value because constitute and yet who believe that the person upon whom they are acting is a statutory "taxpayer" and therefore public officer is tampering with a witness and informant.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

5. Admit that filing information returns, such as IRS Forms W-2, 1042-S, 1098, 1099, K-1, etc. against those not lawfully engaging in a public office called a "trade or business" as per 26 U.S.C. §6041(a) constitutes the criminal offense of filing of a knowingly false "return" per 26 U.S.C. §§7206, 7207.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6. Admit that is it unlawful to exercise public offices outside the GEOGRAPHIC District of Columbia per 4 U.S.C. §72.

TITLE 4 > CHAPTER 3 > § 72
§ 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.

[http://www4.law.cornell.edu/uscode/html/uscode04/usc_sec_04_00000072----000-.html]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

7. Admit that there is no provision of law anywhere in the internal revenue code which authorizes internal revenue districts OUTSIDE the District of Columbia or U.S. Territories, or INSIDE any constitutional state of the Union.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

8. Admit that the only remaining internal revenue district is the District of Columbia and that the 26 U.S.C. §7601 limits the I.R.S. to enforcement ONLY within "internal revenue districts".

26 U.S.C. § 7601 - Canvass of districts for taxable persons and objects

(a) General rule

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The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax, and all persons owning or having the care and management of any objects with respect to which any tax is imposed.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

9. Admit that 26 U.S.C. §7621 authorizes the President of the United States to define the boundaries of all internal revenue districts and that the President delegated that authority to the Secretary of the Treasury pursuant to Executive Order #10289.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

10. Admit that neither the President nor his delegate, the Secretary of the Treasury, may establish internal revenue districts outside of the statutory but not constitutional "United States", which is then defined in 26 U.S.C. §7701(a)(9) and (a)(10), 26 U.S.C. §7701(a)(39), and 26 U.S.C. §7408(d) to mean ONLY the District of Columbia. This restriction is a result of the fact that the Constitution in Article 4, Section 3, Clause 2 only authorizes Congress to write rules and regulations for the territory and other property of the United States, and states of the Union are not "territory" of the United States:

"Territories' or 'territory' as including 'state' or 'states." While the term 'territories of the' United States may, under certain circumstances, include the states of the Union, as used in the federal Constitution and in ordinary acts of congress "territory" does not include a foreign state.
[86 Corpus Juris Secundum (C.J.S.), Territories, §1]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

11. Admit that Congress cannot delegate to the President or the Secretary an authority within states of the Union that it does not have. Congress has NO LEGISLATIVE JURISDICTION within a state of the Union.

*"It is no longer open to question that **the general government, unlike the states**, Hammer v. Dagenhart, 247 U.S. 251, 275 , 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, **possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.**"*
[Carter v. Carter Coal Co., 298 U.S. 238, 56 S.Ct. 855 (1936)]

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

12. Admit that the only remaining internal revenue district is the District of Columbia and that the 26 U.S.C. §7602 limits the I.R.S. to enforcement ONLY within "internal revenue districts".

26 U.S.C. § 7601 - Canvass of districts for taxable persons and objects

(a) General rule

The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax, and all persons owning or having the care and management of any objects with respect to which any tax is imposed.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

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13. Admit that kidnapping of a "person" is a crime in violation of 18 U.S.C. §1201.

> *18 U.S.C. §1201 - Kidnapping*
>
> ***(a)****Whoever unlawfully seizes, confines, inveigles, decoys, kidnaps, abducts, or carries away and holds for ransom or reward or otherwise any person, except in the case of a minor by the parent thereof, when—*
>
> ***(1)****the person is willfully transported in interstate or foreign commerce, regardless of whether the person was alive when transported across a State boundary, or the offender travels in interstate or foreign commerce or uses the mail or any means, facility, or instrumentality of interstate or foreign commerce in committing or in furtherance of the commission of the offense;*
>
> ***(2)****any such act against the person is done within the special maritime and territorial jurisdiction of the United States;*
>
> ***(3)****any such act against the person is done within the special aircraft jurisdiction of the United States as defined in section 46501 of title 49;*
>
> ***(4)****the person is a foreign official, an internationally protected person, or an official guest as those terms are defined in section 1116(b) of this title; or*
>
> ***(5)****the person is among those officers and employees described in section 1114 of this title and any such act against the person is done while the person is engaged in, or on account of, the performance of official duties,*
>
> *shall be punished by imprisonment for any term of years or for life and, if the death of any person results, shall be punished by death or life imprisonment.*

14. Admit that all law is prima facie territorial.

> *"It is a well established principle of law that all federal regulation applies only within the territorial jurisdiction of the United States unless a contrary intent appears."*
> *[Foley Brothers, Inc. v. Filardo, 336 U.S. 281 (1949)]*
>
> *"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. U.S., 152 U.S. 211 (1894)]*
>
> *"There is a canon of legislative construction which teaches Congress that, unless a contrary intent appears [legislation] is meant to apply only within the territorial jurisdiction of the United States.")*
> *[U.S. v. Spelar, 338 U.S. 217 at 222.]*

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

15. Admit that treating someone AS IF they were physically located in a place that they are not, or treating them as a civil "person" in that place, has the practical effect of kidnapping either them or their legal civil identity.

YOUR ANSWER: ____Admit ____Deny

CLARIFICATION:_____

6 AFFIRMATION

I declare under penalty of perjury as required under 26 U.S.C. §6065 that the answers provided by me to the foregoing questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these answers are completely consistent with each other and with my understanding of both the Constitution of the United States, Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual, and the rulings of the Supreme Court but not necessarily lower federal courts.

Name (print):_____

Signature:_____

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Date:_____

Witness name (print):_____

Witness Signature:_____

Witness Date:_____

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