

Withholding a la Manhattan

The W-4 Connection



consider the following...

...direct taxes shall be apportioned among the several states...according to their respective numbers

Article 1 section 2 clause 3 U.S. Constitution

“No capitation or other direct tax shall be laid, unless in proportion to the census (apportionment) or enumeration...”

Article 1 section 9 clause 4 U.S. Constitution

“...that such tax is a direct tax, and void because imposed without regard to the rule of apportionment; and that by reason thereof the whole law is invalidated.”

*Pollock v Farmers' Loan & Trust Co.,
157 US Supreme Court 429 (1895)*



Now, Based on what the Constitution says about a DIRECT TAX and the Supreme Court rulings that reinforce how those DIRECT TAXES are to be applied to the people of the United States, how would you answer the following questions?

Q: Do you know what apportionment is?

yes _____ no _____

Q: Were the federal taxes withheld from your paycheck apportioned?

yes _____ no _____

Q: Are un-apportioned direct taxes Constitutional?

yes _____ no _____

Q: Does the IRS make false statements in their official literature?

yes _____ no _____

If you are unable to answer the above questions correctly this flyer is for you. Please continue.

The Manhattan Project was officially started by the Corps of Engineers, Manhattan Engineer District, conducted by Major Leslie R. Groves. Groves directed industrial and research activities at such sites as Oak Ridge Tenn. and Los Alamos, New Mexico. The project was worked on by thousands of people from all over our country and the world. An actual town, with the necessary infrastructure, emerged in order to accommodate the many residents working at the Los Alamos site. Nobel Prize winners along with experts in science, physics and various other fields were employed at Oak Ridge and Los Alamos. The project went on for years. Two very amazing things came about. One was the invention of the atomic bomb, and the other, equally dramatic in the opinion of many, was a giant project carried out in almost complete secrecy. Virtually everyone in the country was unaware of what was being accomplished right under their noses.

A significant reason for being able to maintain such secrecy was World War II. Wars are powerful distractions, sometimes diverting attention from other very important matters. Even though war helped the country to emerge from the Great Depression it caused some material hardships. Along with significant increases in manufacturing / jobs, other kinds of material shortages occurred. Sacrifices, e.g. in war bonds, rationing and most importantly payroll withholding taxes were introduced by the Revenue Act of 1942 (“the Victory Tax”). Common folk of every nationality willingly cooperated in order to bring about the help that our government leaders passionately articulated the need for. In the main, that generation did not doubt their leaders’ intentions, everyone wanted peace, and our history books have put the epic to rest.

What about today? Could something of similar magnitude be kept in relative secret? After all, we have the internet! We have 24/7 television news and talk radio. Let all the experts argue how such a thing could not exist in today’s news enlightened society, but the evidence that they are wrong is all over the place. For a good example let’s take a look at the withholding taxes mentioned above. They were and still are taken out of private citizens paychecks starting with the implementation of the “Victory Tax” in 1942.

The Revenue Act of 1942 (“Victory Tax”) introduced withholding taxes on the paychecks of private citizens working for private companies. That act is no longer in effect. The withholding continues today under what the IRS declares as the authority granted in the 16th Amendment and the Constitution. Is this true? The IRS has declared it to be so in their official literature.

Let’s take a look and see.

The Manhattan Project is no longer a secret. Could this be a secret “a la Manhattan” right under our very noses?

What at first was plunder assumed the softer name of revenue.

~Thomas Paine



Internal Revenue Service Literature on the 16th Amendment VS. *U. S. Supreme Court Rulings on the 16th Amendment*



← According to IRS Publication 2105 (Rev. 10-1999), Catalog Number 23871N, which is a regularly used pamphlet sent to millions of private citizens employed by private companies entitled: “*Why do I have to pay taxes?*”; “*Just the facts*”, item number 3 states:

3) “Congress used the power granted by the Constitution and the 16th Amendment and made laws requiring all individuals to pay tax.”

We already know that “all” individuals do not pay tax (income tax referred to in item #3). Do children, housewives or the people on welfare pay the tax? After all, they are individuals. Why didn’t the Internal Revenue Service simply cite one of the laws they claim Congress passed, imposing the alleged statutory liability on “all individuals”? After all, the IRS must know which law/s require “all individuals to pay tax”. The reason IRS has never cited the “alleged” law is because the “16th Amendment and the Constitution” does not give Congress the authority to enact a law “requiring all individuals to pay tax”. The income tax is levied on incomes, not individuals. I call your attention to the 16th Amendment:

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

The fact that the IRS is making a false statement is supported by their repeated refusals to identify the alleged “law”. The Supreme Court explains the truth on the subject of “income”. I call your attention to:

“...it becomes essential to distinguish between what is and what is not ‘income,’ as the term is there used, and to apply the distinction, as cases arise, according to truth and substance, without regard to form. Congress cannot by any definition it may adopt, conclude the matter, since it cannot by legislation alter the Constitution, from which alone it derives its power to legislate, and within whose limitations alone that power can be lawfully exercised. EISNER v MACOMBER, 252 US 189 (1920)

What’s this? Congress cannot “conclude the matter”? That’s right! Congress does not have the power to make laws “requiring all individuals” to pay tax. According to the Supreme Court, Congress is limited by the Constitution. If Congress cannot “conclude the matter”, and the 16th Amendment only allows for taxes on “incomes” not individuals. Where is the truth in the IRS’s statement in item number 3? Wages are one of the subjects classified as a “direct tax” according to 19 CFR 351.102. Article 1 states direct taxes must be apportioned. Let’s take a look at what “power” the Supreme Court says the 16th Amendment actually has:

“The 16th Amendment must be construed in connection with the taxing clauses of the original Constitution and the effect attributed to them before the amendment was adopted.” EISNER v MACOMBER, 252 US 189 (1920)



“Certain court cases lend more weight to a position than others. A case decided by the Supreme Court becomes law of the land and takes precedence over decisions of lower courts. The Internal Revenue Service must follow Supreme Court decisions”.

IR Manual 4.10.7.2.8.9

We know that the 16th Amendment cited by the IRS states that Congress can “...without apportionment among the several States, and without regard to any census or enumeration”, impose a tax on incomes. But apportionment as explained in “the original Constitution” and cited from Article I § 2 Clause 3 of the U. S. Constitution below says otherwise:

“Representatives and direct Taxes shall be apportioned among the several States which may be included in this Union, according to their respective numbers...”

“Direct” taxes, according to the Supreme Court, include those imposed on the earnings of a private citizen working for a private company.

“Direct taxes bear upon persons, upon possessions and the enjoyment of rights...” Knowlton v. Moore, 178 US 41 (1900)

Additionally, the Constitutional prescription for apportionment above must be done among the several States according to that State’s population as declared by the Supreme Court or it will be struck down as in the following: *“...that such tax is a direct tax, and void because imposed without regard to the rule of apportionment; and that by reason thereof the whole law is invalidated.”*

POLLOCK v FARMERS’ LOAN & TRUST CO., 157 US 429 (1895)

The Supreme Court being aware of the confusing language in the 16th Amendment stated:

“The contentions under it (the 16th amendment), if acceded to would cause one provision of the Constitution to destroy another; that is, they would result in bringing the provisions of the amendment exempting a direct tax from apportionment into irreconcilable conflict with the general requirement that

all direct taxes be apportioned. ...this result, instead of simplifying the situation and making clear the limitations on the taxing power...would create radical and destructive changes in our constitutional system and multiply confusion.” **BRUSHABER v. UNION PACIFIC R. CO., 240 US 1 (1916)**

Congress passed an income tax Act in 1894 and the Supreme Court struck it down as cited in the Pollock case above. The High Court declared that the Constitutional requirement for apportionment was not satisfied and threw the whole Act out. The Supreme Court has spoken.

The problem for the IRS is that the “individual” income tax now being imposed on the paychecks of private citizens was never apportioned among the several States as the Constitution demands in Article 1:

“...it manifestly disregards the fact that by previous ruling it was settled that the provisions of the 16th Amendment conferred no new power of taxation.”

STANTON v BALTIC MINING CO., 240 US 103 (1916)

The above Supreme Court rulings address the issue of the 16th Amendment and the inherent confusion arising from the erroneous conclusion that such Amendment provided for an “unknown power of taxation” (individuals). The IRS has deliberately capitalized on this “inherent confusion”. Let’s cite the actual power in the 16th Amendment, not according to the IRS but as declared by the U.S. Supreme Court:

- Power to “relieve all income taxes when imposed from apportionment from a consideration of the source”

BRUSHABER v UNION PACIFIC RAILROAD CO. 240 U.S. 1 (1916)

According to Blacks Law Dictionary:

Apportionment, n.1. Division into proportionate shares.

In other words *if* the tax was apportioned, by order of the U.S. Congress and spread out by the States according to their populations, (dividing the amount into proportionate shares as Article 1 stipulates) it would then officially become a constitutionally “apportioned” direct tax. The 16th Amendment’s declaration to relieve all sources from consideration, would then apply. These sources, in this case, would include private individuals working for private companies. If the current individual income tax being enforced is not apportioned (and it is not) according to Article 1, it:

“... would cause one provision of the Constitution to destroy another; that is, they would result in bringing the provisions of the amendment exempting a direct tax from apportionment into irreconcilable conflict with the general requirement that all direct taxes be apportioned. ...”

BRUSHABER v UNION PACIFIC RAILROAD CO. 240 U.S. 1 (1916)

Our job as Citizens of this Nation is to see to it that the government stays within the boundaries imposed by the Constitution, including the 16th Amendment.

If we fail at this task, who will do it for us?

***Constitutional Income, Do You Have Any?**

-Phil Hart

ISBN: 0-9711880-0-9 www.constitutionalincome.com



Are your wages as a private citizen working for a private employer a “measure” of corporate profit, or a gain from a government privilege?

No, of course not!

We now have legal chaos with the current un-apportioned “direct” individual income tax. Corporate income taxes are indirect taxes and do not require the apportionment demanded in Article 1 for all “direct taxes”. All sources of income (sales of products, investments etc.), are considered in determining “profits or gains”, which are the actual objects of the tax, and necessary to identify in order to determine the amount of “income tax” owed by a corporation.

Direct taxes have only been apportioned at certain times in our nation’s history. Congress was well aware of the Constitutional prohibition in Article 1 for imposing “direct taxes” on the people without apportionment. During the War of 1812 a \$3 million direct tax was proposed by the Secretary of the Treasury, Mr. Dallas. That proposal was made in January of 1815 but was never officially adopted. The request for the direct tax had been withdrawn, due to the war ending, soon after its proposal was made. History shows that a discount was offered, usually 15%, to each State from the anticipated sum apportioned to the several States, if that State agreed to collect and pay the apportioned tax directly to the federal government. Many States took advantage of the discount offered by the federal government. In 1861 as part of a package to raise money for the civil war, a \$20 million tax was apportioned among the States. Instead of using the formula stipulated in Article 1 and applying the direct tax according to the census/enumeration, the States collected exclusively from land owners. The upheaval from the civil war was the reason speculated for the constitutional breach, plus the anticipated difficulty in enumerating or counting the people among the several States during that time. Aberrations often occur during war, thus ignoring the demand for apportionment according to the census or enumeration per Article 1 was taken in stride. The government not only needed money, it needed it fast.

Now, on to the Supreme Court’s conclusions regarding the 16th Amendment’s alleged power to impose a tax:

- “conferred no new power of taxation”
STANTON v BALTIC MINING CO., 240 US 103 (1916)
- does not “provide for any unknown power of taxation”
BRUSHABER v UNION PACIFIC RAILROAD CO. 240 U.S. 1 (1916):
- “must be construed in connection with the taxing clauses of the original Constitution” **EISNER v MACOMBER, 252 US 189 (1920):**

The authority that the IRS cites as granting Congress the “power” to “*require all individuals to pay tax*” is exactly what prevents Congress from enacting such laws. Surprise! The IRS is making a false statement! Show us the law, IRS! The Constitution in Article 1 § 2 clause 3 and § 9 clause 4 contradict the IRS’s statement in item #3 of their official literature:

“...concluding that the classification of direct was adopted for the purposes of rendering it impossible to burden by taxation accumulations of property, real or personal, except subject to the regulation of apportionment.”

BRUSHABER v UNION PACIFIC RAILROAD CO. 240 U.S. 1 (1916)

The IRS falsely states: “Congress used the power granted by the Constitution and the sixteenth Amendment and made laws requiring all individuals to pay tax.” According to U.S. Supreme Court’s conclusions, the statement made by the IRS in item 3 is impossible:

“...Congress cannot by any definition it may adopt conclude the matter, since it cannot by legislation alter the Constitution, from which alone it derives its power to legislate, and within whose limitations alone that power can be lawfully exercised.” EISNER V MACOMBER, 252 US 189 (1920)

The Supreme Court rulings on the subject of the 16th Amendment revealed what “power” was conferred to the Congress for the purpose of imposing taxes, new or otherwise. **There isn’t any!** According to the Supreme Court rulings, the IRS is making false statements. Hundreds of citizens have provided the IRS with these, and additional facts, supporting the conclusions derived from Supreme Court rulings. The IRS refuses to rebut, respond or explain why the statement in their official literature contradicts the High Court’s conclusions on “income” and 16th Amendment: “...it becomes essential to distinguish between what is and what is not ‘income’, as the term is there used, and to apply the distinction, as cases arise, according to truth and substance...”

252 US 189 (1920) EISNER v MACOMBER

“Evidently Congress adopted the income as the measure of the tax to be imposed with respect to the doing business in a corporate form...The annual gains of such corporations are certainly to be taken as income for the purpose of measuring the tax.”

STRATTON’S INDEPENDENCE, LTD. HOWBERT, 231 US 399 (1913)



“Were the taxes taken out of your paycheck apportioned?”

“...that such tax is a direct tax, and void because imposed without regard to the rule of apportionment; and that by reason thereof the whole law is invalidated.”

POLLOCK v FARMERS’ LOAN & TRUST CO., 157 US 429 (1895)

Are your wages as a private citizen working for a private employer a “measure” of corporate profit, or a gain from a government privilege? No, of course not! Your “labor” goes **into** the corporation and is used just like money and machinery to facilitate a profit/gain. What comes **out of** your “labor” are earnings. The conversion of your labor into earnings has nothing to do with the corporation’s income. The profit or gain in a corporate form is not what you are paid out of. The profit and/or gain if not reinvested in the corporation normally finds its way back to the stockholders as their reward for sharing the risk involved in a business venture, after the government receives its share of the corporation’s profit via the “income tax”.

The IRS’s silence to the questions posed by honest U.S. citizens is conspicuous and speaks volumes. The courts have ruled that:

“Silence can only be equated with fraud”

US v. Tweel, 550 F. 2d 297, 299. See also U.S. v Prudden, 424 F. 2d

Survival depends on providing the basic necessities of life through our labor. To consider the conversion of labor into earnings/wages as a gain or profit in a corporate sense is to contradict the Supreme Court’s rulings. The corporation uses your labor to earn a profit or experience gain. The IRS capitalizes on

the pervasive misunderstanding, resulting from the confusion about the meaning of the term “income” in the 16th Amendment and its relationship to labor. Deliberately allowing people to think they have an income tax liability by virtue of the implied meaning of the term “income” and the obvious misunderstanding by the general public today, is fraud. The Supreme Court’s clarification of the term “income” once disseminated publicly, as in the following Supreme Court ruling, will end the inherent confusion:

“Evidently Congress adopted the income as the measure of the tax to be imposed with respect to the doing business in a corporate form...The annual gains of such corporations are certainly to be taken as income for the purpose of measuring the tax.”

STRATTON’S INDEPENDENCE, LTD. HOWBERT, 231 US 399 (1913)

When you actually read the Supreme Court rulings you cannot help but be convinced of the truth they contain. As it turns out, that truth reveals that the IRS is telling a **whopper**. Unfortunately most people do not know the difference between the individual income tax which must be apportioned and the corporate income tax which, as the 16th Amendment states, does not have to conform to the rule of apportionment demanded in Article I. This obviously means that the 16th Amendment **cannot** be used as an authorization to impose a direct un-apportioned tax on private citizens converting their labor to earnings, which ultimately results in a gain or profit for the corporation.

“...concluding that the classification of direct was adopted for the purposes of rendering it impossible to burden by taxation accumulations of property, real or personal, except subject to the regulation of apportionment.”

BRUSHABER v UNION PACIFIC RAILROAD CO. 240 U.S. 1 (1916)

The Manhattan Project was not a total secret. Hundreds of thousands of people knew “something” was in the works, but very few knew what it was—the atomic bomb. The income tax is anything but secret, it is affecting virtually everyone in the country. A pseudo “Authority” (16th Amendment) is being used to impose an un-apportioned individual income tax on private citizens working for private employers. Do you want to know a secret? Listen! *“The confusion is not inherent, but rather arises from the conclusion that the 16th Amendment provides for a hitherto unknown power of taxation; that is a power to levy an income tax which, although direct, should not be subject to the regulation of apportionment applicable to all other direct taxes. And the far reaching effect of this erroneous assumption...”*

BRUSHABER v UNION PACIFIC RAILROAD CO. 240 U.S. 1 (1916)

You decide who to believe, the U.S. Supreme Court or the IRS. Only one of them is telling the truth. Did the Congress make “laws” requiring “all individuals to pay tax” or is the tax being imposed a la Manhattan? Share this flyer with your family and friends; send a copy to your State and Federal representatives demanding immediate action against the fraud, perpetrated by the IRS. The IRS has been notified of their fraud several hundred times and has deliberately chosen to remain silent, it is time for our Congress to intervene.

Bill Price, Stockbridge Michigan

Additional flyers are available at our print cost of 10¢ each.

For more information: www.article1-taxation.com

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