

# ***CORRECTING ERRONEOUS INFORMATION RETURNS***

Last revised: 11/4/2009

**Information  
Return**  
(W-2, 1099)



## TABLE OF CONTENTS

<b>TABLE OF CONTENTS</b> .....	<b>2</b>
<b>TABLE OF AUTHORITIES</b> .....	<b>3</b>
<b>1 Introduction</b> .....	<b>13</b>
<b>2 Nature of the Internal Revenue Code Subtitle A Income Tax</b> .....	<b>16</b>
<b>3 The Information Return Scam</b> .....	<b>22</b>
<b>4 IRS Systems of Records</b> .....	<b>31</b>
<b>5 How the Information Return Correction process works</b> .....	<b>31</b>
<b>6 Obtaining copies of information returns that you don't have</b> .....	<b>32</b>
<b>7 Keeping records of all Information Returns and Efforts to Correct Those that are False</b> .....	<b>33</b>
<b>8 Summary of methods for correcting all false information returns</b> .....	<b>34</b>
<b>9 IRS Forms W-3, W-3C, and 1096</b> .....	<b>36</b>
<b>10 Differences between Online Forms and Paper Forms you Order from the Government</b> .....	<b>37</b>
<b>11 Risks Involved in Correcting False Information Returns and how to avoid them</b> .....	<b>38</b>
<b>12 Correcting Erroneous IRS Form W-2's</b> .....	<b>41</b>
12.1 Why We Must Correct False IRS Form W-2's .....	41
12.2 Instructions For Correcting Erroneous W-2's .....	43
12.2.1 Form W-2CE: W-2C Replacement for use by workers who are NOT "employees" (CUSTOM FORM) .....	44
12.2.2 Form W-2CC: Certificate of Fraudulent W-2 and Criminal Complaint (CUSTOM FORM) .....	44
12.2.3 IRS Form W-2C: Submit Annually after private employer submits false returns .....	45
12.2.4 IRS Form 4852: Submit ONLY with 1040, 1040X, and 1040EZ Tax Return. Not for use with 1040NR. ....	46
12.2.5 IRS Form 4598: Submit to Private Employer to get him to permanently correct reporting .....	51
12.3 Examples .....	52
12.4 Further reading and research.....	52
<b>13 Correcting Erroneous IRS Form 1042's</b> .....	<b>53</b>
13.1 Why We Must Correct Erroneous 1042s .....	53
13.2 Background on the IRS Form 1042 .....	58
13.3 Instructions .....	60
13.4 Examples .....	62
13.5 Further reading and research.....	62
<b>14 Correcting Erroneous IRS Form 1098's</b> .....	<b>63</b>
14.1 Why We Must Correct Erroneous 1098 Reports .....	63
14.2 Instructions .....	65
14.3 Further reading and research.....	67
<b>15 Correcting Erroneous IRS Form 1099's</b> .....	<b>68</b>
15.1 Why We Must Correct Erroneous 1099s .....	68
15.2 Instructions .....	71
15.3 Examples .....	73
15.4 Other alternatives to the corrected IRS Form 1099: The Form 4852.....	73
15.5 Further reading and research.....	74
<b>16 Correcting Erroneous IRS Schedule K-1's</b> .....	<b>75</b>
16.1 Why We Must Correct Erroneous K-1's .....	75
16.2 How to Correct Erroneous Schedule K-1 reports .....	75
16.3 Further reading and research.....	75
<b>17 Avoiding Penalties in Submitting Corrected Information Returns</b> .....	<b>76</b>

<b>18 Stopping the false Information Returns from being filed in the first place.....</b>	<b>78</b>
18.1 Civil Arbitration Procedure .....	78
18.2 Criminal Remedies Against Filers of False Reports .....	80
<b>19 Saving and reusing completed forms.....</b>	<b>83</b>
<b>20 Frequently Asked Questions .....</b>	<b>83</b>
<b>21 Resources for further study and rebuttal .....</b>	<b>83</b>

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**TABLE OF AUTHORITIES**

**Constitutional Provisions**

art. 4, 4.....	38
Art. I, Sec, 10 .....	76
Article 1, Section 10, Clause 1 .....	76
Article 1, Section 9, Clause 3 .....	76
Fifth Amendment .....	44
Fifth Amendment Takings Clause.....	22
U.S. Constitution, Fifth Amendment.....	22
U.S.Const. Art. I, Sect 9, Cl. 3 .....	76

**Statutes**

1 Stat. 477.....	19
1 U.S.C. §204 .....	79
18 U.S.C. §1002: Possession of false papers to defraud the United States .....	82
18 U.S.C. §1028A: Aggravated Identity Theft.....	82
18 U.S.C. §1030: Fraud and related activity in connection with computers .....	80, 82
18 U.S.C. §1583: Enticement into Slavery.....	82
18 U.S.C. §1589: Forced Labor.....	82
18 U.S.C. §1593 .....	82
18 U.S.C. §1951: Interference with commerce by threats or violence .....	82
18 U.S.C. §1956: Laundering of monetary instruments .....	82
18 U.S.C. §208 .....	26
18 U.S.C. §210 .....	24
18 U.S.C. §241: Deprivation of Rights .....	82
18 U.S.C. §3 .....	80, 82
18 U.S.C. §654 .....	23, 81
18 U.S.C. §912 .....	23, 24, 28, 80
18 U.S.C. §912: Falsely impersonating an officer [PUBLIC OFFICER] or employee of the United States .....	80, 82
26 U.S.C. §§7206 and 7207 .....	27, 38
26 U.S.C. §1 .....	44, 61, 66, 72
26 U.S.C. §1402(b) .....	47
26 U.S.C. §1461 .....	56
26 U.S.C. §162 .....	44, 61, 66, 72
26 U.S.C. §32 .....	44, 61, 66, 72
26 U.S.C. §3401 .....	19, 56
26 U.S.C. §3401(a)(6) .....	47
26 U.S.C. §3401(c) .....	43, 60, 65
26 U.S.C. §3402 .....	25
26 U.S.C. §3402(p) .....	24, 48
26 U.S.C. §3406(g) .....	47, 55
26 U.S.C. §3504 .....	56
26 U.S.C. §6020(b) .....	14

26 U.S.C. §6041 .....	14, 56, 59
26 U.S.C. §6041(a).....	18, 22, 75
26 U.S.C. §6065 .....	79
26 U.S.C. §61 .....	64
26 U.S.C. §6109 .....	53
26 U.S.C. §6109(d) .....	53
26 U.S.C. §6331(a).....	39
26 U.S.C. §6361 through 6365 .....	20
26 U.S.C. §6671 .....	76
26 U.S.C. §6671(b) .....	29
26 U.S.C. §6702 .....	28, 79, 82
26 U.S.C. §7201 .....	14
26 U.S.C. §7203 .....	14
26 U.S.C. §7206 .....	25
26 U.S.C. §7206 and 7207 .....	23, 38
26 U.S.C. §7206(1) .....	50, 80
26 U.S.C. §7207 .....	25, 45, 49, 80, 82
26 U.S.C. §7343 .....	29
26 U.S.C. §7408(d) .....	56, 82
26 U.S.C. §7434 .....	15, 27, 52, 62, 68, 74
26 U.S.C. §7434: Civil Damages for Fraudulent Filing of Information Returns .....	80
26 U.S.C. §7701(a)(14) .....	45
26 U.S.C. §7701(a)(16) .....	23, 56, 81
26 U.S.C. §7701(a)(26) .....	16, 50, 56, 61, 66, 68, 69, 72, 80
26 U.S.C. §7701(a)(30) .....	40, 45, 46, 58, 70
26 U.S.C. §7701(a)(31) .....	19, 26, 47, 56
26 U.S.C. §7701(a)(39) .....	56, 82
26 U.S.C. §7701(a)(41) .....	53
26 U.S.C. §7701(a)(9) and (10).....	56
26 U.S.C. §7701(a)(9) and (a)(10) .....	56, 59, 64, 81
26 U.S.C. §7701(b) .....	40
26 U.S.C. §7701(b)(1)(A) .....	20, 53
26 U.S.C. §7701(b)(5).....	26
26 U.S.C. §861 .....	64
26 U.S.C. §861(a)(3)(C)(i) .....	47
26 U.S.C. §863(c)(3) .....	39
26 U.S.C. §864(b)(1)(A) .....	50
26 U.S.C. §864(c)(3) .....	64
26 U.S.C. §871 .....	54, 59
26 U.S.C. §871(b)(2).....	55
26 U.S.C. §911 .....	53
26 U.S.C.A. §6702 .....	47
28 U.S.C. §144 .....	26
28 U.S.C. §1605 .....	38
28 U.S.C. §1652: State laws as rules of decision .....	83
28 U.S.C. §1746 .....	46
28 U.S.C. §1746(1) .....	39, 81
28 U.S.C. §1746(2) .....	36, 39, 81
28 U.S.C. §2679 .....	82
28 U.S.C. §2679(c) .....	83
28 U.S.C. §3002(15)(A) .....	20
28 U.S.C. §455 .....	26
31 U.S.C. §3729: False Claims Act.....	80
4 U.S.C. §110(d) .....	20, 56, 59
4 U.S.C. §72 .....	24, 56
42 U.S.C. §1994 .....	29
42 U.S.C. §1994: Peonage abolished .....	82

42 U.S.C. §408 .....	21
5 U.S.C. §2105(a).....	77
5 U.S.C. §5517 .....	65
50 U.S.C. §841 .....	30
8 U.S.C. §1401 .....	20, 40, 53
Buck Act, 4 U.S.C. §103-105.....	65
California Rev.Tax.Cod. §6017 .....	20
California Rev.Tax.Code §17018.....	20
Fair Debt Collection Practices Act (FDCPA).....	33
False Claims Act, 31 U.S.C. §3729.....	15
Freedom of Information Act.....	31
I.R.C. ....	19, 46
I.R.C. Section 6702 .....	47
I.R.C. Subtitle A.....	56, 64
I.R.C. Subtitle A and C.....	39
Internal Revenue Code .....	20, 24, 41, 46, 57, 70
Internal Revenue Code Subtitle A .....	41, 57, 69
Internal Revenue Code, Section 6041 .....	14
Omnibus Taxpayer Bill of Rights Act.....	25
Privacy Act.....	31
Pub.Law 109-432, Title IV, Section 407(a) .....	47
Social Security Act.....	19, 20
Subtitle A of the Internal Revenue Code.....	13, 16, 50
Technical and Miscellaneous Revenue Act of 1988.....	25

## Regulations

20 CFR §422.103(d).....	22
20 CFR §422.104 .....	42, 53, 57, 70
26 CFR §1.1-1(c)-1 .....	20
26 CFR §1.871-1(b)(1)(i).....	19
26 CFR §1.871-2(f).....	56
26 CFR §1.872-2(f).....	47, 59
26 CFR §301.6109-1 .....	58, 70
26 CFR §301.6109-1(1)(i).....	60
26 CFR §301.6109-1(d)(3).....	42, 50, 57
26 CFR §301.6109-1(d)-3 .....	53
26 CFR §301.6109-1(g)(1)(i) .....	64
26 CFR §301.6361-1 .....	20
26 CFR §31.3121(b)-3 .....	55
26 CFR §31.3401(a)(6)-1 .....	55
26 CFR §31.3401(a)-3.....	19, 24
26 CFR §31.3401(a)-3(a) .....	24, 46, 49, 50
26 CFR §31.3401(c)-1.....	43, 60, 65
26 CFR §31.3402(p)-1 .....	19, 24, 46, 48
26 CFR §31.3406(a)(6)-1(b) .....	47
26 CFR §31.3406(g)-1(e).....	47, 55
26 CFR §601.201(k)(2) .....	25
26 CFR 301.6109-1(d)(3).....	70
CFR Title 20.....	42, 57, 70

## Rules

Fed.Rul.Civ.Proc. 17(b) .....	42, 70
Federal Rule of Civil Procedure 17(b) .....	20, 57
Hearsay Rule, Federal Rule of Evidence 802.....	45
Tax Court Rule 13(a).....	39

## Cases

Ashwander v. Tennessee Valley Authority, 297 U.S. 288, 56 S.Ct. 466 (1936).....	21
Board of County Com'rs of Lemhi County v. Swensen, Idaho, 80 Idaho 198, 327 P.2d. 361, 362 .....	17
Bridgeport v. New York & N. H. R. Co., 36 Conn. 255, 4 Arn.Rep. 63 .....	17
Broadrick v. Oklahoma, 413 U.S. 601, 616 -617 (1973).....	20, 77
Budd v. People of State of New York, 143 U.S. 517 (1892).....	23
Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d. 321, 325 .....	13
Chicago ex rel. Cohen v. Keane, 64 Ill.2d. 559, 2 Ill.Dec. 285, 357 N.E.2d. 452.....	16
Chicago Park Dist. v. Kenroy, Inc., 78 Ill.2d. 555, 37 Ill.Dec. 291, 402 N.E.2d. 181 .....	16
City of Boerne v. Florez, Archbishop of San Antonio, 521 U.S. 507 (1997).....	22, 77
Civil Service Comm'n v. Letter Carriers, 413 U.S. 548, 556 (1973).....	20, 77
Colautti v. Franklin, 439 U.S. at 392-393, n. 10 .....	13
Connick v. Myers, 461 U.S. 138, 147 (1983).....	20, 77
Cotton v. United States, 11 How. 229, 231 (1851).....	29
Downes v. Bidwell, 182 U.S. 244 (1901).....	39
Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972).....	19, 47
Electric Co. v. Dow, 166 U.S. 489, 17 S.Ct. 645, 41 L.Ed. 1088.....	21
Elliott v. City of Eugene, 135 Or. 108, 294 P. 358, 360.....	17
Evans v. Gore, 253 U.S. 245 (1920).....	26
Flint v. Stone Tracy Co., 220 U.S. 107 (1911).....	18
Flora v. U.S., 362 U.S. 145, (1959).....	18
Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935) .....	13
Frost & Frost Trucking Co. v. Railroad Comm'n of California, 271 U.S. 583.....	28
Gardner v. Broderick, 392 U.S. 273, 277 -278 (1968) .....	20, 77
Georgia Dep't of Human Resources v. Sistrunk, 249 Ga. 543, 291 S.E.2d. 524 .....	16
Great Falls Mfg. Co. v. Attorney General, 124 U.S. 581, 8 S.Ct. 631, 31 L.Ed. 527.....	21
Gulf Refining Co. v. Cleveland Trust Co., 166 Miss. 759, 108 So. 158, 160 .....	18
Harman v. Forssenius, 380 U.S. 528 at 540, 85 S.Ct. 1177, 1185 (1965).....	28
Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964).....	22, 77
In re Meador, 1 Abb.U.S. 317, 16 F.Cas. 1294, D.C.Ga. (1869).....	21
Indiana State Ethics Comm'n v. Nelson (Ind App) 656 N.E.2d. 1172 .....	16
James v. Bowman, 190 U.S. 127, 139 (1903) .....	22, 77
Jersey City v. Hague, 18 N.J. 584, 115 A.2d. 8.....	16
Kelley v. Johnson, 425 U.S. 238, 247 (1976).....	20, 77
Leonard v. Vicksburg, etc., R. Co., 198 U.S. 416, 422, 25 S.Ct. 750, 49 L.Ed. 1108.....	21
License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866) .....	21, 56
Loan Association v. Topeka, 20 Wall. 655 (1874).....	41, 57, 69
Long v. Rasmussen, 281 F. 236 (1922).....	19
Long v. Rasmussen, 281 F. 236, 238 (1922).....	39
Lord v. Equitable Life Assur. Soc., 194 N.Y. 212, 81 N. E. 443, 22 L.R.A.,N.S., 420 .....	17
Madlener v. Finley (1st Dist) 161 Ill App 3d 796, 113 Ill.Dec. 712, 515 N.E.2d. 697 .....	16
Meese v. Keene, 481 U.S. 465, 484-485 (1987) .....	13
Newblock v. Bowles, 170 Okl. 487, 40 P.2d. 1097, 1100.....	13
Ngiraingas v. Sanchez, 495 U.S. 182 (1990).....	29
O'Connor v. Ortega, 480 U.S. 709, 723 (1987).....	20, 77
O'Malley v. Woodrough, 307 U.S. 277 (1939) .....	26
People v. Utica Ins. Co.. 15 Johns., N.Y., 387, 8 Am.Dec. 243 .....	17
Pierce v. Emery, 32 N.H. 484.....	17
Pierce v. Somerset Ry., 171 U.S. 641, 648, 19 S.Ct. 64, 43 L.Ed. 316.....	21
Public Workers v. Mitchell, 330 U.S. 75, 101 (1947) .....	20, 77
Rutan v. Republican Party of Illinois, 497 U.S. 62 (1990).....	20, 77
Sandham v. Nye, 9 Misc.ReP. 541, 30 N.Y.S. 552 .....	17
Sinking Fund Cases, 99 U.S. 700 (1878) .....	15, 28
Smith v. Allwright, 321 U.S. 649, 644.....	28
St. Louis Malleable Casting Co. v. Prendergast Construction Co., 260 U.S. 469, 43 S.Ct. 178, 67 L.Ed. 351 .....	21

State ex rel. Nagle v. Sullivan, 98 Mont 425, 40 P.2d. 995, 99 A.L.R. 321 .....	16
State v. Black Diamond Co., 97 Ohio.St. 24, 119 N.E. 195, 199, L.R.A.1918E, 352.....	17
State v. Fernandez, 106 Fla. 779, 143 So. 638, 639, 86 A.L.R. 240.....	17
State v. Topeka Water Co., 61 Kan. 547, 60 P. 337 .....	18
Stenberg v. Carhart, 530 U.S. 914 (2000) .....	13
Trustees of Dartmouth College v. Woodward, 4 Wheat. 518, 561-562 (1819).....	29
United States v. Boylan (CA1 Mass) 898 F.2d. 230, 29 Fed.Rules.Evid.Serv. 1223.....	16
United States v. Brown, 381 U.S. 437, 448-49, 85 S.Ct. 1707, 1715, 14 L.Ed. 484, 492 .....	77
United States v. Guest, 383 U.S. 745 (1966).....	22, 77
United States v. Harris, 106 U.S. 629, 639 (1883) .....	22, 76
United States v. Hatter, 121 S.Ct 1782 (2001) .....	26
United States v. Holzer (CA7 Ill) 816 F.2d. 304.....	16
United States v. Lovett, 328 U.S. 303, 315, 66 S.Ct. 1073, 1079, 90 L.Ed. 1252.....	77
United States v. Maurice, 26 F. Cas. 1211, 1216 (No. 15,747) (CC Va. 1823) .....	29
United States v. Reese, 92 U.S. 214, 218 (1876).....	22, 76
Utah Farm Bureau Ins. Co. v. Utah Ins. Guaranty Ass'n, Utah, 564 P.2d. 751, 754 .....	17
Van Brocklin v. Tennessee, 117 U.S. 151, 154 (1886) .....	29
Virginia Canon Toll Road Co. v. People, 22 Colo. 429, 45 P. 398 37 L.R.A. 711 .....	18
Wall v. Parrot Silver & Copper Co., 244 U.S. 407, 411, 412, 37 S.Ct. 609, 61 L.Ed. 1229 .....	21
Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945).....	13
Whitbeck v. Funk, 140 Or. 70, 12 P.2d. 1019, 1020 .....	17

## Other Authorities

1 J. Bouvier, A Law Dictionary Adapted to the Constitution and Laws of the United States of America 318-319 (11th ed. 1866) .....	29
1098 Interest: Request for Filing Response, Form #07.108 .....	67
1099-CC Form, Form #04.309 .....	72, 74
2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992) .....	13
3 Com. 262 [4th Am. Ed.] 322 .....	17
3 H. Stephen, Commentaries on the Laws of England 166, 168 (1st Am. ed. 1845) .....	29
63C Am.Jur.2d, Public Officers and Employees, §247 .....	16
About IRS Form W-8BEN, Form #04.202.....	49, 56
About SSNs and TINs on Government Forms and Correspondence, Form #05.012 .....	40
Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001 .....	40, 67, 68, 78
AMENDED 1040NR .....	45
AMENDED IRS Form 4598 .....	32, 51
Amended IRS Form SS-8.....	79
AMENDED IRS Form W-2 .....	34
AMENDED IRS Form W-2C .....	45
AMENDED IRS form W-8BEN, Form #04.202.....	68
Amounts Subject to Reporting on Form 1042-S .....	63
Amounts that are not subject to reporting on Form 1042-S .....	62
Black's Law Dictionary, Fourth Edition, p. 1593 .....	14
Black's Law Dictionary, Fourth Edition, pp. 786-787 .....	18
Black's Law Dictionary, Sixth Edition, p. 1196.....	17
Black's Law Dictionary, Sixth Edition, p. 1230.....	16
Black's Law Dictionary, Sixth Edition, p. 581.....	13
Black's Law Dictionary, Sixth Edition, pp. 1397-1398 .....	17
California Franchise Tax Board (FTB) .....	51
California FTB 4600K.....	67
California FTB 4600K Request for Return .....	67
Certificate of Service.....	78
Certification of Federal Privileged Status, Form #04.211 .....	52, 62, 67
Citizens Guide to Using the Freedom of Information Act and the Privacy Act .....	31
Compliance with Tax Return Withholdings for U.S. Source Income of Nonresident Aliens .....	63
Confucius, 500 B.C. ....	30

Cooley, Const. Lim., 479 .....	41, 57, 69
Corrected 1042s, 1098, or 1099 .....	34
Corrected Information Return Attachment Letter, Form #04.002.....	32, 36, 41, 61, 66, 72, 73, 79
Correcting Erroneous IRS Form 1042's, Form #04.003 .....	18, 32
Correcting Erroneous IRS Form 1098's, Form #04.004 .....	18, 32
Correcting Erroneous IRS Form 1099's, Form #04.004 .....	32
Correcting Erroneous IRS Form 1099's, Form #04.005 .....	19
Correcting Erroneous IRS Form W-2's, Form #04.006 .....	19, 32
Data Quality: IRS' Actions to Improve the Accuracy of Non-Wage Income Data Are Vital (Report # GAO/IMTEC-86-17) .....	43, 70
Definitions for Form 1042-S Reporting .....	63
Demand for Verified Evidence of "Trade or Business" Activity: Information Return, Form #04.007 .....	15
Demand for Verified Evidence of Lawful Federal Assessment, Form #07.304.....	33
Disclosure Litigation Reference Book (IRS).....	31
Example Original California FTB4600K Request for Return Notice Filled In .....	67
Exodus 20:16.....	15
Exodus 23:1.....	15
Family Guardian Website.....	43, 52, 60, 62, 65, 67, 68, 71, 74
Federal and State Income Taxation of Individuals, Form #12.003 .....	78
Federal and State Tax Withholding Options for Private Employers, Form #04.101 .....	18, 52, 62, 78
Federal and State Tax Withholding Options for Private Employers, Form #09.001 .....	68, 74, 84
Federal Enforcement Authority in States of the Union, Form #05.032.....	77
Federal Forms and Pubs .....	43
Federal Income Tax Withholding.....	52, 62, 68, 74
Federal Jurisdiction, Form #05.018, Sections 3 through 3.4 .....	22
Federal Tax Withholding, Form #05.005 .....	84
Flawed Tax Arguments, Form #08.004, Section 5.10.....	26
Form 1040, 1040A, 1040-EZ, or 1040X .....	28
Form 1040NR.....	46, 54
Form 1040NR-EZ .....	54
Form 1041: U.S. Income Tax Return for Estates and Trusts.....	75
Form 1042 .....	61
Form 1042-s .....	14
Form 1042-S.....	53, 62
Form 1042-S example .....	62
Form 1042-T .....	62
Form 1065: U.S. Return of Partnership Income .....	75
Form 1065-B: U.S. Return of Partnership Income .....	75
Form 1098 .....	14, 63, 64, 65, 66, 67
Form 1099 .....	14, 72
Form 1099 Replacement for 1099-DIV.....	73
Form 1099 Replacement for 1099-MISC.....	73
Form 1099-CC, Form #04.309 .....	41
Form 1099-DIV .....	73
Form 1099-DIV example .....	73
Form 1099-MISC .....	72, 73
Form 1099-MISC example.....	73
Form 1120-F.....	54
Form 1120s: U.S. income tax return for S Corporation .....	75
Form 4852 .....	46, 80
Form 8233 .....	53
Form 8233 or W-8 BEN.....	53
Form 8300 .....	14
Form K-1 .....	14
Form W-2CC, Form #04.304 .....	41
Form W-2CC: Custom W-2 Criminal Complaint, Form #04.304.....	45
Form W-2CE: W-2C replacement for use by workers and not "employers" (CUSTOM) .....	44

Form W-2CE: W-2C replacement for use by workers and not “employers” (CUSTOM), Form #04.303.....	44
Forms 1096 and W-3.....	80
Forms W-2 or 1099.....	51
Fraudulent Withholding Exemption Certificate, Criminal Tax Manual 2001, Section 11.00.....	52
Frequently Asked Questions Regarding Information Filing of Forms 1099.....	84
Frequently Asked Questions Regarding Information Return Filing.....	84
General Instructions for Forms 1098, 1099, 5498, and W-2G.....	65, 71
Government Instituted Slavery Using Franchises, Form #05.030.....	24, 29, 76, 83
Great IRS Hoax, Form #11.302, Chapter 6, Sections 6.9 through 6.9.12.....	42, 57, 69
Great IRS Hoax, Form #11.302, Sections 3.12.1 through 3.12.1.27.....	43
Great IRS Hoax, Form #11.302, Sections 5.4.1 through 5.4.1.4.....	57
Great IRS Hoax, Form #11.302, Sections 5.4.6 through 5.4.6.6.....	69
Holy Bible.....	15
Hoverdale Letter, SEDM Exhibit 1000.....	18
IMF Decoding Freedom of Information Act Request, Form #03.015, FOIA #3.....	31
Important Government Contacts.....	31
Income Tax Withholding and Reporting Course, Form #12.004.....	52, 54, 78, 84
Information Return FOIA: "Trade or Business", Form #03.023.....	27, 31
Information Returns Filing Chart.....	52, 62, 68, 74
Information Returns Guide.....	33, 84
Information Returns Processing.....	52, 62, 68, 74
Instructions for filling out IRS Forms W-2C and W-3C.....	45
Instructions for Forms 1099, 1098, 5498, and W-2G.....	52, 68, 74
Integrated Document Retrieval System (IDRS).....	32
Internal Revenue Manual Section 2.7.7: Information Return Reporting.....	63
Internal Revenue Manual Section 4.6: Payer Compliance [information returns].....	63
Internal Revenue Manual, 20.1.7: Information Return Penalties.....	52, 62, 68, 74
Internal Revenue Manual, Section 1.15.28: Records Control Schedule for Collection.....	31
Internal Revenue Manual, Section 20.1.7: Information Return Penalties.....	84
Internal Revenue Manual, Section 3.5.20.19.....	27, 33
Internal Revenue Manual, Section 4.10.7.2.8.....	25
Internal Revenue Manual, Section 4.6.2: Information Returns and Information Reporting.....	84
IRS Answers Frequently Asked Questions About Information Reports.....	63
IRS Area Distribution Center: 800-829-2437. Open 8am-4pm Central Standard Time.....	52
IRS Customer Service.....	84
IRS Document 6209.....	24
IRS Due Process Meeting Handout, Form #03.005.....	49
IRS Form 1042.....	58, 62
IRS Form 1042 Instructions.....	63
IRS Form 1042's.....	56
IRS Form 1042-S.....	54, 58, 59, 78
IRS Form 1042-S Instructions.....	54
IRS Form 1042-S Instructions, p. 14.....	59
IRS Form 1042-S Instructions, Year 2006, p. 2.....	54
IRS Form 1042-S, Year 2006, p. 3.....	54
IRS Form 1096.....	36
IRS Form 1098.....	63, 65, 66, 67, 68, 78
IRS Form 1098 Instructions.....	68
IRS Form 1098 Instructions, p. 1.....	63
IRS Form 1098 Instructions, p. 2.....	64
IRS Form 1099.....	70, 72, 73, 74, 78
IRS Form 1099-MISC Instructions.....	74
IRS Form 1099-MISC Instructions, 2005, p. 1.....	69
IRS Form 2678.....	56
IRS Form 8233.....	53, 54
IRS Form SS-8.....	79
IRS Form W-2.....	24, 28, 42, 44, 45, 47, 48, 49, 52, 69

IRS Form W-2, 1042-S, 1098, and 1099 .....	33
IRS Form W-2's .....	44
IRS Form W-2C .....	45, 47, 78
IRS Form W-3 .....	36
IRS Form W-4 .....	24
IRS Form W-7 .....	53
IRS Form W-8BEN .....	49, 53, 54, 56
IRS Forms 1040 or 4852 .....	41
IRS Forms 1040NR-EZ and 1040NR .....	47
IRS Forms 1042, 1099, and W-2 .....	57
IRS Forms 1042-S and 1042-T .....	56
IRS Forms 1096 and W-3 .....	26
IRS Forms 4852 and W-2C .....	78
IRS Forms and Publications .....	37
IRS Forms W-2, 1042-S, 1098, and 1099 .....	26, 80, 83
IRS Forms W-2c or W-3c .....	32
IRS Online Instructions for Forms .....	75
IRS Pub 515 .....	56
IRS Pub 519: Paying Tax Through Withholding or Estimated Tax .....	62, 68, 74
IRS Publication 1141 .....	38
IRS Publication 1179: General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, W-2G, and 1042-S .....	63
IRS Publication 1220: Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically using IBN 3480, 3490, 3590, AS400 compatible tape cartridges .....	84
IRS Publication 15, Circular E: Employers Tax Guide .....	52
IRS Publication 1582: Information Returns Vendor List .....	84
IRS Publication 3609: Information Returns Electronically .....	52, 62, 68, 74
IRS Publication 515 .....	53, 68
IRS Publication 515, Year 2000, p. 3 .....	53, 68
IRS Publication 519 .....	54
IRS Publication 519, Year 2000, p. 26 .....	54
IRS Publication 583 entitled Starting a Business and Keeping Records, Rev. May 2002, p. 8 .....	70
IRS Publications 1141, 1167, 1179 .....	37
IRS Published Products Catalog, Document 7130, 2003 Edition .....	51
IRS Topic 154 - 2004 Forms W-2 and Form 1099-R (What to Do if Not Received) .....	33
IRS Topic 159 - Prior Year(s) Form W-2 (How to Get a Copy of) .....	33
Legal Notice to Correct Fraudulent Tax Status, Reporting, and Withholding, Form #04.404 .....	79
Master File Decoder .....	54
Meaning of the Words "Includes" and "Including", Form #05.014 .....	30
New Hire Paperwork Attachment, Form #04.203 .....	78
Nonresident Alien Position, Form #05.020 .....	19, 48
Nonresident Alien Position, Form #05.020, Section 14.7 .....	46, 81
Nonresident Alien Withholding .....	63
Oregon "Employees Substitute Wage and Tax Statement", Form 206-005 .....	44, 60
ORIGINAL Form 4598 .....	51
ORIGINAL IRS Form W-2C .....	45
Overview of the Privacy Act of 1974 .....	31
Partner's Instructions for Schedule K-1 (Form 1065) .....	76
Partner's Instructions for Schedule K-1 (Form 1065B) .....	76
Policy Document: Pete Hendrickson's "Trade or Business" Approach, Form #08.003 .....	40, 83
Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction, Form #05.017 .....	14
Proof that There is a "Straw Man", Form #05.042 .....	29
Public v. Private Employment: You Really Work for Uncle Sam if you Receive Federal Benefits .....	47, 56
Reasonable Belief About Income Tax Liability, Form #05.007 .....	79
Requirement for Consent, Form #05.003 .....	42, 57, 69
Resignation of Compelled Social Security Trustee, Form #06.002 .....	18, 21, 29, 40, 44, 61, 66, 72, 82, 84
Response letter template .....	67

Rules of Presumption and Statutory Interpretation, Litigation Tool #01.006 .....	30
Schedule K-1 (Form 1041): Beneficiary’s Share of Income, Deduction, and Credits, etc. ....	76
Schedule K-1 (Form 1065-B): Partner’s Share of Income (Loss) From an Electing Large Partnership .....	76
Schedule K-1 (Form 1120s): Shareholder’s Share of Income, Deductions, Credits, etc.....	76
Schedule K-1 (Form 8865): Partner’s Share of Income, Deductions, and Credits, etc .....	76
Second Plank of the Communist Manifesto .....	29
SEDM Exhibit Page, Exhibit 1052.....	31
Senator Sam Ervin, during Watergate hearing .....	30
Shareholder’s Instructions for Schedule K-1 (Form 1120s).....	76
Silence as a Weapon and a Defense in Legal Discovery, Form #05.021 .....	42, 70
Social Security Form SS-5 .....	18
Socialism: The New American Civil Religion, Form #05.016.....	31, 57, 69
Sovereignty Forms and Instructions Online, Form #10.004.....	74
Sovereignty Forms and Instructions Online, Form #10.004, Cites by Topic Area.....	43
Sovereignty Forms and Instructions Online, Form #10.004, Cites by Topic: IRS Form W-2 .....	52, 62, 74
Sovereignty Forms and Instructions Online, Form #10.004, Instruction 4.13.....	62
Sovereignty Forms and Instructions Online, Form #10.004, Instruction 4.13: Stop employer withholding of Income Taxes .....	52, 68, 74
SSA Form 521 .....	21
State Income Taxes .....	51, 62, 73, 83
State Legal Resources .....	82
State Tax Forms .....	51, 62, 73
SUBSTITUTE IRS Form 4852 .....	47
Tax Administration: More can be done to ensure Federal Agencies file Accurate Information Returns (Report # GAO-04-74 ) .....	43, 70
Tax Form Attachment, Form #04.201 .....	37, 39, 40, 47, 68, 77, 81
Tax Form Attachment, Form #04.201, Section 6 .....	41
Tax Form Attachment, Form #04.201, Section 6, Item 3 .....	36
Tax Procedure and Tax Fraud, Patricia Morgan, 1999, ISBN 0-314-06586-5.....	25
Tax Withholding and Reporting: What the Law Says, Form #04.103 .....	78, 84
Taxation of Nonresident Aliens.....	52, 62, 68, 74
Techniques for Developing a Good Administrative Record, Form #07.003 .....	41
Ten most common errors for completing Form 1042-S, Foreign Persons' U.S. Source Income Subject to Withholding .....	63
The “Trade or Business” Scam, Form #05.001 .....	13, 15, 22, 30, 44, 49, 61, 64, 66, 67, 72, 73, 78, 79, 81, 84
The “Trade or Business” Scam, Form #05.001, Section 13 .....	24
The “Trade or Business” Scam, Form #05.001, Section 2 .....	24
The Government “Benefits” Scam, Form #05.040.....	30
The Internal Revenue Service's Voluntary Disclosure Policy-United States Attorney Bulletin, Vol. 49, No. 4, July 2001 ..	31
The Money Scam, Form #05.041 .....	30
Treasury/IRS 22.026 Form 1042-S, Index by Name of Recipient .....	31
Treasury/IRS 22.061 Information Return Master File (IRMF) .....	31
U.S. Government Accounting Office (GAO).....	43, 58, 70
W. Anderson, A Dictionary of Law 261 (1893).....	29
W-2C forms.....	28
What Happened to Justice?, Form #06.012.....	30
Who are “Taxpayers” and Who Needs a “Taxpayer Identification Number”?, Form #05.013 .....	19, 46
Who Must File.....	63
Why Domicile and Becoming a “Taxpayer” Require Your Consent, Form #05.002.....	64, 81
Why I am Not Legally Liable to File Affidavit, Form #07.103 .....	67
Why It is Illegal for Me to Request or Use a “Taxpayer Identification Number”, Form #04.205 .....	40, 41
Why Penalties are Illegal for Anything But Federal Employees, Contractors, and Agents, Form #05.010 .....	50, 78
Why the Government Can't Lawfully Assess Human Beings With an Income Tax Liability Without Their Consent, Form #05.011 .....	14
Why You are a “national” or a “state national” and Not a “U.S. citizen”, Form #05.006.....	29
Why You Shouldn’t Cite Federal Statutes as Authority for Protecting Your Rights .....	20
Why Your Government is Either a Thief or You are a “Public Officer” for Income Tax Purposes, Form #05.008 .....	42, 70
Withholding Agent.....	63



# 1 Introduction

2 The income tax described in the Subtitle A of the Internal Revenue Code is an excise or privilege tax upon a top secret  
3 activity called a "trade or business". A "trade or business" is defined statutorily as follows:

4 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 79](#) > § 7701  
5 [§ 7701. Definitions](#)

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

8 (26) Trade or business

9 "The term 'trade or business' includes the performance of the functions of a public office."

10 "public office" as used above is then legally defined as follows:

## 11 Public office

12 "Essential characteristics of a 'public office' are:

13 (1) Authority conferred by law,

14 (2) Fixed tenure of office, and

15 (3) Power to exercise some of the sovereign functions of government.

16 (4) Key element of such test is that "officer is carrying out a sovereign function".

17 Essential elements to establish public position as 'public office' are:

18 Position must be created by Constitution, legislature, or through authority conferred by legislature.

19 Portion of sovereign power of government must be delegated to position,

20 Duties and powers must be defined, directly or implied, by legislature or through legislative authority.

21 Duties must be performed independently without control of superior power other than law, and

22 Position must have some permanency."

23 [Black's Law Dictionary, Sixth Edition, p. 1230]

24 Nowhere in the entire [I.R.C.](#) or any [IRS publication](#) is the above definition of "[trade or business](#)" expanded to include any  
25 activity *other* than a "public office", and therefore it is all-inclusive and limited to "public offices". This is also confirmed  
26 by the rules of statutory construction, which say on this subject:

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

34  
35 "When a statute includes an explicit definition, we must follow that definition, even if it varies from that  
36 term's ordinary meaning. *Meese v. Keene*, 481 U.S. 465, 484-485 (1987) ("It is axiomatic that the statutory  
37 definition of the term excludes unstated meanings of that term"); *Colautti v. Franklin*, 439 U.S. at 392-393, n.  
38 10 ("As a rule, a definition which declares what a term 'means' . . . excludes any meaning that is not  
39 stated"); *Western Union Telegraph Co. v. Lenroot*, 323 U.S. 490, 502 (1945); *Fox v. Standard Oil Co. of N.J.*,  
40 294 U.S. 87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, *Sutherland on Statutes and Statutory*  
41 *Construction* § 47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read "as a  
42 whole," post at 998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition  
43 does not include the Attorney General's restriction -- "the child up to the head." Its words, "substantial  
44 portion," indicate the contrary."  
45 [*Stenberg v. Carhart*, 530 U.S. 914 (2000)]

46 If you would like to learn more about what a "trade or business" and a "public office" is, see the following, because that  
47 subject is beyond the scope of this pamphlet:

[The "Trade or Business" Scam, Form #05.001](http://sedm.org/Forms/FormIndex.htm)  
<http://sedm.org/Forms/FormIndex.htm>

1 The requirement for Information Returns originates from [Internal Revenue Code](#), Section 6041, which says under  
2 paragraph (a) that all payments of over \$600 that are made in connection with a "[trade or business](#)" must have Information  
3 Returns filed on them. To wit:

4 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 61](#) > [Subchapter A](#) > [PART III](#) > [Subpart B](#) > § 6041  
5 [§ 6041. Information at source](#)

6 (a) Payments of \$600 or more

7 **All persons engaged in a trade or business and making payment in the course of such trade or business to**  
8 **another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or**  
9 **other fixed or determinable gains, profits, and income (other than payments to which section 6042 (a)(1), 6044**  
10 **(a)(1), 6047 (e), 6049 (a), or 6050N (a) applies, and other than payments with respect to which a statement is**  
11 **required under the authority of section 6042 (a)(2), 6044 (a)(2), or 6045), of \$600 or more in any taxable year,**  
12 **or, in the case of such payments made by the United States, the officers or employees of the United States**  
13 **having information as to such payments and required to make returns in regard thereto by the regulations**  
14 **hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and**  
15 **in such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount**  
16 **of such gains, profits, and income, and the name and address of the recipient of such payment.**

17 Information returns include, but are not limited to the following IRS Forms:

- 18 1. Form W-2: Wage and Tax Statement
- 19 2. Form 1042-s: Foreign Persons U.S. Source Income Subject to Withholding
- 20 3. Form 1098: Mortgage Interest
- 21 4. Form 1099: Miscellaneous Income
- 22 5. Form 8300: Currency Transaction Report
- 23 6. Form K-1

24 The subject of information returns is VERY important. Information return filings received by the IRS:

- 25 1. Are the reason you receive collection notices from the IRS.
- 26 2. Are the basis for doing Substitute For Returns (SFRs) and involuntary assessments against parties who do not file tax  
27 returns pursuant to 26 U.S.C. §6020(b). 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>

- 28 3. Are the basis for investigating and prosecuting people who refuse to file income tax returns under 26 U.S.C. §7203.
- 29 4. Are the basis for prosecuting those who understate their liability on a tax return for tax evasion under 26 U.S.C. §7201.
- 30 5. Create a "presumption" which is usually false that the party against whom they are filed:
  - 31 5.1. Is a "taxpayer".
  - 32 5.2. Is subject to the I.R.C.
  - 33 5.3. Is in receipt of "income" or "gross income".

34 See the following for how these presumptions are abused unlawfully to injure innocent Americans:

**Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction**, Form #05.017

<http://sedm.org/Forms/FormIndex.htm>

35 If you never have these forms filed against you, in nearly all cases, it is impossible to become the target of IRS enforcement  
36 activity and the IRS has to leave you alone.

37 Most people and organizations who file information returns are ignorant of the law and do so falsely and incorrectly,  
38 because in most cases, the persons receiving said payments are not engaged in a "public office" in the U.S. government and  
39 would not consent if they knew their consent was required. In this sense, the consent of innocent third parties to engage in  
40 voluntary excise taxable federal franchises was procured fraudulently by encouraging and exploiting their ignorance and  
41 that of the payroll clerk:

42 "SUB SILENTIO. Under silence; without any notice being taken. Passing a thing sub silentio may be evidence  
43 of consent."

44 [Black's Law Dictionary, Fourth Edition, p. 1593]

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

16 [*Sinking Fund Cases, 99 U.S. 700 (1878)*]

17 The false information returns filed against innocent third parties called "nontaxpayers" who are not engaged in the  
18 voluntary "trade or business" franchise and who receive no benefit from participation are a violation of the laws found in  
19 the Holy Bible.

20 *"You shall not bear false witness against your neighbor."*  
21 [*Exodus 20:16, Bible, NKJV*]

22 *"You shall not circulate a false report. Do not put your hand with the wicked to be an unrighteous witness."*  
23 [*Exodus 23:1, Bible, NKJV*]

24 Consequently, these false forms must be corrected on a routine and periodic basis until one of the following more  
25 permanent solutions to this problem can be effected as described later in Section 16:

- 26 1. The submitters can be educated with the law to stop submitting these false returns with the following:  
27 1.1. *Demand for Verified Evidence of "Trade or Business" Activity: Information Return*, Form #04.007  
28 <http://sedm.org/Forms/FormIndex.htm>  
29 1.2. *The "Trade or Business" Scam*, Form #05.001  
30 <http://sedm.org/Forms/FormIndex.htm>  
31 2. The submitters of these false returns can be criminally prosecuted under [26 U.S.C. §7206](#) and [26 U.S.C. §7207](#).  
32 3. The submitters of these false returns can be civilly prosecuted under one of the following:  
33 3.1. Equity or state law.  
34 3.2. [26 U.S.C. §7434](#).  
35 3.3. The False Claims Act, [31 U.S.C. §3729](#) as a qui tam action.

36 This short pamphlet will:

- 37 1. Show you how to correctly complete information returns.  
38 2. Show you how to correct false or erroneous information returns that have already been filed against you by ignorant  
39 third parties who are violating the law.  
40 3. Direct you to tools to educate the filers of these false reports to stop them from being filed in the future.  
41 4. Show you how to file a criminal complaint against those who file false information returns so the filers can be  
42 prosecuted.

43 Details about income tax withholding are beyond the scope of this pamphlet, but if you would like to learn more about  
44 these subjects, please refer to Section 21 later:

## 2 Nature of the Internal Revenue Code Subtitle A Income Tax

The income tax described in Subtitle A of the Internal Revenue Code is an excise tax upon an activity referred to a “trade or business”, which is defined as “the functions of a public office” within the United States government. :

26 U.S.C. § 7701(a)(26)

*“The term ‘trade or business’ includes the performance of the functions of a public office.”*

A “public office” is a type of agency or employment within the federal government that is created by contract or agreement that you must implicitly or explicitly consent to. A “public office” also happens to be what is called a “franchise”, where the government is the grantor and the private citizen accepting the office is the grantee.

### Public office

*“Essential characteristics of a ‘public office’ are:*

*(1) Authority conferred by law,*

*(2) Fixed tenure of office, and*

*(3) Power to exercise some of the sovereign functions of government.*

*(4) Key element of such test is that “officer is carrying out a sovereign function’.*

*(5) Essential elements to establish public position as ‘public office’ are:*

*(a) Position must be created by Constitution, legislature, or through authority conferred by legislature.*

*(b) Portion of sovereign power of government must be delegated to position,*

*(c) Duties and powers must be defined, directly or implied, by legislature or through legislative authority.*

*(d) Duties must be performed independently without control of superior power other than law, and*

*(e) Position must have some permanency.”*

*[Black’s Law Dictionary, Sixth Edition, p. 1230]*

A person holding a “public office” has a fiduciary duty to the public as a “trustee” of the “public trust”:

*“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. <sup>1</sup>*

***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. <sup>2</sup> That is, a public officer occupies a fiduciary relationship to the political entity on whose behalf he or she serves. <sup>3</sup> and owes a fiduciary duty to the public. <sup>4</sup> It has been said that the fiduciary responsibilities of a public officer cannot be less than those of a private individual. <sup>5</sup>***

*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.<sup>6</sup>”*

*[63C Am.Jur.2d, Public Officers and Employees, §247]*

If you aren’t engaged in a “public office”, then the you can’t be the proper subject of the income tax or truthfully or lawfully be described as THE “person”, “individual”, “employee”, “employer”, “citizen”, “resident”, or “taxpayer” described anywhere in the Internal Revenue Code UNLESS you volunteer by signing an agreement. Yes, you could be

1 State ex rel. Nagle v. Sullivan, 98 Mont 425, 40 P.2d. 995, 99 A.L.R. 321; Jersey City v. Hague, 18 N.J. 584, 115 A.2d. 8.

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

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

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

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

6 Indiana State Ethics Comm’n v. Nelson (Ind App) 656 N.E.2d. 1172, reh gr (Ind App) 659 N.E.2d. 260, reh den (Jan 24, 1996) and transfer den (May 28, 1996).

1 described by these terms in their *ordinary English usage*, but you would not fit the *LEGAL meanings* of these terms as they  
2 are defined in the Internal Revenue Code unless you in fact and in deed engage in a “public office” within the United States  
3 government through private contract or agreement that you consent to. Within this publication, we put quotes around  
4 words like those above when we refer wish to refer to the *legally defined meaning* of a term and *exclude* the common or  
5 ordinary definition. In that sense, the Internal Revenue Code, Subtitle A constitutes:

6 1. Private law:

7 “**Private law.** That portion of the law which defines, regulates, enforces, and administers relationships among  
8 individuals, associations, and corporations. As used in contradistinction to public law, the term means all that  
9 part of the law which is administered between citizen and citizen, or which is concerned with the definition,  
10 regulation, and enforcement of rights in cases where both the person in whom the right inheres and the person  
11 upon whom the obligation is incident are private individuals. See also Private bill; Special law. Compare  
12 Public Law.”

13 [Black’s Law Dictionary, Sixth Edition, p. 1196]

14 2. Special law:

15 “**special law.** One relating to particular persons or things; one made for individual cases or for particular  
16 places or districts; one operating upon a selected class, rather than upon the public generally. A private law.  
17 A law is “special” when it is different from others of the same general kind or designed for a particular purpose,  
18 or limited in range or confined to a prescribed field of action or operation. A “special law” relates to either  
19 particular persons, places, or things or to persons, places, or things which, though not particularized, are  
20 separated by any method of selection from the whole class to which the law might, but not such legislation, be  
21 applied. *Utah Farm Bureau Ins. Co. v. Utah Ins. Guaranty Ass’n*, Utah, 564 P.2d. 751, 754. A special law  
22 applies only to an individual or a number of individuals out of a single class similarly situated and affected, or  
23 to a special locality. *Board of County Com’rs of Lemhi County v. Swensen*, Idaho, 80 Idaho 198, 327 P.2d. 361,  
24 362. See also Private bill; Private law. Compare General law; Public law.”

25 [Black’s Law Dictionary, Sixth Edition, pp. 1397-1398]

26 3. What the courts call a “franchise”, which is a “privilege” or benefit offered only to those who volunteer:

27 **FRANCHISE.** A special privilege conferred by government on individual or corporation, and which does not  
28 belong to citizens of country generally of common right. *Elliott v. City of Eugene*, 135 Or. 108, 294 P. 358,  
29 360. In England it is defined to be a royal privilege in the hands of a subject.

30 A “franchise,” as used by Blackstone in defining *quo warranto*, (3 Com. 262 [4th Am. Ed.] 322), had reference  
31 to a royal privilege or branch of the king’s prerogative subsisting in the hands of the subject, and must arise  
32 from the king’s grant, or be held by prescription, but today we understand a franchise to be some special  
33 privilege conferred by government on an individual, natural or artificial, which is not enjoyed by its citizens in  
34 general. *State v. Fernandez*, 106 Fla. 779, 143 So. 638, 639, 86 A.L.R. 240.

35 In this country a franchise is a privilege or immunity of a public nature, which cannot be legally exercised  
36 without legislative grant. To be a corporation is a franchise. The various powers conferred on corporations  
37 are franchises. The execution of a policy of insurance by an insurance company [e.g. Social Insurance/Social  
38 Security], and the issuing a bank note by an incorporated bank [such as a Federal Reserve NOTE], are  
39 franchises. *People v. Utica Ins. Co.*, 15 Johns., N.Y., 387, 8 Am.Dec. 243. But it does not embrace the property  
40 acquired by the exercise of the franchise. *Bridgeport v. New York & N. H. R. Co.*, 36 Conn. 255, 4 Arn.Rep.  
41 63. Nor involve interest in land acquired by grantee. *Whitbeck v. Funk*, 140 Or. 70, 12 P.2d. 1019, 1020 In a  
42 popular sense, the political rights of subjects and citizens are franchises, such as the right of suffrage, etc.  
43 Pierce v. Emery, 32 N.H. 484; State v. Black Diamond Co., 97 Ohio.St. 24, 119 N.E. 195, 199, L.R.A.1918E,  
44 352.

45 *Elective Franchise.* The right of suffrage: the right or privilege of voting in public elections.

46 *Exclusive Franchise.* See *Exclusive Privilege or Franchise*.

47 *General and Special.* The charter of a corporation is its “general” franchise, while a “special” franchise  
48 consists in any rights granted by the public to use property for a public use but-with private profit. *Lord v.*  
49 *Equitable Life Assur. Soc.*, 194 N.Y. 212, 81 N. E. 443, 22 L.R.A.,N.S., 420.

50 *Personal Franchise.* A franchise of corporate existence, or one which authorizes the formation and existence of  
51 a corporation, is sometimes called a “personal” franchise. as distinguished from a “property” franchise, which  
52 authorizes a corporation so formed to apply its property to some particular enterprise or exercise some special  
53 privilege in its employment, as, for example, to construct and operate a railroad. See *Sandham v. Nye*, 9  
54 *Misc.ReP.* 541, 30 N.Y.S. 552.

1 Secondary Franchises. The franchise of corporate existence being sometimes called the "primary" franchise of  
2 a corporation, its "secondary" franchises are the special and peculiar rights, privileges, or grants which it may,  
3 receive under its charter or from a municipal corporation, such as the right to use the public streets, exact tolls,  
4 collect fares, etc. *State v. Topeka Water Co.*, 61 Kan. 547, 60 P. 337; *Virginia Canon Toll Road Co. v. People*,  
5 22 Colo. 429, 45 P. 398 37 L.R.A. 711. The franchises of a corporation are divisible into (1) corporate or  
6 general franchises; and (2) "special or secondary franchises. The former is the franchise to exist as a  
7 corporation, while the latter are certain rights and privileges conferred upon existing corporations. *Gulf*  
8 *Refining Co. v. Cleveland Trust Co.*, 166 Miss. 759, 108 So. 158, 160.

9 Special Franchisee. See *Secondary Franchises*, *supra*.  
10 [Black's Law Dictionary, Fourth Edition, pp. 786-787]

11 4. An "excise tax" or "privilege tax" upon privileges incident to federal contracts, employment, or agency.

12 "Excises are taxes laid upon the manufacture, sale or consumption of commodities within the country, upon  
13 licenses to pursue certain occupations and upon corporate privileges...the requirement to pay such taxes  
14 involves the exercise of [220 U.S. 107, 152] privileges, and the element of absolute and unavoidable demand  
15 is lacking..

16 ...It is therefore well settled by the decisions of this court that when the sovereign authority has exercised the  
17 right to tax a legitimate subject of taxation as an exercise of a franchise or privilege, it is no objection that the  
18 measure of taxation is found in the income produced in part from property which of itself considered is  
19 nontaxable...

20 Conceding the power of Congress to tax the business activities of private corporations.. the tax must be  
21 measured by some standard..."  
22 [*Flint v. Stone Tracy Co.*, 220 U.S. 107 (1911)]

23 The IRS itself admitted some of the above in a letter documented below:

*Hoverdale Letter*, SEDM Exhibit 1000  
<http://sedm.org/Exhibits/ExhibitIndex.htm>

24 The rules for administering the "trade or business" franchise followed universally by the IRS and the courts are as follows:

25 1. The method of conveying consent to participate in the "trade or business" franchise is any one or more of the  
26 following:

27 1.1. Signing and submitting Social Security Form SS-5, the Application for Social Security. See:

*Resignation of Compelled Social Security Trustee*, Form #06.002

<http://sedm.org/Forms/FormIndex.htm>

28 1.2. Signing and submitting IRS Form W-4, which is the WRONG form for persons NOT engaging in the franchise.  
29 See:

*Federal and State Tax Withholding Options for Private Employers*, Form #04.101

<http://sedm.org/Forms/FormIndex.htm>

30 1.3. Signing and submitting IRS Form 1040 and assessing yourself with a liability:

31 "... the government can collect the tax from a district court suitor by exercising it's power of distraint... but we  
32 cannot believe that compelling resort to this extraordinary procedure is either wise or in accord with  
33 congressional intent. Our system of taxation is based upon VOLUNTARY ASSESSMENT AND PAYMENT ,  
34 NOT UPON DISTRAINT" [Footnote 43] If the government is forced to use these remedies(distraint) on a  
35 large scale, it will affect adversely the taxpayers willingness to perform under our VOLUNTARY assessment  
36 system."  
37 [*Flora v. U.S.*, 362 U.S. 145, (1959)]

38 1.4. Failing or refusing to rebut false information returns that connect you to the franchise. 26 U.S.C. §6041(a) says  
39 that information returns, such as IRS Forms W-2, 1042-S, 1098, and 1099 may ONLY lawfully be filed against  
40 those engaged in the "trade or business" franchise. If you don't rebut these when they are mailed to you, then  
41 your failure to rebut is an admission that they are truthful. See:

42 1.4.1. *Correcting Erroneous IRS Form 1042's*, Form #04.003

<http://sedm.org/Forms/FormIndex.htm>

44 1.4.2. *Correcting Erroneous IRS Form 1098's*, Form #04.004

<http://sedm.org/Forms/FormIndex.htm>

1.4.3. Correcting Erroneous IRS Form 1099's, Form #04.005

<http://sedm.org/Forms/FormIndex.htm>

1.4.4. Correcting Erroneous IRS Form W-2's, Form #04.006

<http://sedm.org/Forms/FormIndex.htm>

1.5. Failing to rebut the use of federal identifying numbers on government correspondence sent to you, which constitute a “prima facie” license number to participate in “public rights” and franchises. See:

Wrong Party Notice, Form #07.105

<http://sedm.org/Forms/FormIndex.htm>

2. Those who do NOT participate in the “trade or business” franchise:

2.1. Cannot legally withhold on their earnings. Anyone who withholds upon them against their will is committing THEFT for which they are personally liable.

2.2. Do not earn “wages” as legally defined in 26 U.S.C. §3401, 26 CFR §31.3401(a)-3, or 26 CFR §31.3402(p)-1. Therefore, any amount reported on an IRS Form W-2 MUST be ZERO, because it only reports “wages” as legally defined and not as commonly understood or used.

2.3. Have their private rights protected by the Constitution but not by most federal law. Most federal law is “foreign” in relation to them:

*“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...”*  
[Long v. Rasmussen, 281 F. 236 (1922)]

*“Revenue Laws relate to taxpayers [instrumentalities, 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.”*  
[Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972)]

2.4. May not cite any provision of the franchise agreements codified in the I.R.C. and the Social Security Act because they are “foreign law” in relation to them and their estate is a “foreign estate” pursuant to [26 U.S.C. §7701\(a\)\(31\)](#).

2.5. If they cite any provision of the franchise agreements, imply their voluntary consent to be bound by them, which is all that is needed to enforce these provisions of “private law”/“contract law” against them.

2.6. Are called the following in the context of federal law:

2.6.1. “nontaxpayers”. See:

Who are “Taxpayers” and Who Needs a “Taxpayer Identification Number”?, Form #05.013

<http://sedm.org/Forms/FormIndex.htm>

2.6.2. “nonresident aliens not engaged in a “trade or business”” as defined in 26 CFR §1.871-1(b)(1)(i) . See:

Nonresident Alien Position, Form #05.020

<http://sedm.org/Forms/FormIndex.htm>

2.6.3. “transient foreigners”

2.6.4. “stateless persons” in relation to the federal courts.

2.6.5. “non-citizen nationals”

2.6.6. American Citizens or “citizens of the United States **OF AMERICA**”. See 1 Stat. 477, in which the U.S. Congress identifies those domiciled in states of the Union as both “American Citizens” and “citizens of the United States **OF AMERICA**”

3. Those who participate in the “trade or business” franchise:

3.1. Earn “wages” as legally defined in 26 U.S.C. §3401 because they signed a voluntary W-4 “agreement” consenting to call such earnings “wages” pursuant to 26 CFR §31.3401(a)-3, or 26 CFR §31.3402(p)-1. Therefore, any amount reported on an IRS Form W-2 MUST include all earnings subject to the W-4 “agreement”.

3.2. If they are individuals, are called the following in the context of federal law:

3.2.1. “taxpayers”

3.2.2. “public officers”

3.2.3. “employees”

3.2.4. “employers”

3.2.5. “citizens” or “citizens of the United States” as defined in [8 U.S.C. §1401](#) and 26 CFR §1.1-1(c)-1, where “United States” means either the federal zone or the U.S. government.

3.2.6. “residents of the United States” as defined in [26 U.S.C. §7701\(b\)\(1\)\(A\)](#), , where “United States” means either the federal zone or the U.S. government.

3.3. If they are states of the Union:

3.3.1. Must enter an Agreement on Coordination of Tax Administration (ACTA) agreement with the Secretary of the Treasury pursuant to:

3.3.1.1. 26 U.S.C. §6361 through 6365

3.3.1.2. [26 CFR §301.6361-1](#) through [301.6361-5](#)

3.3.2. Are called “States” within federal law, which are territories and possessions of the United States pursuant to 4 U.S.C. §110(d). See also the following for further examples in state law:

*California Revenue and Taxation Code*  
*Division 2: Other Taxes*  
*Part 10: Personal Income Tax*

17018. "State" includes the District of Columbia, and the possessions of the United States.

*California Revenue and Taxation Code*  
*Division 2: Other Taxes*  
*Part 1: Sales and Use Taxes*

6017. "In this State" or "in the State" means within the exterior limits of the State of California and includes all territory within these limits owned by or ceded to the United States of America.

3.4. May have any provision of the franchise agreements codified in the Internal Revenue Code or the Social Security Act cited against them in court. See:

[Why You Shouldn't Cite Federal Statutes as Authority for Protecting Your Rights](http://famguardian.org/Subjects/Discrimination/CivilRights/DontCiteFederalLaw.htm)  
<http://famguardian.org/Subjects/Discrimination/CivilRights/DontCiteFederalLaw.htm>

3.5. Become “trustees” of the “public trust” as well as officers of the federal corporation identified in [28 U.S.C. §3002\(15\)\(A\)](#).

3.6. Are acting in a representative capacity on behalf of the federal government pursuant to [Federal Rule of Civil Procedure 17\(b\)](#) as “officers of a federal corporation”.

4. All franchises and “public rights” create federal agency and “public office” to one extent or another, and it is this agency that is the subject of most federal legislation. Nearly all laws passed by Congress pertain only to their own territory, possessions, offices, employees, and franchises. You must therefore become part of the government for them to lawfully regulate the exercise of the franchise.

*“The restrictions that the Constitution places upon the government in its capacity as lawmaker, i.e., as the regulator of private conduct, are not the same as the restrictions that it places upon the government in its capacity as employer. We have recognized this in many contexts, with respect to many different constitutional guarantees. Private citizens perhaps cannot be prevented from wearing long hair, but policemen can. Kelley v. Johnson, 425 U.S. 238, 247 (1976). Private citizens cannot have their property searched without probable cause, but in many circumstances government employees can. O'Connor v. Ortega, 480 U.S. 709, 723 (1987) (plurality opinion); id., at 732 (SCALIA, J., concurring in judgment). Private citizens cannot be punished for refusing to provide the government information that may incriminate them, but government employees can be dismissed when the incriminating information that they refuse to provide relates to the performance of their job. Gardner v. Broderick, [497 U.S. 62, 95] 392 U.S. 273, 277-278 (1968). With regard to freedom of speech in particular: Private citizens cannot be punished for speech of merely private concern, but government employees can be fired for that reason. Connick v. Myers, 461 U.S. 138, 147 (1983). Private citizens cannot be punished for partisan political activity, but federal and state employees can be dismissed and otherwise punished for that reason. Public Workers v. Mitchell, 330 U.S. 75, 101 (1947); Civil Service Comm'n v. Letter Carriers, 413 U.S. 548, 556 (1973); Broadrick v. Oklahoma, 413 U.S. 601, 616-617 (1973).”*  
*[Rutan v. Republican Party of Illinois, 497 U.S. 62 (1990)]*

5. All privileged activities and franchises are usually licensed by the government and cause a surrender of constitutional rights:

5.1. The application of the license causes a surrender of constitutional rights.

*“And here a thought suggests itself. As the Meadors, subsequently to the passage of this act of July 20, 1868, applied for and obtained from the government a license or permit to deal in manufactured tobacco, snuff and cigars, I am inclined to be of the opinion that they are, by this their own voluntary act, precluded from assailing*

1 the constitutionality of this law, or otherwise controverting it. For the granting of a license or permit-the  
2 yielding of a particular privilege-and its acceptance by the Meadors, was a contract, in which it was implied  
3 that the provisions of the statute which governed, or in any way affected their business, and all other statutes  
4 previously passed, which were in pari materia with those provisions, should be recognized and obeyed by  
5 them. When the Meadors sought and accepted the privilege, the law was before them. And can they now  
6 impugn its constitutionality or refuse to obey its provisions and stipulations, and so exempt themselves from  
7 the consequences of their own acts?"

8 [In re Meador, 1 Abb.U.S. 317, 16 F.Cas. 1294, D.C.Ga. (1869)]

- 9 5.2. Those participating in the “benefits” of the franchise have implicitly surrendered the right to challenge any  
10 encroachments against their “private rights” or “constitutional rights” that result from said participation:

11 *The Court developed, for its own governance in the cases confessedly within its jurisdiction, a series of rules*  
12 *under which it has avoided passing upon a large part of all the constitutional questions pressed upon it for*  
13 *decision. They are:*

14 [. . .]

15 6. *The Court will not pass upon the constitutionality of a statute at the instance of one who has availed*  
16 *himself of its benefits.* <sup>FN7</sup> *Great Falls Mfg. Co. v. Attorney General, 124 U.S. 581, 8 S.Ct. 631, 31 L.Ed. 527;*  
17 *Wall v. Parrot Silver & Copper Co., 244 U.S. 407, 411, 412, 37 S.Ct. 609, 61 L.Ed. 1229; St. Louis Malleable*  
18 *Casting Co. v. Prendergast Construction Co., 260 U.S. 469, 43 S.Ct. 178, 67 L.Ed. 351.*

19 *FN7 Compare Electric Co. v. Dow, 166 U.S. 489, 17 S.Ct. 645, 41 L.Ed. 1088; Pierce v. Somerset Ry., 171 U.S.*  
20 *641, 648, 19 S.Ct. 64, 43 L.Ed. 316; Leonard v. Vicksburg, etc., R. Co., 198 U.S. 416, 422, 25 S.Ct. 750, 49*  
21 *L.Ed. 1108.*

22 [Ashwander v. Tennessee Valley Authority, 297 U.S. 288, 56 S.Ct. 466 (1936)]

- 23 6. The Social Security Number is the “de facto” license number which is used to track and control all those who  
24 voluntarily engage in public franchises and “public rights”.

- 25 6.1. The number is “de facto” rather than “de jure” because Congress cannot lawfully license any trade or business,  
26 including a “public office” in a state of the Union, by the admission of no less than the U.S. Supreme Court:

27 *“Thus, Congress having power to regulate commerce with foreign nations, and among the several States, and*  
28 *with the Indian tribes, may, without doubt, provide for granting coasting licenses, licenses to pilots, licenses to*  
29 *trade with the Indians, and any other licenses necessary or proper for the exercise of that great and extensive*  
30 *power; and the same observation is applicable to every other power of Congress, to the exercise of which the*  
31 *granting of licenses may be incident. All such licenses confer authority, and give rights to the licensee.*

32 *But very different considerations apply to the internal commerce or domestic trade of the States. Over this*  
33 *commerce and trade Congress has no power of regulation nor any direct control. This power belongs*  
34 *exclusively to the States. No interference by Congress with the business of citizens transacted within a State is*  
35 *warranted by the Constitution, except such as is strictly incidental to the exercise of powers clearly granted to*  
36 *the legislature. The power to authorize a business within a State is plainly repugnant to the exclusive power of*  
37 *the State over the same subject. It is true that the power of Congress to tax is a very extensive power. It is given*  
38 *in the Constitution, with only one exception and only two qualifications. Congress cannot tax exports, and it*  
39 *must impose direct taxes by the rule of apportionment, and indirect taxes by the rule of uniformity. Thus limited,*  
40 *and thus only, it reaches every subject, and may be exercised at discretion. But, it reaches only existing*  
41 *subjects. Congress cannot authorize a trade or business within a State in order to tax it.”*

42 [License Tax Cases, 72 U.S. 462, 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866) ]

- 43 6.2. If you don’t want to be in a “privileged” state and suffer the legal disabilities of accepting the privilege, then you  
44 CANNOT have or use Social Security Numbers.

- 45 7. Use of a Social Security Number constitutes prima facie consent to engage in the franchise. Use of this number  
46 constitutes prima facie evidence of implied consent because:

47 7.1. It is a crime to compel use or disclosure of Social Security Numbers. [42 U.S.C. §408.](#)

48 7.2. You can withdraw from the franchise lawfully at anytime if you don’t want to participate. See SSA Form 521.  
49 See:

[Resignation of Compelled Social Security Trustee](#), Form #06.002  
<http://sedm.org/Forms/FormIndex.htm>

- 50 7.3. If the government uses the SSN trustee licenses number to communicate with you and you don’t object or correct  
51 them, then you once again consented to their jurisdiction to administer the program. See:

[Wrong Party Notice](#), Form #07.105  
<http://sedm.org/Forms/FormIndex.htm>

- 1 8. The Social Security Number is property of the government and NOT the person using it. 20 CFR §422.103(d).  
2 8.1. The Social Security card confirms this, which says: “Property of the Social Security Administration and must be  
3 returned upon request.  
4 8.2. Anything the Social Security Number is attached to becomes “private property” voluntarily donated to a “public  
5 use” to procure the benefits of the “public right” or franchise. Only “public officers” on official business may  
6 have public property in their possession such as the Social Security Number.

7 If you would like to learn more about how the “trade or business” franchise works, see:

[The “Trade or Business” Scam](http://sedm.org/Forms/FormIndex.htm), Form #05.001  
<http://sedm.org/Forms/FormIndex.htm>

8 If you would like to know the entire affect of participating in federal franchises upon your standing in a federal court, see  
9 Sections 3 through 3.6 of the following entitled “How statutory franchises and ‘public rights’ affect choice of law”:

[Federal Jurisdiction](http://sedm.org/Forms/FormIndex.htm), Form #05.018  
<http://sedm.org/Forms/FormIndex.htm>

### 10 **3 The Information Return Scam**

11 As we said in the preceding section, the income tax described by Internal Revenue Code, Subtitle A is a franchise and  
12 excise tax upon “public offices” within the U.S. government, which the code defines as a “trade or business”. Before an  
13 income tax can lawfully be enforced or collected, the subject of the tax must be connected to the activity with court-  
14 admissible evidence. Information returns are the method by which the activity is connected to the subject of the tax under  
15 the authority of 26 U.S.C. §6041(a). When this connection is made, the person engaging in the excise taxable activity is  
16 called “effectively connected with the conduct of a trade or business within the United States”.

17 [TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III > Subpart B > § 6041](#)  
18 [§ 6041. Information at source](#)

19 (a) *Payments of \$600 or more*

20 **All persons engaged in a trade or business and making payment in the course of such trade or business to**  
21 **another person**, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or  
22 other fixed or determinable gains, profits, and income (other than payments to which section 6042 (a)(1), 6044  
23 (a)(1), 6047 (e), 6049 (a), or 6050N (a) applies, and other than payments with respect to which a statement is  
24 required under the authority of section 6042 (a)(2), 6044 (a)(2), or 6045), of \$600 or more in any taxable year,  
25 or, in the case of such payments made by the United States, the officers or employees of the United States  
26 having information as to such payments and required to make returns in regard thereto by the regulations  
27 hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and  
28 in such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount  
29 of such gains, profits, and income, and the name and address of the recipient of such payment.

30 The government cannot lawfully regulate private conduct. The ability to regulate private conduct is, in fact, “repugnant to  
31 the constitution” as held by the U.S. Supreme Court. The only thing the government can regulate is “public conduct” and  
32 the “public rights” and franchises that enforce or implement it. Consequently, the government must deceive private parties  
33 into submitting false reports connecting their private labor and private property to such a public use, public purpose, and  
34 public office in order that they can usurp jurisdiction over it and thereby tax and plunder it.

35 “The power to “legislate generally upon” life, liberty, and property, as opposed to the “power to provide modes  
36 of redress” against offensive state action, was “repugnant” to the Constitution. *Id.*, at 15. See also *United States*  
37 *v. Reese*, [92 U.S. 214, 218](#) (1876) ; *United States v. Harris*, [106 U.S. 629, 639](#) (1883) ; *James v. Bowman*, [190](#)  
38 [U.S. 127, 139](#) (1903) . Although the specific holdings of these early cases might have been superseded or  
39 modified, see, e.g., *Heart of Atlanta Motel, Inc. v. United States*, [379 U.S. 241](#) (1964) ; *United States v. Guest*,  
40 [383 U.S. 745](#) (1966) , their treatment of Congress’ §5 power as corrective or preventive, not definitional, has  
41 not been questioned.”  
42 [[City of Boerne v. Florez, Archbishop of San Antonio, 521 U.S. 507](#) (1997) ]

43 In a sense, the function of an information return therefore is to:

1. Provide evidence that the owner is consensually and lawfully engaged in the “trade or business” and public office franchise. These reports cannot lawfully be filed if this is not the case. 26 U.S.C. §7206 and 7207 make it a crime to file a false report.
2. Donate formerly *private* property described on the report to a *public* use, a *public* purpose, and a *public* office with the consent of the owner without any immediate or monetary compensation in order to procure the “benefits” incident to participation in the franchise.
3. Subject the property to indirect excise taxation upon the “trade or business” activity.
4. Subject the property to use and control by the government:

*“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 [e.g. SOCIAL SECURITY, Medicare, and every other public “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)]

On the other hand, if the information return:

1. Was filed against an owner of the property described who is not lawfully engaged in a public office or a “trade or business” in the U.S. government. . .OR
2. Was filed in a case where the owner of the *private* property did not consent to donate the property described to a public use and a public office by signing a contract or agreement authorizing such as an IRS Form W-4. . .OR
3. Was filed mistakenly or fraudulently.

. . .then the following crimes have occurred:

1. A violation of the Fifth Amendment Takings Clause has occurred:

*U.S. Constitution, Fifth Amendment*

**No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a Grand Jury, except in cases arising in the land or naval forces, or in the Militia, when in actual service in time of War or public danger; nor shall any person be subject for the same offence to be twice put in jeopardy of life or limb; nor shall be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation.**

2. A violation of due process has occurred. Any taking of property without the consent of the owner is a violation of due process of law.
3. The subject of the information return is being compelled to impersonate a public officer in criminal violation of 18 U.S.C. §912.

[TITLE 18 > PART 1 > 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.*

4. An unlawful conversion of *private* property to *public* property has occurred in criminal violation of 18 U.S.C. §654. Only officers of the government called “withholding agents” appointed under the authority of 26 U.S.C. §7701(a)(16) and the I.R.C. can lawfully file these information returns or withhold upon the proceeds of the transaction. All withholding and reporting agents are public officers, not private parties, whether they receive direct compensation for acting in that capacity or not.

[TITLE 18 > PART 1 > CHAPTER 31 > § 654](#)  
[§ 654. Officer or employee of United States converting property of another](#)

1 Whoever, being an officer or employee of the United States or of any department or agency thereof,  
2 embezzles or wrongfully converts to his own use the money or property of another which comes into his  
3 possession or under his control in the execution of such office or employment, or under color or claim of  
4 authority as such officer or employee, shall be fined under this title or not more than the value of the money  
5 and property thus embezzled or converted, whichever is greater, or imprisoned not more than ten years, or  
6 both; but if the sum embezzled is \$1,000 or less, he shall be fined under this title or imprisoned not more than  
7 one year, or both.

8 If you would like to learn more about how the above mechanisms work, see:

*The "Trade or Business" Scam*, Form #05.001, Section 2  
<http://sedm.org/Forms/FormIndex.htm>

9 Nearly all private Americans are not in fact and in deed lawfully engaged in a "public office" and cannot therefore serve  
10 within such an office without committing the crime of impersonating a public officer. This is exhaustively proven in the  
11 following:

*The "Trade or Business" Scam*, Form #05.001, Section 13  
<http://sedm.org/Forms/FormIndex.htm>

12 What makes someone a "private American" is, in fact, that they are not lawfully engaged in a public office or any other  
13 government franchise. All franchises, in fact, make those engaged into public officers of one kind or another and cause  
14 them to forfeit their status as a private person and give up all their constitutional rights in the process. See:

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

15 IRS therefore mis-represents and mis-enforces the Internal Revenue Code by abusing their tax forms and their  
16 untrustworthy printed propaganda as a method:

- 17 1. To unlawfully create public offices in the government in places they are forbidden to even exist pursuant to 4 U.S.C.  
18 §72.
- 19 2. To "elect" the average American unlawfully into such an office.
- 20 3. To cause those involuntarily serving in the office to unlawfully impersonate a public officer in criminal violation of 18  
21 U.S.C. §912.
- 22 4. To enforce the obligations of the office upon those who are not lawfully occupying said office.
- 23 5. Of election fraud, whereby the contributions collected cause those who contribute them to bribe a public official to  
24 procure the office that they occupy with unlawfully collected monies, in criminal violation of 18 U.S.C. §210. IRS  
25 Document 6209 identifies all IRS Form W-2 contributions as "gifts" to the U.S. government, which is a polite way of  
26 describing what actually amounts to a bribe.

27 [TITLE 18 > PART 1 > CHAPTER 11 > § 210](#)  
28 [§ 210. Offer to procure appointive public office](#)

29 Whoever pays or offers or promises any money [withheld unlawfully] or thing of value, to any person, firm, or  
30 corporation in consideration of the use or promise to use any influence to procure any appointive [public]  
31 office or place under the United States for any person, shall be fined under this title or imprisoned not more  
32 than one year, or both.

33 For instance, innocent Americans ignorant of the law are deceived into volunteering to unlawfully accept the obligations of  
34 a public office by filing an IRS Form W-4 "agreement" to withhold pursuant to [26 U.S.C. §3402\(p\)](#) , 26 CFR §31.3401(a)-  
35 3(a) , and 26 CFR §31.3402(p)-1. To wit:

36 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements.](#)

37 (a) In general.

38 *Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations*  
39 *thereunder, the term "wages" includes the amounts described in paragraph (b)(1) of this section with respect*  
40 *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).

26 CFR § 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.

Those who have not voluntarily signed and submitted the IRS Form W-4 contract/agreement and who are were not lawfully engaged in a “public office” within the U.S. government BEFORE they signed any tax form cannot truthfully or lawfully earn reportable “wages” as legally defined in 26 U.S.C. §3402. Therefore, even if the IRS sends a “lock-down” letter telling the private employer to withhold at a rate of “single with no exemptions”, he must withhold ONLY on the amount of “wages” earned, which is still zero. If a W-2 is filed against a person who does not voluntarily sign and submit the W-4 or who is not lawfully engaged in a public office:

1. The amount reported must be ZERO for everything on the form, and especially for “wages”.
2. If any amount reported is other than zero, then the payroll clerk submitting the W-2 is criminally liable for filing a false return under 26 U.S.C. §7206, punishable as a felony for up to a \$100,000 fine and three years in jail.
3. If you also warned the payroll clerk that they were doing it improperly in writing and have a proof you served them with it, their actions also become fraudulent and they additionally liable under 26 U.S.C. §7207, punishable as a felony for up to \$10,000 and up to one year in jail.

The heart of the tax fraud and SCAM perpetrated on a massive scale by our government then is:

1. To publish IRS forms and publications which contain untrustworthy information that deceives the public into believing that they have a legal obligation to file false information returns against their neighbor.

*“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)]

2. To reinforce the deliberate deception and omissions in their publications with verbal advice that is equally damaging and untrustworthy:

p. 21: “As discussed in §2.3.3, the IRS is not bound by its statements or positions in unofficial pamphlets and publications.”

p. 34: “6. IRS Pamphlets and Booklets. The IRS is not bound by statements or positions in its unofficial publications, such as handbooks and pamphlets.”

p. 34: “7. Other Written and Oral Advice. Most taxpayers' requests for advice from the IRS are made orally. Unfortunately, the IRS is not bound by answers or positions stated by its employees orally, whether in person or by telephone. According to the procedural regulations, ‘oral advice is advisory only and the Service is not bound to recognize it in the examination of the taxpayer's return.’ 26 CFR §601.201(k)(2). In rare cases, however, the IRS has been held to be equitably estopped to take a position different from that stated orally to, and justifiably relied on by, the taxpayer. The Omnibus Taxpayer Bill of Rights Act, enacted as part of the Technical and Miscellaneous Revenue Act of 1988, gives taxpayers some comfort, however. It amended section 6404 to require the Service to abate any penalty or addition to tax that is attributable to advice furnished in writing by any IRS agent or employee acting within the scope of his official capacity. Section 6404 as amended protects the taxpayer only if the following conditions are satisfied: the written advice from the IRS was issued in response to a written request from the taxpayer; reliance on the advice was reasonable; and the error in the advice did not result from inaccurate or incomplete information having been furnished by the taxpayer. Thus, it will still be difficult to bind the IRS even to written statements made by its employees. As was true before, taxpayers may be penalized for following oral advice from the IRS.”

[Tax Procedure and Tax Fraud, Patricia Morgan, 1999, ISBN 0-314-06586-5, West Group]

1 3. To make it very difficult to describe yourself as either a “nontaxpayer” or a person not subject to the Internal Revenue  
2 Code on any IRS form. IRS puts the “exempt” option on their forms, but has no option for “not subject”. You can be  
3 “not subject” and a “nontaxpayer” without being “exempt” and if you want to properly and lawfully describe yourself  
4 that way, you have to either modify their form or create your own substitute. You cannot, in fact be an “exempt  
5 individual” as defined in 26 U.S.C. §7701(b)(5) without first being an “individual” and therefore subject to the I.R.C..  
6 The following entity would be “not subject” but also not an “exempt individual” or “exempt”, and could include people  
7 as well as property:

8 [TITLE 26 > Subtitle F > CHAPTER 79 > § 7701](#)  
9 [§ 7701. Definitions](#)

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

12 (31) Foreign estate or trust

13 (A) Foreign estate

14 The term “foreign estate” means an estate the income of which, from sources without the United States which is  
15 **not effectively connected with the conduct of a trade or business within the United States**, is not includible in  
16 gross income under subtitle A.

17 If you would like to know more about this SCAM, see:

[Flawed Tax Arguments](#), Form #08.004, Section 5.10  
<http://sedm.org/Forms/FormIndex.htm>

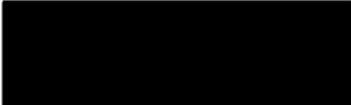
- 18 4. For the IRS to be protected by a judicial “protection racket” implemented by judges who have a conflict of interest as  
19 “taxpayers” in violation of 18 U.S.C. §208, 28 U.S.C. §144, and 28 U.S.C. §455. This protection racket was instituted  
20 permanently upon federal judges with the Revenue Act of 1932 as documented in:  
21 4.1. [Evans v. Gore, 253 U.S. 245 \(1920\)](#)  
22 4.2. [O'Malley v. Woodrough, 307 U.S. 277 \(1939\)](#)  
23 4.3. [United States v. Hatter, 121 S.Ct 1782 \(2001\)](#)  
24 5. To receive what they know in nearly all cases are false information returns against private parties.  
25 6. To protect the filers of these false reports.  
26 6.1. IRS Forms W-2, 1042-S, 1098, and 1099 do not contain the individual identity of the person who prepared the  
27 form.  
28 6.2. Only IRS forms 1096 and W-3 contain the identity and statement under penalty of perjury signed by the specific  
29 individual person who filed the false information return.  
30 6.3. If you send a FOIA to the Social Security Administration asking for the IRS Forms 1096 and W-3 connected to  
31 the specific information returns filed against you, they very conveniently will tell you that they don't have the  
32 documents, even though they are the ONLY ones who receive them in the government! They instead tell you to  
33 send a FOIA to the IRS to obtain them. For example, see the following:



**SOCIAL SECURITY**

Refer to:  
09H: \BC^8L

September 1, 2008



Dear Mr. [REDACTED]

This is in response to your request for copies of your W-2 and W-3 tax documents.

These documents are not the Social Security Administration's records. Please contact your local Internal Revenue Service (IRS) office for this information. For your convenience, I have provided you with the address and telephone number of your local IRS office.

Internal Revenue Service  
550 Main St.  
Cincinnati, OH 45202  
(513) 263-3333

I hope this information is helpful.

Sincerely,

Vincent A. Dormarunno  
Privacy Officer

If you want to see the document the above request responds to, see:

Information Return FOIA: "Trade or Business", Form #03.023  
<http://sedm.org/Forms/FormIndex.htm>

6.4. The IRS then comes back and says they don't keep the original Forms 1096 and W-3 either! Consequently, there is no way to identify the specific individual who filed the original false reports or to prosecute them criminally under 26 U.S.C. §§7206 and 7207 or civilly under 26 U.S.C. §7434. In that sense, IRS FOIA offices act as "witness protection programs" for those communist informants for the government willfully engaged in criminal activity.

*Internal Revenue Manual*  
3.5.20.19 (10-01-2003)  
*Information Returns Transcripts - 1099 Information*

1. *Generally, information returns are destroyed upon processing. Therefore, original returns cannot be retrieved. In addition, the IRS may not have record of all information returns filed by payers. The Information Returns Master File (IRMF), accessed by CC IRPTR, contains records of many information returns. The master files are not complete until October of the year following the issuance of the information document, and contain the most current year and five (5) previous years. Taxpayers should be advised to first seek copies of information documents from the payer. However, upon request, taxpayers or their authorized designee may receive "information return" information.*

2. Follow guidelines IRM 3.5.20.1 through 3.5.20.11, to ensure requests are complete and valid.
3. This information can be requested on TDS.
4. This information is also available using IRPTR with definer W.
5. If IRPTR is used without definer W, the following items must be sanitized before the information is released:
  - CASINO CTR
  - CMIR Form 4790
  - CTR
6. Form 1099 information is not available through Latham.  
 [SOURCE: <http://www.irs.gov/irm/part3/ch02s02.html>]

7. To deliberately interfere with efforts to correct these false reports by those who are the wrongful subject of them:
  - 7.1. By penalizing filers of corrected information returns up to \$5,000 for each Form 4852 filed pursuant to 26 U.S.C. §6702.
  - 7.2. By not providing forms to correct the false reports for ALL THOSE who could be the subject of them. IRS Form 4852, for instance, says at the top "Attach to Form 1040, 1040A, 1040-EZ, or 1040X." There is no equivalent form for use by nonresident aliens who are victims of false IRS Form W-2 or 1099-R and who file a 1040NR.
  - 7.3. To refuse to accept W-2C forms filed by those other than "employers".
  - 7.4. To refuse to accept custom, substitute, or modified forms that would correct the original reports.
  - 7.5. To not help those submitting the corrections by saying that they were not accepted, why they were not accepted, or how to make them acceptable.
8. To ignore correspondence directed at remedying all the above abuses and thereby obstruct justice and condone and encourage further unlawful activity.

So what we have folks is a deliberate, systematic plan that:

1. Turns innocent parties called "nontaxpayers" into guilty parties called "taxpayers", which the U.S. Supreme Court said they cannot do.

*"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 [being a "nontaxpayer"] as a crime [being a "taxpayer"], 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)]

2. Constitutes a conspiracy to destroy equal protection and equal treatment that is the foundation of the Constitution, assigning all sovereignty to the government, and compelling everyone to worship and serve it without compensation.
3. Constitutes a conspiracy to destroy all Constitutional rights by compelling Americans through false reports to service the obligations of an office they cannot lawfully occupy and derive no benefit from:

*"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 U.S. 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)]*

4. Constitutes an abuse of tax forms as a federal election device to unlawfully elect those who aren't eligible and without their consent into public office in the government, in criminal violation of 18 U.S.C. §912.

1 5. Encourages Americans on a massive scale to file false reports against their neighbor that compel them into economic  
2 servitude and slavery without compensation:

3 “You shall not circulate a false report [information return]. Do not put your hand with the wicked to be an  
4 unrighteous witness.”  
5 [Exodus, 23:1, Bible, NKJV]

6 “You shall not bear false witness [or file a FALSE REPORT or information return] against your neighbor.”  
7 [Exodus 10:16, Bible, NKJV]

8 “A false witness will not go unpunished, And he who speaks lies shall perish.”  
9 [Prov. 19:9, Bible, NKJV]

10 “If a false witness rises against any man to testify against him of wrongdoing, then both men in the  
11 controversy shall stand before the LORD, before the priests and the judges who serve in those days. And the  
12 judges shall make careful inquiry, and indeed, if the witness is a false witness, who has testified falsely  
13 against his brother, then you shall do to him as he thought to have done to his brother; [enticement into  
14 slavery (pursuant to 42 U.S.C. §1994)] to the demands of others without compensation] so you shall put away  
15 the evil from among you. And those who remain shall hear and fear, and hereafter they shall not again commit  
16 such evil among you. Your eye shall not pity: life shall be for life, eye for eye, tooth for tooth, hand for hand,  
17 foot for foot.”  
18 [Deut. 19:16-21, Bible, NKJV]

19 6. Constitutes a plan to implement communism in America. The Second Plank of the Communist Manifesto is a heavy,  
20 progressive income tax that punishes the rich and abuses the taxation powers of the government to redistribute wealth.

21 7. Constitutes a conspiracy to replace a de jure Constitutional Republic into nothing but a big for-profit private  
22 corporation and business in which:

23 7.1. Government becomes a virtual or political entity rather than physical entity tied to a specific territory. All the  
24 “States” after the Civil War rewrote their Constitutions to remove references to their physical boundaries.  
25 Formerly “sovereign” and independent states have become federal territories and federal corporations by signing  
26 up for federal franchises:

27 At common law, a “corporation” was an “artificial perso[n] endowed with the legal capacity of perpetual  
28 succession” consisting either of a single individual (termed a “corporation sole”) or of a collection of several  
29 individuals (a “corporation aggregate”). 3 H. Stephen, Commentaries on the Laws of England 166, 168 (1st  
30 Am. ed. 1845) . The sovereign was considered a corporation. See id., at 170; see also 1 W. Blackstone,  
31 Commentaries \*467. Under the definitions supplied by contemporary law dictionaries, Territories would have  
32 been classified as “corporations” (and hence as “persons”) at the time that 1983 was enacted and the  
33 Dictionary Act recodified. See W. Anderson, A Dictionary of Law 261 (1893) (“All corporations were  
34 originally modeled upon a state or nation”); 1 J. Bouvier, A Law Dictionary Adapted to the Constitution and  
35 Laws of the United States of America 318-319 (11th ed. 1866) (“In this extensive sense the United States may  
36 be termed a corporation”); Van Brocklin v. Tennessee, 117 U.S. 151, 154 (1886) (“The United States is a . . .  
37 great corporation . . . ordained and established by the American people”) (quoting United [495 U.S. 182,  
38 202] States v. Maurice, 26 F. Cas. 1211, 1216 (No. 15,747) (CC Va. 1823) (Marshall, C. J.); Cotton v.  
39 United States, 11 How. 229, 231 (1851) (United States is “a corporation”). See generally Trustees of  
40 Dartmouth College v. Woodward, 4 Wheat. 518, 561-562 (1819) (explaining history of term “corporation”).  
41 [Ngiraingas v. Sanchez, 495 U.S. 182 (1990) ]

42 7.2. All rights have been replaced with legislatively created corporate “privileges” and franchises. See:

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

43 7.3. “citizens” and “residents” are little more than “employees” and officers of the corporation described in 26 U.S.C.  
44 §6671(b), 26 U.S.C. §7343, and 5 U.S.C. §2105. See:

Proof that There is a “Straw Man”, Form #05.042  
<http://sedm.org/Forms/FormIndex.htm>

45 7.4. You join the club and become an officer and employee of the corporation by declaring yourself to be a statutory  
46 but not constitutional “U.S. citizen” on a government form. See:

Why You are a “national” or a “state national” and Not a “U.S. citizen”, Form #05.006  
<http://sedm.org/Forms/FormIndex.htm>

47 7.5. Social Security Numbers and Taxpayer Identification Numbers serve as de facto license numbers authorizing  
48 those who use them to act in the capacity of a public officer, trustee, and franchisee within the government. See:

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

1 7.6. Federal Reserve Notes (FRNs) serve as a substitute for lawful money and are really nothing but private scrip for  
2 internal use by officers of the government. They are not lawful money because they are not redeemable in gold  
3 or silver as required by the Constitution. See:

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

4 7.7. So-called "Income Taxes" are nothing but insurance premiums to pay for "social insurance benefits". They are  
5 also used to regulate the supply of fiat currency. See:

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

6 7.8. The so-called "law book", the Internal Revenue Code, is the private law franchise agreement which regulates  
7 compensation to and "kickbacks" from the officers of the corporation, which includes you. See:

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

8 7.9. Federal courts are really just private binding corporate arbitration for disputes between fellow officers of the  
9 corporation. See:

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

10 7.10. Terms in the Constitution have been redefined to limit themselves to federal territory not protected by the original  
11 de jure constitution through judicial and prosecutorial word-smithing.

12 "When words lose their meaning, people will lose their liberty."  
13 [Confucius, 500 B.C.]

14 "Judicial verbicide is calculated to convert the Constitution into a worthless scrap of paper and to replace our  
15 government of laws with a judicial oligarchy."  
16 [Senator Sam Ervin, during Watergate hearing]

17 See:

18 7.10.1. *Meaning of the Words "Includes" and "Including"*, Form #05.014  
19 <http://sedm.org/Forms/FormIndex.htm>

20 7.10.2. *Rules of Presumption and Statutory Interpretation*, Litigation Tool #01.006  
21 <http://sedm.org/Litigation/LitIndex.htm>

22 8. Constitutes a plan to unwittingly recruit the average American into servitude of this communist/socialist effort.

23 [TITLE 50 > CHAPTER 23 > SUBCHAPTER IV > Sec. 841.](#)  
24 [Sec. 841. - Findings and declarations of fact](#)

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

1 and directed and controlled in the conspiratorial performance of their revolutionary services. Therefore, the  
2 Communist Party should be outlawed

- 3 9. Constitutes an effort to create and perpetuate a state-sponsored religion and to compel "tithes" called income tax to the  
4 state-sponsored church, which is the government:

*Socialism: The New American Civil Religion*, Form #05.016  
<http://sedm.org/Forms/FormIndex.htm>

5 To close this section, we highly recommend the following FOIA you can send to the IRS and the Social Security  
6 Administration that is useful as a reliance defense to expose the FRAUD described in this section upon the American  
7 people:

*Information Return FOIA: "Trade or Business"*, Form #03.023  
<http://sedm.org/Forms/FormIndex.htm>

#### 8 **4 IRS Systems of Records**

9 Information Returns are maintained in what are called "Treasury Systems of Records" as follows:

- 10 1. Treasury/IRS 22.026 Form 1042-S, Index by Name of Recipient  
11 2. Treasury/IRS 22.061 Information Return Master File (IRMF)

12 Knowing about IRS Systems of Records is important if you are preparing a Freedom of Information Act or Privacy Act  
13 request to obtain these records. If you want a complete list of Treasury/IRS Systems of Records, consult the following:

*SEDM Exhibit Page, Exhibit 1052*: Internal Revenue Service (IRS), Systems of Records, Federal Register Vol. 66, pp.  
63784 through 63875  
<http://sedm.org/Exhibits/ExhibitIndex.htm>

14 For further details on how to obtain records under the Freedom of Information Act and the Privacy Act, refer to the  
15 following:

- 16 1. Disclosure Litigation Reference Book (IRS)  
17 <http://famguardian.org/PublishedAuthors/Govt/IRS/IRSDiscLitRefBook.pdf>  
18 2. Citizens Guide to Using the Freedom of Information Act and the Privacy Act  
19 <http://famguardian.org/TaxFreedom/LegalRef/FOIACitizensGuide.pdf>  
20 3. Important Government Contacts  
21 <http://famguardian.org/Subjects/Taxes/Contacts/Contacts.htm>  
22 4. Overview of the Privacy Act of 1974-DOJ  
23 [http://famguardian.org/Publications/PrivActOvw/04\\_7\\_1.htm](http://famguardian.org/Publications/PrivActOvw/04_7_1.htm)  
24 5. The Internal Revenue Service's Voluntary Disclosure Policy-United States Attorney Bulletin, Vol. 49, No. 4, July 2001  
25 <http://famguardian.org/Publications/USAttyBulletins/usab4904.pdf>  
26 6. Internal Revenue Manual, Section 1.15.28: Records Control Schedule for Collection  
27 <http://www.irs.gov/irm/part1/ch12s28.html>

#### 28 **5 How the Information Return Correction process works**

29 W-2's, 1042's, 1098's, and 1099's are called "Information Returns" by the IRS. Below is the overall process for correcting  
30 erroneous or false W-2's, 1042's, 1099's, or 1098's so you know exactly how it works and what to expect:

- 31 1. If you haven't archived or kept all the information returns filed against your name, obtain copies of the corrected  
32 information returns received by the IRS using one of the following:  
33 1.1. *Information Return FOIA: "Trade or Business"*, Form #03.023  
34 <http://sedm.org/Forms/FormIndex.htm>  
35 1.2. *IMF Decoding Freedom of Information Act Request*, Form #03.015, FOIA #3  
36 <http://sedm.org/Forms/FormIndex.htm>

- 1.3. Write your own request using information contained in section 6 of this document.
2. Complete corrected Information Returns:
- 2.1. Complete Amended Form 1042's for all years false 1042's reports were made against you. See section 13 later or our article below for details:
- Correcting Erroneous IRS Form 1042's*, Form #04.003  
<http://sedm.org/Forms/FormIndex.htm>
- 2.2. Complete Amended Form 1098's for all years false 1098 reports were made against you. See section 14 later or our article below for details:
- Correcting Erroneous IRS Form 1098's*, Form #04.004  
<http://sedm.org/Forms/FormIndex.htm>
- 2.3. Complete Amended/Corrected Form 1099's for all false 1099 forms filed against you. See section 15 later or our article below for information on how to do this:
- Correcting Erroneous IRS Form 1099's*, Form #04.004  
<http://sedm.org/Forms/FormIndex.htm>
- 2.4. Complete W-2C's or 4852's for all years false W-2 reports were made against you. See section 9 later or our article below for details:
- Correcting Erroneous IRS Form W-2's*, Form #04.006  
<http://sedm.org/Forms/FormIndex.htm>
3. Mail the completed forms above with the following cover letter to the Service center where you would normally file. Those using this website are all nonresident aliens who must file their Information Returns ONLY at: Internal Revenue Service; P.O. Box 80102; Cincinnati, OH 45280-0002. It may also be a good idea to mail a second copy of the package to the IRS service center that covers your state.
- Corrected Information Return Attachment Letter*, Form #04.002  
<http://sedm.org/Forms/FormIndex.htm>
4. When the Social Security Data Processing Center and IRS receive the corrected information returns, they will correct the entries in the Integrated Document Retrieval System (IDRS). They will also send out an [IRS Form 4598](#) to the employer or financial institution that originally sent in the erroneous W-2 or 1099 asking them to provide an updated form or to explain why their form was incorrect. If they are following the directions in our cover letter, they will use the AMENDED IRS Form 4598 to send to the employer, and not the standard form so as to remove presumptions and offer additional explanation options to the employer or financial institution. The employer or financial institution has 10 days to fill out and return the IRS Form 4598. They may also respond by sending the IRS Forms W-2c or W-3c, which corrects the erroneous reports they provided and which hopefully will agree with your submission.
5. The IRS may then further change the entries for the returns in question based on the [IRS Form 4598](#) the employer or financial institution completed and returned to the IRS.
6. If the IRS is unable to reconcile the employer or financial institution's response with what you said in your cover letter, then they may amend the IDRS based on their own determination.

If you would like more information about Information Returns processing, visit the IRS website at:

<http://www.irs.gov/taxpros/content/0,,id=98185,00.html>

## 6 Obtaining copies of information returns that you don't have

It can be difficult to correct an information return filed against you that you never in fact received. The best way to get older versions of these reports is to contact the original submitter, who is usually an employer, financial institution, or organization. If that doesn't work, below are techniques for obtaining copies of these reports directly from the IRS:

#	Information Return Type	Method to obtain
1	Form W-2	Fill out IRS Form 4506 and check Block 8(c). See: <a href="http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm4506.pdf">http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm4506.pdf</a>
2	Form 1042-s	Privacy Act Request
3	Form 1098	Privacy Act Request
4	Form 1099	Privacy Act Request

1 On the subject of obtaining copies of information returns, the IRS Internal Revenue Manual says the following:

2 *Internal Revenue Manual*  
3 *3.5.20.19 (10-01-2003)*  
4 *Information Returns Transcripts - 1099 Information*

- 5 7. *Generally, information returns are destroyed upon processing. Therefore, original returns cannot be*  
6 *retrieved. In addition, the IRS may not have record of all information returns filed by payers. The*  
7 *Information Returns Master File (IRMF), accessed by CC IRPTR, contains records of many information*  
8 *returns. The master files are not complete until October of the year following the issuance of the*  
9 *information document, and contain the most current year and five (5) previous years. Taxpayers should be*  
10 *advised to first seek copies of information documents from the payer. However, upon request, taxpayers or*  
11 *their authorized designee may receive "information return " information.*  
12 8. *Follow guidelines IRM 3.5.20.1 through 3.5.20.11, to ensure requests are complete and valid.*  
13 9. *This information can be requested on TDS.*  
14 10. *This information is also available using IRPTR with definer W.*  
15 11. *If IRPTR is used without definer W, the following items must be sanitized before the information is*  
16 *released:*  
17 • *CASINO CTR*  
18 • *CMIR Form 4790*  
19 • *CTR*  
20 12. *Form 1099 information is not available through Latham.*

21 [*SOURCE: <http://www.irs.gov/irm/part3/ch02s02.html>*]

22 Therefore, it would appear that the best way to obtain information return information for other than forms W-2 is to:

- 23 1. Send a Privacy Act request to the IRS  
24 2. Send the request to the offices listed near the end of the article below:  
25 <http://famguardian.org/Subjects/Taxes/Contacts/Contacts.htm>

26 As a last resort, you can also visit the IRS website and read the following related articles:

- 27 1. [IRS Frequently Asked Questions About Information Returns:](http://www.irs.gov/businesses/small/article/0,,id=136408,00.html)  
28 <http://www.irs.gov/businesses/small/article/0,,id=136408,00.html>  
29 2. [Information Returns Guide-IRS](http://www.irs.gov/efile/article/0,,id=98114,00.html)  
30 <http://www.irs.gov/efile/article/0,,id=98114,00.html>  
31 3. [IRS Topic 154 - 2004 Forms W-2 and Form 1099-R \(What to Do if Not Received\)](http://www.irs.gov/taxtopics/tc154.html)  
32 <http://www.irs.gov/taxtopics/tc154.html>  
33 4. [IRS Topic 159 - Prior Year\(s\) Form W-2 \(How to Get a Copy of\)](http://www.irs.gov/taxtopics/tc159.html)  
34 <http://www.irs.gov/taxtopics/tc159.html>

35 Fortunately, if you are going to zero out information returns, you don't need all the original information in order to  
36 complete a corrected return. Simply make all the blocks ZERO. However, because it is such a hassle to obtain copies of  
37 information returns from the IRS directly, it's best to carefully organize, store, and protect this information at all times as  
38 described in the next section in order to avoid being caught in a bind.

## 39 **7 Keeping records of all Information Returns and Efforts to Correct Those that are False**

40 IRS Form W-2, 1042-S, 1098, and 1099 reports are called "Information Returns" by the IRS. The IRS and state revenue  
41 agencies make it very difficult for you to rebut the bogus W-2, 1099, and 1098 reports by:

- 42 1. Not including with their collection notices a copy of or mention of the specific W-2 report(s) upon which the collection  
43 is based. The Fair Debt Collection Practices Act (FDCPA) requires that anyone collecting a debt, including a tax debt,  
44 must supply upon demand a copy of the original debt instrument, which in this case is based ONLY on the Information  
45 Return. Therefore, the IRS must provide not only the Information Return, but also the lawful assessment upon which  
46 the collection is based, and they must do so within 20 days of request. See the following for an example for asking for  
47 a copy of the lawful assessment documents.

<p><u><a href="http://sedm.org/Forms/FormIndex.htm">Demand for Verified Evidence of Lawful Federal Assessment</a></u>, Form #07.304 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a></p>
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1 2. Making it difficult for you to obtain a copy of the reports directly from them. This ought to be an electronic service  
2 that anyone can access on their website.

3 Consequently, it is VERY IMPORTANT that you maintain an archive of all of the Information Returns filed on you, along  
4 with the rebuttal to each one in the form of either a 4852, an amended W-2, a corrected 1042s, 1098, or 1099, etc. That  
5 way, when the IRS institutes collection activity, you can include the following in your response:

- 6 1. Include rebutted versions of the Information Returns with your response.
- 7 2. Proof of your efforts to prevent further filing of these false reports.
- 8 3. A request that they either penalize the submitters because of their refusal to obey the law or criminally prosecute them.

## 9 **8 Summary of methods for correcting all false information returns**<sup>7</sup>

10 Below is a summary of how to correct all information returns. It provides a quick reference to help you in rapidly  
11 identifying the method for correcting any one of the information returns that the IRS has which may be false in your case.  
12

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<sup>7</sup> Extracted from Federal and State Withholding Options for Private Employers, Section 20:  
<http://famguardian.org/Publications/FedStateWHOptions/FedStateWHOptions.pdf>

**Table 1: Summary of Information Returns**

#	IRS Form Number	Form name	Filed concurrently with IRS Form Number	If false, may be corrected by
1	W-2	Wage and Tax Statement	W-3	4852 attached to a tax return W-2c and W-3c filed concurrently by “public employer”
2	1042-S	Foreign Person’s U.S. Source Income Subject to Withholding	Nothing	Re-filing with “AMENDED” block checked at the top
3	1098	Mortgage Interest Statement	1096	Re-filing with “CORRECTED” block checked at the top
4	1099-A	Acquisition or Abandonment of Secured Property	1096	Re-filing with “CORRECTED” block checked at the top
5	1099-B	Proceeds from Broker and Barter Exchange Transactions	1096	Re-filing with “CORRECTED” block checked at the top
6	1099-C	Cancellation of Debt	1096	Re-filing with “CORRECTED” block checked at the top
7	1099-DIV	Dividend Income	1096	Re-filing with “CORRECTED” block checked at the top
8	1099-H	Health Insurance Advance Payments	1096	Re-filing with “CORRECTED” block checked at the top
9	1099-INT	Interest Income	1096	Re-filing with “CORRECTED” block checked at the top
10	1099-LTC	Long Term Care and Accelerated Death Benefits	1096	Re-filing with “CORRECTED” block checked at the top
11	1099-PATR	Taxable Distributions Received	1096	Re-filing with “CORRECTED” block checked at the top
12	1099-OID	Original Issue Discount	1096	Re-filing with “CORRECTED” block checked at the top
13	1099MISC	Miscellaneous Income	1096	Re-filing with “CORRECTED” block checked at the top
14	1099-Q	Payments from Qualified Education	1096	Re-filing with “CORRECTED” block checked at the top
15	1099-R	Distributions from Pensions, Annuities, Retirement or Profit Sharing Plans, IRAs, Insurance Contracts, Etc.	1096	4852 attached to a tax return Re-filing with “CORRECTED” block checked at the top
16	1099-S	Proceeds from Real Estate Transactions	1096	Re-filing with “CORRECTED” block checked at the top
17	Schedule K-1 (Form 1041)	Beneficiary’s Share of Income, Deduction, and Credits, etc.		Re-filing with “Amended K-1” block checked at top
18	Schedule K-1 (Form 1065)	Partner’s Share of Income, Deductions, and Credits, etc.		Re-filing with “Amended K-1” block checked at top
19	Schedule K-1 (Form 1065-B)	Partner’s Share of Income (Loss) From an Electing Large		Re-filing with “CORRECTED” block checked at the top

#	IRS Form Number	Form name	Filed concurrently with IRS Form Number	If false, may be corrected by
		Partnership		
20	Schedule K-1 (Form 1120s)	Shareholder's Share of Income, Deduction, and Credits (For Shareholder's Use Only)		Re-filing with "Amended K-1" block checked at top
21	Schedule K-1 (Form 8865)	Partner's Share of Income, Deductions, and Credits, etc.		Re-filing with "Amended K-1" block checked at top

## 9 IRS Forms W-3, W-3C, and 1096

In the previous section, we showed in column 4 of the table that most corrected information returns are required to be submitted with either form W-3, W-3C, or 1096. These forms:

1. Are the only place where a signature under penalty of perjury appears. The information return to which they relate is not signed. The perjury statement is what makes the information returns admissible as evidence in a court of law. The perjury statement is consistent with 28 U.S.C. §1746(2), which means that it creates the presumption that the submitter is a "resident" of the "United States"/federal zone instead of a state of the Union. If you want to ensure that you do not make an election to become a "resident", make sure to attach the Tax Form Attachment, Form #04.201 according to the instructions included with the form.
2. Are ordinarily submitted by the submitter of the original information return that is being corrected and not the party who is the subject of the report.
3. Have unique uses:
  - 3.1. The IRS Form 1096 contains a summary of all of the earnings connected to the "trade or business" of the submitter for the year to which it relates. The title of IRS Form 1096 is the "Annual Summary and Transmittal of U.S. Information Returns".
  - 3.2. The IRS Form W-3 only covers the W-2's transmitted with it and not necessarily the period of an entire year. The Title of IRS Form W-3 is "Transmittal of Wage and Tax Statements".

Refer to the IRS instructions on how to use the above forms. Whether you file them with your corrected information returns is up to you. Since the IRS Form 1096 relates to the entire earnings of the Submitter for an entire year, it is probably not good to file this form with your corrected Form 1099's, because it would affect the submitter. The only value it adds is a perjury statement, and that is included in the following form submitted with the corrected information returns, so it probably isn't necessary:

*Corrected Information Return Attachment Letter*, Form #04.002

<http://sedm.org/Forms/FormIndex.htm>

Since the IRS Form W-3 doesn't cover an entire year, but only the W-2's that are transmitted with it, then this form can safely be sent with the Forms W-2C, W-2CC, etc.

Members are cautioned that our *Tax Form Attachment*, Form #04.201, Section 6, Item 3, contains a franchise and power of attorney for all those who use in formation about the Submitter of the form allowing the target of false information returns to execute power of attorney on behalf of the submitter of the original false information return. This overcomes any objection which the IRS might have to you filing the corrected information return instead of the original submitter. The language of that franchise provision is as follows:

*"3. Power of Attorney to Correct False Information Returns Filed Against Submitter by Recipient. Recipient consents to allow Submitter of this form to submit corrected information returns to the IRS or state revenue agencies which zero out any report of "trade or business" earnings and to sign said forms under power of attorney from the Recipient. This includes, but is not limited to IRS forms W-2C, W-3, 1042-S, 1096, 1098, 1099, and 8300."*

## **10 Differences between Online Forms and Paper Forms you Order from the Government**

You should be aware that the online forms available on the IRS Website below are NOT the same as the printed forms you would order from the government:

### IRS Forms and Publications

<http://www.irs.gov/formspubs/index.html>

We suspect that the differences exist for the following reasons:

1. They want you to electronically submit the fixed forms. Then they are going to ask for all kinds of crazy information and get you to sign your life away when they “register” you to become one of their electronic data providers.
2. They want prevent human beings from being able to submit corrected information returns about themselves because the online forms may not work until they more closely mimic the printed forms.

The online forms hint at the above problems with the following warning at the end of the form:

*Attention:*

*Do not download, print, and file Copy A with the IRS.*

*Copy A appears in red, similar to the official IRS form, but is for informational purposes only. A penalty of \$50 per information return may be imposed for filing copies of forms that cannot be scanned.*

*You may order these forms online at Forms and Publications By U.S. Mail or by calling 1-800-TAX-FORM (1-800-829-3676).*

*See IRS Publications 1141, 1167, 1179, and other IRS resources for information about printing these tax forms.*

Below is a summary of the differences between the above online forms and the printed paper forms that we have identified so far:

### 1. Form size and number per sheet:

- 1.1. The following paper forms come on an 8.5”x11” sheet in which the leftmost 0.5” has small holes in it that you tear off, leaving an 8”x11” sheet that you send to the IRS or Social Security Data Processing Center.
  - 1.1.1. 1096. One form appears on each sheet.
  - 1.1.2. 1098. Three forms appear on each sheet.
  - 1.1.3. 1099-B. Two forms appear on each sheet.
  - 1.1.4. 1099-DIV. Two forms appear on each sheet.
  - 1.1.5. 1099-INT. Three forms appear on each sheet.
  - 1.1.6. 1099-MISC. Two forms appear on each sheet.
  - 1.1.7. 1099-OID. Three forms appear on each sheet.
  - 1.1.8. 1099-S. Three forms appear on each sheet.

- 1.2. The IRS Form W-2C paper form comes on a 9”x11” sheet with a 0.5” area on the left with holes that you tear off. The final sheet ends up the same size as an 8.5”x11” sheet of paper after you tear the holes off. The red box border line should start .5” from the left and top. One form appears on each sheet.

2. Ink color: The red color of the paper forms is different from the online forms. The printed form color is Pantone 192-U. This is dropout ink. As the documents are scanned, this red color appears invisible to the scanner and only the black ink is read into the computer. Using Adobe Photoshop Software, you can chose Pantone Colors, or adjust the form color to match Pantone 192-U.
3. Paper Weight: Standard printer paper is 20lb paper. These forms are on 10lb paper, which you can get at a Copy Center, it is usually their lightest paper stock. It works in color copiers, but not laser printers. So you will have to take your print outs and then transfer them onto the 10lb paper using a color copier machine.
4. Fields: The boxes are not in the right spots. All the forms are basically centered when you download them online, when in fact they need to be in a specific position for the scanner to read the information.

1 5. Fonts: Use OCR-A font. You can download this font off the internet. The OCR-A Extended font is built into  
2 windows and you can use that for free.

3 This was as close as we could get to a passable form. We do not know if they will scan successfully, but they meet all the  
4 requirements of a scannable document according to the IRS Publication 1141. There will be subtle lineup issues, but we  
5 find it hard to believe these small inconsistencies are not also found in the government printed forms as well. We would  
6 think the scanners are built to accommodate fraction of an inch differences.

7 There are three ways to avoid the above problems and avoid the \$50 penalty for forms that are not scannable:

- 8 1. Use the Scannable Templates we provide on our website and trim the forms down to 8"x11" by cutting off the left edge  
9 as indicated above. This is better because then it becomes easy to put the OCR-A fonts on the form using Adobe  
10 Acrobat and you can use standard paper size.
- 11 2. Order actual forms from the IRS and use those. This is the simplest, but creates other problems because now you are  
12 going to have a problem trying to figure out how to print OCR-A font on the forms. You will then need to make a  
13 word processing template with the OCRA fonts and run it through a printer and have all kinds of problems trying to  
14 align it.
- 15 3. Register to become an electronic provider, and be run through the ringer by the IRS to prevent you from contaminating  
16 their food source, which is all the FALSE information that people send them that allows them to collect. Over 80% of  
17 the revenues of the IRS comes from employment withholding and reporting, which in most cases is FALSE.
- 18 4. Submit non-scannable forms that are not compliant and pay the \$50 per form penalty.

19 Which of the above approaches you take is up to you, but we did want to let you know what the options are. We use option  
20 1 above using the downloadable templates on our website.

## 21 **11 Risks Involved in Correcting False Information Returns and how to avoid them**

22 There are risks associated with filing corrected information returns. For instance, later in section 18.2 you will learn that  
23 there are criminal statutes in place that can be used against those filing false information returns. If you don't follow the  
24 procedure properly, use the wrong form, or don't explain what you are doing in a mandatory attachment, then:

- 25 1. The recipient of the corrected information return in the Social Security Administration or IRS will have license to  
26 "presume" in their favor that you submitted a false return and that you come under the jurisdiction of 26 U.S.C. §7206  
27 and 7207.
- 28 2. The IRS may file a criminal complaint with the Dept. of Justice to have you criminally prosecuted for false information  
29 returns.

30 The main reason they will do the above is to protect the MAIN method for recruiting those who are "nontaxpayers" into  
31 their system and maintain the flow of plunder and donations to your public dis-servants. The irony is that the purpose for  
32 filing corrected information returns is to PREVENT you from committing the crime of impersonating a public officer, and  
33 yet they may try to do the OPPOSITE in what we call "selective enforcement" in order to discourage people from  
34 correcting the false information returns in order to protect their pay and retirement INSTEAD of you. This, in fact, is what  
35 happened to a famous freedom fighter, Pete Hendrickson, who was convicted in Nov. 2009 on ten counts of filing false  
36 information returns under 26 U.S.C. §§7206 and 7207 in the process of correcting false information returns that were filed  
37 against him.

38 The reasons people like Hendrickson get prosecuted for filing false information returns is because:

- 39 1. They don't understand their legal status in relation to the government, including every statute that describes that status,  
40 how to look it up, and all the forms on our website that describes it. This just proves they are ignorant of the law and  
41 ripe for exploitation by the government. Freedom BEGINS with reading the law, knowing your rights, and knowing  
42 you are in relation to the government as described in their own statutes.
- 43 2. They declare or imply the wrong "status" in their correspondence and thereby unwittingly associate themselves with  
44 government franchises that destroy their rights and waive their sovereign immunity under 28 U.S.C. §1605:

- 2.1. They use terms to describe themselves that do NOT appear in any statute. This just proves they are ignorant of the law and ripe for exploitation by the government.
- 2.2. They describe themselves as a “taxpayer” who is therefore subject and liable under the I.R.C. “trade or business” franchise agreement.
- 2.3. They invoke remedies available only to “taxpayers” by using the I.R.C. Subtitle A and C franchise agreement in their defense, which doesn’t apply to “nontaxpayers”.

*"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)]*

- 2.4. They petition a franchise court, such as “Tax Court” in their dispute. Tax Court Rule 13(a) says you must be a “taxpayer” to use “Tax Court”.

3. They use RESIDENT tax forms, such as the IRS Form 4852. The form doesn’t say it is a “resident” form and neither does the IRS form 1040, but BOTH of them are. The top of the form 4852 says "Attach to Form 1040, 1040A, 1040-EZ, and 1040X". These forms are all “resident” forms. All resident forms place you in the statutory but not Constitutional “United States”, place you on federal territory outside of any state, destroy the protections of the Constitution, and create a presumption that everything you earn is connected to government franchises. 26 U.S.C. §863(c)(3) says that everything from “sources within the United States” constitutes “trade or business” earnings, meaning franchise earnings connected to a public office in the U.S. government. If you connect yourself with ANYTHING that places you inside the government and thereby makes you the instrumentality of the government who is the only proper target of government restraint and enforcement as described in 26 U.S.C. §6331(a), then you can kiss your rights good bye.

*"Indeed, the practical interpretation put by Congress upon the Constitution has been long continued and uniform to the effect [182 U.S. 244, 279] that **the Constitution is applicable to territories acquired by purchase or conquest, only when and so far as Congress shall so direct.** Notwithstanding its duty to 'guarantee to every state in this Union a republican form of government' (art. 4, 4), by which we understand, according to the definition of Webster, 'a government in which the supreme power resides in the whole body of the people, and is exercised by representatives elected by them,' **Congress did not hesitate, in the original organization of the territories of Louisiana, Florida, the Northwest Territory, and its subdivisions of Ohio, Indiana, Michigan, Illinois, and Wisconsin and still more recently in the case of Alaska, to establish a form of government bearing a much greater analogy to a British Crown colony than a republican state of America,** and to vest the legislative power either in a governor and council, or a governor and judges, to be appointed by the President. It was not until they had attained a certain population that power was given them to organize a legislature by vote of the people. In all these cases, as well as in territories subsequently organized west of the Mississippi, Congress thought it necessary either to extend to Constitution and laws of the United States over them, or to declare that the inhabitants should be entitled to enjoy the right of trial by jury, of bail, and of the privilege of the writ of habeas corpus, as well as other privileges of the bill of rights."*  
[Downes v. Bidwell, 182 U.S. 244 (1901)]

4. They do not define the words on the forms they submit, thus inviting the recipient to misinterpret their intentions, make self-serving presumptions, or illegally enforce the tax laws against them. ALL forms you submit MUST define every major “word of art” on the forms you send to prevent this problem. Section 4 of the following mandatory attachment to all tax forms submitted by SEDM members prevents this problem very effectively:

*Tax Form Attachment*, Form #04.201  
<http://sedm.org/Forms/FormIndex.htm>

5. They don’t clarify that the perjury statement on the government form they are using misrepresents their status as a “Resident”. 28 U.S.C. §1746(2) says the perjury statement found on all IRS forms is for those domiciled or resident on federal territory called the “United States”. IRS does not provide a version of each of their forms that instead invokes 28 U.S.C. §1746(1), and hence, the perjury statement causes nonresidents who submit the IRS form to commit perjury under penalty of perjury and leaves them no other option than to commit such perjury. The following form on our website prevents this problem and is a mandatory attachment to all government tax forms submitted by members:

*Tax Form Attachment*, Form #04.201  
<http://sedm.org/Forms/FormIndex.htm>

6. They don’t understand citizenship or properly declare their citizenship status and domicile on government forms or in government records or correspondence. For instance, they describe themselves as a statutory “U.S. citizen” (8 U.S.C.

1 §1401), “U.S. resident” (26 U.S.C. §7701(b)), or “U.S. person” (26 U.S.C. §7701(a)(30)) without identifying WHICH  
2 “U.S.” they mean or what statutory definition they mean. This is VERY dangerous, because it creates a presumption  
3 that you are domiciled on federal territory and have no constitutional rights. The following mandatory attachment to  
4 EVERY tax form or government form you submit prevents such presumptions and places you entirely beyond federal  
5 jurisdiction as a nonresident.

*Affidavit of Citizenship, Domicile, and Tax Status*, Form #02.001  
<http://sedm.org/Forms/FormIndex.htm>

6 7. They use government identifying numbers such as TINs and SSNs on government forms, do not terminate participation  
7 in Social Security, and do not rebut the use of such numbers against them by others, including the IRS. We remind our  
8 readers that all Members are required by the Member Agreement:

9 7.1. To terminate Social Security participation. See:

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

10 7.2. To NOT put any statutory government identifying number such as SSNs and TINs on any government or tax form  
11 they submit.

12 7.3. To attach the following form proving why it is a CRIME to use such numbers:

*Why It is Illegal for Me to Request or Use a “Taxpayer Identification Number”*, Form #04.205  
<http://sedm.org/Forms/FormIndex.htm>

13 7.4. To line out all numbers on any correspondence they send to the government by lining out the numbers the  
14 government used and write “WRONG” next to it.

15 7.5. If they are compelled to use or apply for such numbers, they report instigator of the duress criminally.

16 For details on the above, please see:

*About SSNs and TINs on Government Forms and Correspondence*, Form #05.012  
<http://sedm.org/Forms/FormIndex.htm>

17 We remind our readers that Pete Hendrickson ignored all the above issues in the corrected information returns he submitted,  
18 and was hung because of his own ignorance.

19 *“My people are destroyed for lack of knowledge..!”*  
20 *[Hosea 4:6, Bible, NKJV]*

21 We also remind our readers that Pete Hendrickson was warned about all of the above deficiencies both in his own Lost  
22 Horizons forms by our members and also in the following document posted on our website and his response was to ban  
23 those warning him from his forums and refuse to admit his wrongdoing.

*Policy Document: Pete Hendrickson’s “Trade or Business” Approach*, Form #08.003  
<http://sedm.org/Forms/FormIndex.htm>

24 We wish ill of no one, but Pete’s arrogance and obstinance invited the treatment that he got and has no one to blame but  
25 himself for the result. Ironically, it appears that the government used our information about the weaknesses in his approach  
26 to prosecute him, although that wasn’t our intention. This just proves that when we speak people, YOU OUGHT TO  
27 LISTEN or you will end up like Pete.

28 For all the reasons indicated in this section, those wishing to minimize the risks associated with correcting false information  
29 returns should:

30 1. Learn and know your status in relation to the government and properly and consistently describe it in all  
31 correspondence by attaching the following form to all your correspondence:

*Affidavit of Citizenship, Domicile, and Tax Status*, Form #02.001  
<http://sedm.org/Forms/FormIndex.htm>

32 2. Stick to the forms and processes found on this website and follow our Member Agreement. Don’t try to outsmart or  
33 second guess what we are doing without at least subjecting it to peer review in our forums so that it can be incorporated  
34 in the forms and tools on our website after further careful study.

35 3. If you have to use a standard IRS tax form, ensure that you attach the following form and follow the directions on the  
36 form:

*Tax Form Attachment*, Form #04.201

<http://sedm.org/Forms/FormIndex.htm>

4. Follow our procedures for developing exculpatory legal evidence in your own defense, so that there is no room for imposing their false, self-serving presumptions upon you. For instance, everything you send them should be certified mail with a Proof of Service and CC the IRS commissioner himself so you can call him as a witness in your defense. See:

*Techniques for Developing a Good Administrative Record*, Form #07.003

<http://sedm.org/Forms/FormIndex.htm>

5. Do NOT use "resident" forms, such as the IRS Forms 1040 or 4852. If they don't make a "nonresident" form with a nonresident perjury statement, make your own. Below are examples of that approach for correcting IRS form W-2's and 1099's:
- 5.1. *Form W-2CC*, Form #04.304  
<http://sedm.org/Forms/FormIndex.htm>
- 5.2. *Form 1099-CC*, Form #04.309  
<http://sedm.org/Forms/FormIndex.htm>
6. Do not use statutory "Social Security Numbers" or "Taxpayer Identification Numbers" on government forms. Instead:
- 6.1. Instead, attach the original correspondence the government sent, circle the number so it is still legible, and write "WRONG!" next to it.
- 6.2. Attach the following form to your correspondence:

*Why It is Illegal for Me to Request or Use a "Taxpayer Identification Number"*, Form #04.205

<http://sedm.org/Forms/FormIndex.htm>

- 6.3. Define any use of "SSNs" or "TINs" on anything you submit and anything the government uses as NOT being that which is defined in any statutory government law, but instead being a license issued to THEM to make demands of you and which subjects THEM and not YOU to YOUR OWN franchise agreement. That franchise agreement is found on the *Tax Form Attachment*, Form #04.201, Section 6.
7. Ensure that you include a criminal complaint and an explanation of what you are doing and why to prevent yourself from being victimized by their self-serving presumptions or becoming the target of "selective enforcement". This is accomplished by using the following standard form to correct information returns:

*Corrected Information Return Attachment Letter*, Form #04.002

<http://sedm.org/Forms/FormIndex.htm>

## 12 Correcting Erroneous IRS Form W-2's

### 12.1 Why We Must Correct False IRS Form W-2's

It is quite common for financial institutions and private companies to misapply the state and federal revenue "codes". Notice we didn't say "laws", because the [Internal Revenue Code](#) Subtitle A, not being enacted into [positive law](#), can only be "private law" that attaches to the individual through explicit consent. Instead, it is only "a decree under legislative forms" [tyranny, in fact] as the Supreme Court describes it below. Neither does the [Internal Revenue Code Subtitle A](#) describe a lawful "tax" in most cases either, except where the individual has given express or tacit consent by voluntarily choosing to involve themselves in excise taxable, "privileged" activity called a "[trade or business](#)". Instead, it is a "bible" that describes a state-sponsored religion, not a public law:

*"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 [law]. 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) ]*

If you would like to learn more about why the Internal Revenue Code is not "public law" but "private law", and why it is also a state-sponsored federal religion, see sections 9 through 9.6 of our free memorandum of law below:

1 Violation of the revenue codes by financial institutions and private companies happens mainly because the IRS has illegally  
2 harassed, terrorized, and threatened them usually verbally when they insist on following the revenue statutes exactly as  
3 written or when they insist that such statutes have no jurisdiction over them. In effect, the IRS and state revenue  
4 agencies and [a colluding and compromised federal judiciary](#) (see also Chapter 6, Sections 6.9 through 6.9.12 of the free  
5 [Great IRS Hoax, Form #11.302](#) book, which proves they are compromised) have made it risky and very confrontational to  
6 follow the revenue statutes exactly as written and have done so completely without any lawful or delegated authority to do  
7 so. This has been done mainly using what is called "[judge-made law](#)", and Congress has looked the other way on this  
8 scandal because they want it to happen and it benefits them hugely, to the tune of over a Trillion extorted dollars a year, to  
9 let it continue. As a consequence, these institutions attempt to transfer the inherent risks to their workers so that they don't  
10 have to deal with them and can focus on the more important aspects of maintaining their businesses and their profitability.  
11 The most important result of this abuse and illegal extortion directed at these institutions by the IRS is the misreporting of  
12 earnings on financial accounts reported on 1099 forms and earnings from labor reported on the [IRS Form W-2](#). These  
13 types of filings are called "Information Returns" by the IRS. If you do not take the responsibility to promptly correct these  
14 erroneous information returns with the IRS and state taxing authorities, then these agencies will automatically make the  
15 following usually false and completely illegal presumptions, and in the process, violate your [due process rights](#) under the  
16 Constitution:

- 17 1. That you have a [Social Security Number](#), which means you are a federal worker or contractor engaged in a "[trade or](#)  
18 [business](#)" or "[public office](#)" and also are exercising agency of a federal entity that has a domicile in the District of  
19 Columbia. Therefore, in the context of anything in which the number is used, you are presumed to be representing a  
20 federal corporation called the "[United States](#)" which has a [domicile](#) in the District of Columbia, which becomes your  
21 domicile as well pursuant to [Fed.Rul.Civ.Proc. 17\(b\)](#). See [20 CFR §422.104](#), which describes who may be issued a  
22 Social Security Number. This regulation is under [CFR Title 20](#), which is entitled "Employee benefits", and the only  
23 type of "employee" they can legislate for are federal employees. See the following for details:

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>

- 24 2. That because there is an identifying number on the W-2 report, that you consented for it to be treated as a "[Taxpayer](#)  
25 [Identification Number](#)". The only kind of number the IRS is authorized to use by law are Taxpayer Identification  
26 Numbers, and the Treasury Department readily admits in its regulations at [26 CFR §301.6109-1\(d\)\(3\)](#) that a Social  
27 Security Number is NOT a "[Taxpayer Identification Number](#)".
- 28 3. That because you consented to have a "[Taxpayer Identification Number](#)", that you must be a "[Taxpayer](#)". See the  
29 following for details:  
<http://famguardian.org/Subjects/Taxes/Articles/TaxpayerVNontaxpayer.htm>
- 30 4. That because the earnings were reported on a federal form, then you must reside within federal territorial or subject  
31 matter jurisdiction, because you wouldn't fill out the form to begin with if you weren't subject to federal jurisdiction.

32 If you do not rebut the above false government presumptions, then your rights will be prejudiced and the government will  
33 mercilessly harass you, even if you never explicitly consented, to collect what they think are lawful "[taxes](#)" on these  
34 earnings, even though such earnings were earned entirely outside of their jurisdiction and do not satisfy the definition of  
35 "[gross income](#)" under the Internal Revenue Code Subtitle A. See the following for details on why your silence equates with  
36 consent.

Silence as a Weapon and a Defense in Legal Discovery, Form #05.021  
<http://sedm.org/Forms/FormIndex.htm>

37 This article will show you how to prepare the forms necessary to lawfully and completely zero out these false and  
38 unauthorized reports of taxable "[gross income](#)", and negate all the above false government presumptions that you do not  
39 consent to. If you do not rebut them, then you will be presumed to agree with them by default. After they have been  
40 rebutted, the government will be left with no legally admissible or reliable evidence upon which to base any kind of  
41 assessment. Without the power of assessment, there is nothing to collect. Without the ability to collect, they are supposed  
42 to leave you alone.

1 The U.S. Government Accounting Office (GAO) has published some interesting reports that show that even federal  
2 agencies have been completing their Information Returns (IR) improperly and explaining why the returns are incorrect.  
3 Below is a sampling:

- 4 1. *Tax Administration: More can be done to ensure Federal Agencies file Accurate Information Returns (Report # GAO-*  
5 *04-74 )*  
6 <http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/d0474.pdf>
- 7 2. *Data Quality: IRS' Actions to Improve the Accuracy of Non-Wage Income Data Are Vital (Report # GAO/IMTEC-86-*  
8 *17)*  
9 <http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/129831.pdf>

10 You can look at more samples at the link below:

<http://www.gao.gov/>

## 11 **12.2 Instructions For Correcting Erroneous W-2's**

12 Whenever we complete government forms, the first thing to remember is that even the Standard government forms usually  
13 contain false presumptions or statements that will prejudice one's rights and which typically would slip by unnoticed by the  
14 general public. This is especially true of the "words of art" used on the form and the perjury statement at the end of the  
15 government form. For examples of more frequently used "words of art", we refer you to the following two resources:

- 16 1. *Great IRS Hoax, Form #11.302*, Form #11.302, Sections 3.12.1 through 3.12.1.27.  
17 <http://sedm.org/Forms/FormIndex.htm>
- 18 2. *Sovereignty Forms and Instructions Online*, Form #10.004, Cites by Topic Area  
19 <http://famguardian.org/TaxFreedom/FormsInstr-Cites.htm>

20 Therefore, it is usually unwise to use the government's Standard forms, and to instead use a modified or what we call an  
21 "Amended" form. Amended forms are the only kinds of forms we recommend and the [Family Guardian Website](#) contains a  
22 catalog of both the original government forms and the Amended versions below:

*Federal Forms and Pubs*

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormsPubs.htm>

23 Whenever possible, you must use the Amended forms or else you will suffer having your rights unjustly prejudiced by the  
24 government. All of the SEDM response letters which include government forms as exhibits or attachments include blank  
25 Amended, and not Standard, government forms, and you should *not* substitute the Standard government form unless  
26 compelled to do so. See the following for a list of the changes made to the Standard forms to make them into the Amended  
27 forms if you are curious.

<http://sedm.org/ItemInfo/RespLtrs/ChangesStdForms.htm>

28 To give you one glaring example of a TRAP that greedy state lawyers set which should be avoided at all costs, take a look  
29 at the Oregon "Employees Substitute Wage and Tax Statement" form. Notice it has "Taxpayer's Signature" at the end and  
30 "Employee" at the top. There is no way to fill out this form and send it in without creating TWO false presumptions:

- 31 1. That you are an "employee" under 26 U.S.C. §3401(c) and 26 CFR §31.3401(c)-1;
- 32 2. That you are a franchisee called a "taxpayer".

33 The state of Oregon DOES NOT have a substitute form suitable to be submitted by those who claim to be neither  
34 "taxpayers" nor "employees" and who want to zero out false reports by their private employers, who coerced them into  
35 participating because they quite frankly do not want people exiting the fraudulent tax system. WATCH OUT!

1 One last important note about correcting erroneous IRS Form W-2's:

**WARNING!:** If you do not have any earnings in connection with a "[trade or business](#)", you also cannot take any deductions ([26 U.S.C. §162](#)), earned income credit ([26 U.S.C. §32](#)), or apply a graduated rate of tax ([26 U.S.C. §1](#)) if you file a return. All such "privileges" will make you into a person engaged in a "trade or business". The rate on all "[gross income](#)" for those with no earnings connected with a "trade or business" is a flat 30% for Nonresident aliens, as indicated under [26 U.S.C. §871\(a\)](#). This is normally not a big deal, because the only type of "[gross income](#)" that is not specifically identified as connected with a "[trade or business](#)" is Social Security under [26 U.S.C. §861\(a\)\(8\)](#) and you cannot become a [Member](#) without quitting Social Security using the [Resignation of Compelled Social Security Trustee](#), Form #06.002. See the following for details:

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

2 All the above preliminaries now aside, we can get to work showing you how to fill correct erroneous IRS Form W-2's.

### 3 **12.2.1 Form W-2CE: W-2C Replacement for use by workers who are NOT "employees"** 4 **(CUSTOM FORM)**

5 The Social Security Date Processing center may try to tell you that they accept W-2C forms from workers and that the  
6 "employer" must send them. This is a customer form that says it is ONLY for use by the worker instead of the company.  
7 Since the submitter is not an "employee", "employer", "taxpayer", or "U.S. person", the data processing center cannot  
8 regulate or penalize their conduct or tell them they can't use this form.

*Form W-2CE: W-2C replacement for use by workers and not "employers" (CUSTOM)*, Form #04.303  
<http://sedm.org/Forms/FormIndex.htm>

### 9 **12.2.2 Form W-2CC: Certificate of Fraudulent W-2 and Criminal Complaint (CUSTOM** 10 **FORM)**

11 This form looks like the 4852 but serves a totally different purpose not served by any other IRS form we could find:

- 12 1. Unlike the 4852, the form can be used with a 1040NR or equivalent nonresident form. The form specifically says it is  
13 ONLY for use by nonresident aliens who are NOT "individuals", who are "nontaxpayers", and "nonfilers".
- 14 2. Unlike the 4852, does not act as a substitute for the W-2 form, but rather INVALIDATES fraudulent forms. It proves  
15 that submitter of the original forms was notified of the false reports, which makes their continued submission of the  
16 forms not only actionable, but fraudulent beyond that point.
- 17 3. Briefly describes the status of the submitter to ensure that they are not victimized by common [false and injurious](#)  
18 [presumptions](#).
- 19 4. Reserves the rights of the submitter and ensure that they do not forfeit any of their Constitutional rights or waive  
20 sovereign immunity.
- 21 5. Demands correction of the fraudulent IRS Information Return Master File (IRMF) records.
- 22 6. Demands that the submitter of the false information return be first warned and eventually criminally prosecuted by the  
23 IRS.
- 24 7. Protects the submitter from penalties or criminal prosecution. The perjury statement on this form is also consistent  
25 with the nonresident status of the submitter, thus ensuring that they may not be penalized or criminally prosecuted.
- 26 8. Imposes penalties upon the IRS for misuse of the information about the submitter.
- 27 9. Identifies the submitter as a private person not subject to federal law and protected by the constitution and OTHER  
28 than a "public officer".

29 Below is a link to this very important form:

### 12.2.3 IRS Form W-2C: Submit Annually after private employer submits false returns

When employers make a mistake on the IRS Form W-2 that they submit, they use the IRS Form W-2C to correct their mistake. Like the IRS Form W-2 that it corrects, the IRS Form W-2C is:

1. Not signed under penalty of perjury.
2. Because it is not signed under penalty of perjury, it constitutes Hearsay Evidence excludible under the [Hearsay Rule](#), [Federal Rule of Evidence 802](#).

The "C" in the IRS Form W-2C stands for "Corrected". The advantage of using the IRS Form W-2C instead of the IRS Form 4852 are the following:

1. You can file it without filing a tax return. The IRS Form 4852 says it is to be attached to a tax return, which "nontaxpayer" is not supposed to be filing.
2. Because you can file it without filing a tax return, then you can avoid the need to file BEFORE you start receiving collection notices based on the submission of the false IRS Form W-2s filed by your private employer.

Like any other form from the IRS, we recommend using the AMENDED version of the form to remove false presumptions about your status that might connect you to being either a "taxpayer" as defined in [26 U.S.C. §7701\(a\)\(14\)](#) or a "U.S. person" as defined in [26 U.S.C. §7701\(a\)\(30\)](#). Below are the ORIGINAL and AMENDED versions of the form for your reuse, as well as the IRS Instructions for filling out the form.

1. [ORIGINAL IRS Form W-2C](#)  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSFormW2C.pdf>
2. [AMENDED IRS Form W-2C](#)  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSFormW2C-Amend.pdf>
3. [Instructions for filling out IRS Forms W-2C and W-3C](#)  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSFormW2cW3c-Inst.pdf>

The IRS likes to play games with correcting information returns in order to TRAP you into becoming a "taxpayer" and TRAP you into becoming an informant and SPY who is destroying your own privacy. Here are a few of the games we have witnessed:

1. If you submit the IRS Form 4852 WITHOUT an accompanying 1040 or [AMENDED 1040NR](#) return or [Tax Statement](#), then the IRS may tell you that you can't use the 4852 form.
2. If you send them an IRS Form W-2C by itself, they may tell you that only EMPLOYERS are allowed to submit this form.
3. If you send the IRS Form W-2C and you don't print it in COLOR and use OCR scannable fonts and send it to the Social Security Data processing center, they may reject the form and try to penalize you \$50 because the form is not scannable. Therefore please ensure that you print the top copy in color so it is red and ensure that you use the OCR fillable form we provide so that it can be scanned and therefore is not rejected or penalized.
4. If you ask them what for you should submit to them to correct a false IRS Form W-2 WITHOUT filing a tax return, they may either ignore you or refuse to answer your question. This puts you into a condition of being WITHOUT REMEDY for false information returns filed against you. If this happens, ask them how you can prevent being a CRIMINAL pursuant to [26 U.S.C. §7207](#), which says that it is a CRIME to submit or allow to be submitted false information returns. Ask them how you can correct the return WITHOUT filing a tax return and thereby being compelled to be a witness against yourself in violation of the Fifth Amendment prohibition against being compelled to be a witness against yourself.

1 **12.2.4 IRS Form 4852: Submit ONLY with 1040, 1040X, and 1040EZ Tax Return. Not for use**  
2 **with 1040NR.**

3 The IRS Form 4852:

- 4 1. According to the top of the form itself:  
5 1.1. May only be used as an attachment to IRS Forms 1040, 1040A, 1040-EZ, and 1040X.  
6 1.2. May be used to correct only erroneous IRS forms W-2, 1099-R and may NOT be used to correct any other type of  
7 information return.  
8 2. Is a SUBSTITUTE for a W-2 and still implicates that:  
9 2.1. The W-2 is STILL required.  
10 2.2. The submitter STILL earned reportable "wages".  
11 3. The perjury statement on the form places the submitter WITHIN the "United States", which is perjury under penalty of  
12 perjury for a nonresident alien. It would have to be modified to make it correct. See:  
13 3.1. 28 U.S.C. §1746.  
14 3.2. *Nonresident Alien Position*, Form #05.020, Section 14.7  
15 <http://sedm.org/Forms/FormIndex.htm>  
16 4. Provides no way for the submitter to:  
17 4.1. Indicate that a W-2 should not have been filed to begin with because no W-4 was on file.  
18 4.2. Indicate that there was no W-4 on file and therefore the recipient did not earn reportable "wages" pursuant to 26  
19 CFR §31.3402(p)-1 and 26 CFR §31.3401(a)-3(a).  
20 4.3. Request that the IRS prosecute the submitter of the original false W-2 pursuant to 26 U.S.C. §7206(1). Our  
21 Corrected Information Return Attachment Letter does this.

22 Therefore:

- 23 1. The Form 4852 is a "resident" (alien) form, since the 1040 is a resident tax return filed only by "U.S. persons" as  
24 defined in 26 U.S.C. §7701(a)(30).  
25 2. The Form 4852 cannot be used as an attachment to a 1040NR form. There is no way to correct a W-2 report if you are  
26 filing with Form 1040NR. Our members may only file Form 1040NR or a substitute.  
27 3. Our Members, who are all "nonresident aliens" who are NOT "individuals" may *not* use this form to correct false W-2  
28 reports. The Custom W-2Ce referenced herein is preferred.  
29 4. If you disregard the above warning, the submitter may be prosecuted for perjury on either this form or the 1040NR  
30 form if he/she attaches it to a 1040NR. This is because the 1040NR describes the submitter a "nonresident alien" while  
31 the 4852 form makes the submitter a "resident alien". You can't be both at the same time so the submitter is  
32 contradicting and perjuring himself on one of the two forms.

33 Readers who are "taxpayers" are cautioned NOT to use it for any other purpose and that they may be penalized for doing  
34 so. Beginning in Jan. 2007, the IRS placed the following notice on the [IRS Form 4852](#):

**Penalties.** The IRS will challenge the claims of individuals who attempt to avoid or evade their federal tax liability by using Form 4852 in a manner other than as prescribed. Potential penalties for the improper use of Form 4852 include:

- Accuracy-related penalties equal to 20 percent of the amount of taxes that should have been paid,
- Civil fraud penalties equal to 75 percent of the amount of taxes that should have been paid, and
- A \$5,000 civil penalty for filing a frivolous return or submitting a specified frivolous submission as described by section 6702 of the Internal Revenue Code.

35 The above notice is fraudulent, because The term "you" in the form is not defined and does not apply to "nontaxpayers" not  
36 subject to the I.R.C. The I.R.S. "conveniently" doesn't tell you this on the form, because they want to terrorize  
37 "nontaxpayers" into joining their fraudulent activities out of fear, rather than informed consent. See the following for  
38 details:

*Who are "Taxpayers" and Who Needs a "Taxpayer Identification Number"?*, Form #05.013  
<http://sedm.org/Forms/FormIndex.htm>

1 "Revenue Laws relate to taxpayers [instrumentalities, officers, employees, and elected officials of the Federal  
2 Government] and not to non-taxpayers [American Citizens/American Nationals not subject to the exclusive  
3 jurisdiction of the Federal Government]. The latter are without their scope. No procedures are prescribed for  
4 non-taxpayers and no attempt is made to annul any of their Rights or Remedies in due course of law. With them  
5 [non-taxpayers] Congress does not assume to deal and they are neither of the subject nor of the object of  
6 federal revenue laws."  
7 [[Economy Plumbing & Heating v. U.S., 470 F.2d. 585 \(1972\)](#)]

8 Readers are also cautioned that the penalty provisions of the I.R.C. found in [I.R.C. Section 6702](#) were recently updated in  
9 2006 and that the online versions in many sources are out of date. I.R.C. Section 6702 originally imposed a civil penalty of  
10 \$500 instead of a \$5,000 penalty. However, this section was updated by [Pub.Law 109-432, Title IV, Section 407\(a\)](#) to  
11 increase the penalty amount to \$5,000. Below is an annotated version of this statute for your edification:

[26 U.S.C.A. §6702](#)

12 Currently, the top of the form describes at the top the only approved uses for the form as follows:

13 "Attach to Form 1040, 1040A, 1040-EZ, and 1040X"

14 Conspicuously absent are IRS Forms 1040NR-EZ and 1040NR. Apparently, they don't want nonresident aliens to use this  
15 form for a remedy who have been the victim of false information returns. What do they expect nonresident aliens not  
16 engaged in a "trade or business" who have false reports filed against them to use, which is MOST Americans? If they cared  
17 about this group, they would at least direct them to another form they could use, but their silence is telling. By this willful  
18 omission, they are depriving this group of equal protection of the law and a remedy, and nonresident aliens domiciled in  
19 states of the Union are the main people, ironically, that the IRS and the federal government were created to serve and  
20 protect in the first place. It's pretty obvious that our income tax system is *not* a "public use" or a "government function",  
21 but a private business, because they would assure equal protection to all, including nonresident aliens, if it were a "public  
22 use. This explains why [the IRS, according to the DOJ, is NOT an agency of the United States government](#). See the  
23 following for details on this scam:

[Public v. Private Employment: You Really Work for Uncle Sam if you Receive Federal Benefits](#)  
<http://famguardian.org/Subjects/Taxes/Remedies/PublicVPrivateEmployment.htm>

24 Therefore, if you want to correct an erroneous IRS Form W-2 sent by the private employer and attach the correction to  
25 anything BUT a resident (alien) tax 1040 return, you should either use Form W-2CC, IRS Form W-2C, or provide an  
26 affidavit or substitute form of your own making instead. In order to avoid the above exorbitant penalty when using the IRS  
27 Form 4852 in its proper way, we suggest the following options:

- 28 1. Use IRS Form W-2C instead. Members may not use the 4852 form because they are not "residents" but "nonresident  
29 aliens:.
- 30 2. If you are FORCED to use this form, use the [SUBSTITUTE IRS Form 4852](#) provided below. This form is not an IRS  
31 Form and therefore is not subject to penalty for misuse. IRS can only penalize for misuse of THEIR forms. It has a  
32 notice that penalties are not allowed because it is not a standard form.
- 33 3. Attach the following form to the filing:

[Tax Form Attachment, Form #04.201](#)  
<http://sedm.org/Forms/FormIndex.htm>

- 34 4. Emphasize that you are a "[nonresident alien](#)" who is not an "individual", not engaged in a "[trade or business](#)", with no  
35 earnings from the "[United States](#)", whose estate is a "foreign estate" as per [26 U.S.C. §7701\(a\)\(31\)](#), and who is  
36 specifically exempted from receipt of "gross income", withholding, backup withholding, and reporting as per the  
37 following:
  - 38 4.1. [26 U.S.C. §861\(a\)\(3\)\(C\)\(i\)](#)
  - 39 4.2. [26 U.S.C. §1402\(b\)](#)
  - 40 4.3. [26 U.S.C. §3401\(a\)\(6\)](#).
  - 41 4.4. [26 U.S.C. §3406\(g\)](#).
  - 42 4.5. [26 CFR §31.3406\(a\)\(6\)-1\(b\)](#)
  - 43 4.6. [26 CFR §31.3406\(g\)-1\(e\)](#)
  - 44 4.7. [26 CFR §1.872-2\(f\)](#)

45 For further details on the status of being a "nonresident alien", see:

5. If the information return you are rebutting is an IRS Form W-2, emphasize that the only way you can earn "wages" as legally defined is to voluntarily submit an IRS Form W-2 and that the employers information return is FALSE because you did not consent, as required by the following. Emphasize that the correct amount should be ZERO because the regulations below only allow amounts to be reported that are the subject of a voluntary withholding agreement:

5.1. [26 U.S.C. §3402\(p\)](#)

[TITLE 26 > Subtitle C > CHAPTER 24 > § 3402](#)  
[§ 3402. Income tax collected at source](#)

(p) Voluntary withholding agreements

(I) Certain Federal payments

(A) In general

If, at the time a specified Federal payment is made to any person, a request by such person is in effect that such payment be subject to withholding under this chapter, then for purposes of this chapter and so much of subtitle F as relates to this chapter, such payment shall be treated as if it were a payment of wages by an employer to an employee.

(B) Amount withheld

The amount to be deducted and withheld under this chapter from any payment to which any request under subparagraph (A) applies shall be an amount equal to the percentage of such payment specified in such request. Such a request shall apply to any payment only if the percentage specified is 7 percent, any percentage applicable to any of the 3 lowest income brackets in the table under section 1 (c), or such other percentage as is permitted under regulations prescribed by the Secretary.

(C) Specified Federal payments

For purposes of this paragraph, the term "specified Federal payment" means—

(i) any payment of a social security benefit (as defined in section 86 (d)),

(ii) any payment referred to in the second sentence of section 451 (d) which is treated as insurance proceeds,

(iii) any amount which is includible in gross income under section 77 (a), and

(iv) any other payment made pursuant to Federal law which is specified by the Secretary for purposes of this paragraph.

(D) Requests for withholding

Rules similar to the rules that apply to annuities under subsection (o)(4) shall apply to requests under this paragraph and paragraph (2).

(2) Voluntary withholding on unemployment benefits

If, at the time a payment of unemployment compensation (as defined in section 85 (b)) is made to any person, a request by such person is in effect that such payment be subject to withholding under this chapter, then for purposes of this chapter and so much of subtitle F as relates to this chapter, such payment shall be treated as if it were a payment of wages by an employer to an employee. The amount to be deducted and withheld under this chapter from any payment to which any request under this paragraph applies shall be an amount equal to 10 percent of such payment.

(3) Authority for other voluntary withholding

The Secretary is authorized by regulations to provide for withholding—

(A) from remuneration for services performed by an employee for the employee's employer which (without regard to this paragraph) does not constitute wages, and

(B) from any other type of payment with respect to which the Secretary finds that withholding would be appropriate under the provisions of this chapter, if the employer and employee, or the person making and the person receiving such other type of payment, agree to such withholding. Such agreement shall be in such form and manner as the Secretary may by regulations prescribe. For purposes of this chapter (and so much of subtitle F as relates to this chapter), remuneration or other payments with respect to which such agreement is made shall be treated as if they were wages paid by an employer to an employee to the extent that such remuneration is paid or other payments are made during the period for which the agreement is in effect.

5.2. [26 CFR §31.3402\(p\)-1](#)

Title 26: Internal Revenue

[PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE](#)

[Subpart E—Collection of Income Tax at Source](#)

[Sec. 31.3402\(p\)-1 Voluntary withholding agreements.](#)

(a) In general.

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

9 (b) Form and duration of agreement

10 (2) An agreement under section 3402 (p) shall be effective for such period as the employer and employee  
11 mutually agree upon. **However, either the employer or the employee may terminate the agreement prior to the**  
12 **end of such period by furnishing a signed written notice to the other.** Unless the employer and employee agree  
13 to an earlier termination date, the notice shall be effective with respect to the first payment of an amount in  
14 respect of which the agreement is in effect which is made on or after the first "status determination date"  
15 (January 1, May 1, July 1, and October 1 of each year) that occurs at least 30 days after the date on which the  
16 notice is furnished. If the employee executes a new Form W-4, the request upon which an agreement under  
17 section 3402 (p) is based shall be attached to, and constitute a part of, such new Form W-4.

18 5.3. [26 CFR §31.3401\(a\)-3\(a\)](#)

19 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

20 (a) In general.

21 **Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations**  
22 **thereunder, the term "wages" includes the amounts described in paragraph (b)(1) of this section with respect**  
23 **to which there is a voluntary withholding agreement in effect under section 3402(p).** References in this  
24 chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section  
25 (§31.3401(a)-3).

26 (b) Remuneration for services.

27 (1) Except as provided in subparagraph (2) of this paragraph, **the amounts referred to in paragraph (a) of this**  
28 **section include any remuneration for services performed by an employee for an employer which, without**  
29 **regard to this section, does not constitute wages under section 3401(a).** For example, remuneration for  
30 services performed by an agricultural worker or a domestic worker in a private home (amounts which are  
31 specifically excluded from the definition of wages by section 3401(a) (2) and (3), respectively) are amounts with  
32 respect to which a voluntary withholding agreement may be entered into under section 3402(p). See  
33 §§31.3401(c)-1 and 31.3401(d)-1 for the definitions of "employee" and "employer".

34 6. Ask the IRS to:

35 6.1. Use the above penalty against the person who submitted the wrong form to being with, so these erroneous reports  
36 are no longer filed.

37 6.2. Institute a criminal investigation against the submitter for providing false information returns, pursuant to [26](#)  
38 [U.S.C. §7207](#).

39 7. Attach our free memorandums of law below explaining WHY you are not engaged in a "[trade or business](#)" and ask  
40 them to rebut it:

[The "Trade or Business" Scam](#), Form #05.001  
<http://sedm.org/Forms/FormIndex.htm>

41 8. Attach an "Affidavit of Duress" indicating that the private employer or business associate threatened to either not hire  
42 you or fire you if you did either of the following:

43 8.1. Refused to submit an IRS Form W-2 or/and. . .

44 8.2. Submitted an IRS Form W-8BEN instead of an IRS Form W-2. See: [About IRS Form W-8BEN, Form #04.202](#)  
45 for details.

46 9. Attach a copy of the certified correspondence you sent to the submitter of the false information returns showing that  
47 you tried to get them to correct it and they refused.

48 10. Emphasize to the IRS that they may only institute penalties against employees and officers of corporation and  
49 partnership that are part of the federal government. See or attach the following to your correspondence as explanation  
50 if you have to:

51 10.1. [IRS Due Process Meeting Handout](#), Form #03.005

52 <http://sedm.org/Forms/FormIndex.htm>

**WARNING:** If you do not emulate our approach as a Member and continue using IRS Form 4852 instead of the W-2C, W-2CC, you risk being criminally prosecuted by the DOJ under 26 U.S.C. §7206(1). The most famous person who was the victim of this terrorist tactic by the government was Pete Hendrickson (<http://losthorizons.com>), who was indicted on Nov. 13, 2008 on ten counts of fraudulent filing of information returns under 26 U.S.C. §7206(1). If you want to avoid this kind of an indictment, its best to follow the procedures later in Section 18 to ensure that your administrative record is filled with exculpatory evidence and even a similar criminal complaint against the filer of these false reports and the IRS. For instance, using the Form W-2CC described in section 12.2.2 is a very effective method to immunize oneself from such persecution by a corrupted government by making THEM the target of the prosecution instead of you.

Below is a link to both the Standard and Amended IRS Form 4852, so you can compare and see the differences for yourself. The forms listed are electronically fillable with the free Acrobat Reader so that you can customize them to your own needs.

1. [STANDARD IRS form 4852](http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4852.rtf) in MS Word Format- roll your own!
2. [STANDARD IRS Form 4852](http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4852.pdf)- off IRS Website
3. [AMENDED IRS Form 4852](http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4852-Amended.pdf)- modified to remove false presumptions.
4. [SUBSTITUTE IRS Form 4852](http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4852-Substitute.pdf)- removes IRS info, Catalog number, and OMB number. Clearly identifies itself as a SUBSTITUTE form so that it is not mistaken for the original form and thereby subject to penalty for misuse. Also has a modified penalty statement emphasizing that penalties are NOT allowed because it is NOT an IRS Form.

Remember the following requirements for the IRS Form 4852:

1. One 4852 form must be filled out for EACH [Form W-2](#) or [Form 1099](#) that was wrongfully filed on you, and must include all the information about the original organization that made the report.
2. If you don't have a "Taxpayer Identification Number" and only have a "Social Security Number", do NOT write the SSN on the 4852 form because it is not a "[Taxpayer Identification Number](#)" and if you don't consent to participate in the donation program called the Internal Revenue Code, then you shouldn't be volunteering any information that would allow them to conclude that you consented.
3. Do NOT attach or send in the original [Form W-2](#) or [Form 1099](#) that your financial institution or employer gave you, because they are wrong and will just confuse the IRS or state revenue agency. Give them ONLY the substitute form and make it hard for them to even see the false information on the original reports.
4. The 4852 is filled out with all the *same information* as what was on the original W-2 or 1099, including "[taxes](#)" paid, but the "[income](#)", "wages", "taxable income", etc blocks will be "zero" in items 7(A)(a) through 7(A)(e) and 7(B)(1) through 7(B)(3). Only the SSN is removed from the 4852 because it is *not* authorized under [26 CFR §301.6109-1\(d\)\(3\)](#) because you are not an "alien".
5. If you don't have the original erroneous 1099 and [W-2](#) reports, then you won't have anything you can start with to transfer numbers onto the 4852. In that case, fill out one form for each tax year and each institution or employer, and put as much information as you have about the institution on the form, and indicate under items 7(A)(a) through 7(A)(e) and 7(B)(1) through 7(B)(3) the amount "zero".
6. Under block 8, entitled "8. How did you determine the amounts in item 7 above?" put the following, or say "See signed attachment" and there put:

*"Recipient does not have a voluntary withholding agreement in place, and therefore does not earn "wages" as legally defined under [26 CFR §31.3401\(a\)-3\(a\)](#). The amounts reported on the W-2 should not have been reported at all, and even if a form had been sent in, Block 1 of the W-2 (wages, tips, and other compensation) should have been zero. He is also a [nonresident alien](#) not engaged in a "[trade or business](#)" as defined in [26 U.S.C. §7701\(a\)\(26\)](#) who is [domiciled](#) and who works outside the [United States](#) and outside of federal jurisdiction and therefore not subject to [Subtitle A of the Internal Revenue Code](#) and not required to make any gross income reports. [26 U.S.C. §864\(b\)\(1\)\(A\)](#) says his earnings are not reportable or taxable. Payer was illegally coerced to file fraudulent W-2/1099 against recipient. If you disagree, please completely rebut the evidence within ten days at:*

*[SOURCE: <http://sedm.org/Forms/Discovery/TestForStateTaxProfessionals.pdf>]*

1 *or you agree with us and are estopped from future disputes over these facts.*

- 2 7. Under block 9, entitled "9. Explain your efforts to obtain Form W-2, 1099-R, or W-2c, Statement of Corrected Income  
3 and Tax Amounts." put the following or say "See signed attachment" and there put:

4 *"Payer was irrational and unwilling to discuss the law and the evidence backing up my believes because under  
5 illegal duress by the IRS. I do not consent to his undefended or unjustified beliefs, which are nothing but  
6 religion until defended with evidence and law available at.*

7 <http://famguardian.org/TaxFreedom/Forms/Discovery/Deposition/Deposition.htm>

8 *If you disagree, please rebut the overwhelming evidence above within ten days. Any admissions you do not  
9 address shall be admitted.*

10 You can use our Corrected Information Return Attachment Letter mentioned in section 5 earlier to correct erroneous form  
11 W-2's.

12 Some states have their own substitutes for the IRS Form 4852. These substitutes must be used when you are filing state  
13 income taxes, but accomplish the same affect as the IRS Form 4852. For instance, the California Franchise Tax Board  
14 (FTB) uses the form 3525 as a substitute for the IRS Form 4852. Your state may also have an equivalent substitute form.  
15 If your state does not have a 4852 substitute form and you are corresponding with a state revenue agency, then its best to  
16 provide either a corrected Forms W-2 or 1099, or to use the IRS Form 4852 to correct erroneous reports of gross income.  
17 The decision is yours. If you would like more information about the tax laws of a specific state, see the link below:

- 18 1. [State Income Taxes](http://famguardian.org/Subjects/Taxes/Research/StateIncomeTaxes.htm)  
19 <http://famguardian.org/Subjects/Taxes/Research/StateIncomeTaxes.htm>  
20 2. [State Tax Forms](http://www.taxadmin.org/fta/link/forms.html)  
21 <http://www.taxadmin.org/fta/link/forms.html>

## 22 **12.2.5 IRS Form 4598: Submit to Private Employer to get him to permanently correct reporting**

23 IRS makes one other form that serves the same purpose as the form 4852, and this is the IRS Form 4598, which is called  
24 "**Form W-2, 1099, 1098, or 1099 Not Received, Incorrect or Lost**". The form is typically is sent out to private employers  
25 by the IRS when a person reports that the W-2 amounts are incorrect from their employer, but it can also be sent directly to  
26 either the IRS or the employer by the individual as well. Below is the description of this form from the IRS Published  
27 Products Catalog, Document 7130, 2003 Edition:

28 *4598 23205B Set*  
29 *04/2002 Use/Issue Prev Issue First*  
30 *Form W-2 or 1099 Not received Incorrect or lost*

31 *Form 4598 is a two-part form. Part 1 is sent to the employer or payer requesting issuance of Form W-2 or*  
32 *1099. Part 2 is sent to the employee or payee to show action IRS is taking to help them obtain this information.*  
33 *W:CAS:AM:PPG Tax Related Public Use*

34 This form is NOT available on the IRS website and is VERY difficult to get a copy of. This is not a mistake, but a  
35 deliberate attempt by the IRS to deprive you of a remedy for illegal efforts by private employers to criminally compel you  
36 into economic servitude to the government. Below are the ORIGINAL and AMENDED IRS Forms for your reuse.

- 37 1. [ORIGINAL Form 4598](http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4598.pdf)  
38 <http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4598.pdf>  
39 2. [AMENDED IRS Form 4598](http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4598-Amended.pdf) that removes false presumptions and makes you a "nontaxpayer" instead of a "taxpayer"  
40 <http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4598-Amended.pdf>  
41 3. See the following for information about this form from the Federal Register  
<http://sedm.org/Forms/Tax/FormW2/W2-4598FormReview-FR-010413.pdf>

42 The reason that IRS does not make this form available on their website is because it is VERY effective in zeroing out false  
43 reports of earned "wages" from IRS computer systems and thereby stopping collection actions related to the false reports.  
44 IRS estimates that over 850,000 copies of the form are received yearly by them, even though they don't make the form  
45 available on their website. You can request a copy of this form from:

The above distribution center may give you a hard time about providing the form and hem and haw on the phone when you ask for it. I wonder why? (Hee..Hee..Heee!) However, they will eventually mail it to you if you ask for it based on several reports.

### 12.3 Examples

Below are some example documents to help show you how to fill out the 4852 to correct an erroneous IRS Form W-2. Note that you should not use this form to correct an erroneous 1099-MISC or any 1099 other than the 1099-R.

<i>IRS Form sent in by institution</i>	<i>Example completed original form</i>	<i>Example Amended 4852 replacement</i>
<a href="#">Form W-2</a>	<a href="#">W-2 example</a>	<a href="#">4852 Replacement for W-2</a>

### 12.4 Further reading and research

1. Income Tax Withholding and Reporting Course, Form #12.004  
<http://sedm.org/Forms/FormIndex.htm>
2. Demand for Verified Evidence of "Trade or Business" Activity: Information Return, Form #04.006-SEDM  
<http://sedm.org/Forms/FormIndex.htm>
3. Federal and State Tax Withholding Options for Private Employers, Form #04.101 -Family Guardian Website, pamphlet entitled  
<http://sedm.org/Forms/FormIndex.htm>
4. Certification of Federal Privileged Status, Form #04.211-use this to establish evidence from your private employer that you are not engaged in a "trade or business" or any other federally privileged status.  
<http://sedm.org/Forms/FormIndex.htm>
5. IRS Publication 15, Circular E: Employers Tax Guide -IRS website  
<http://www.irs.gov/pub/irs-pdf/p15.pdf>
6. Instructions for Forms 1099, 1098, 5498, and W-2G -IRS Website  
<http://www.irs.gov/pub/irs-pdf/i1099.pdf>
7. Information Returns Processing -IRS website
8. Information Returns Filing Chart -IRS website  
<http://www.irs.gov/taxpros/content/0,,id=98185,00.html>
9. Internal Revenue Manual, 20.1.7: Information Return Penalties -IRS Website  
<http://www.irs.gov/irm/part20/ch01s12.html>
10. Federal Income Tax Withholding -IRS Website. Note that withholding only authorized on nonresident aliens for earnings connected to a "trade or business"  
<http://www.irs.gov/businesses/small/international/article/0,,id=104923,00.html>
11. Taxation of Nonresident Aliens -IRS Website  
<http://www.irs.gov/businesses/small/international/article/0,,id=96477,00.html>
12. IRS Publication 3609: Information Returns Electronically-IRS website  
<http://www.irs.gov/pub/irs-pdf/p3609.pdf>
13. Sovereignty Forms and Instructions Online, Form #10.004, Cites by Topic: IRS Form W-2 -Family Guardian Website  
<http://famguardian.org/TaxFreedom/CitesByTopic/W2.htm>
14. Sovereignty Forms and Instructions Online, Form #10.004, Instruction 4.13: Stop employer withholding of Income Taxes - Family Guardian Website  
<http://famguardian.org/TaxFreedom/FormsInstr.htm>
15. 26 U.S.C. §7434. Civil damages for fraudulent filing of information returns  
[http://www4.law.cornell.edu/uscode/html/uscode26/usc\\_sec\\_26\\_00007434----000-.html](http://www4.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00007434----000-.html)
16. Fraudulent Withholding Exemption Certificate, Criminal Tax Manual 2001, Section 11.00 -U.S. Dept. of Justice  
<http://www.usdoj.gov/tax/readingroom/2001ctm/11ctax.htm>

## 13 Correcting Erroneous IRS Form 1042's

### 13.1 Why We Must Correct Erroneous 1042s

The only parties who can use this website are "nonresident aliens" not engaged in a "[trade or business](#)" who use IRS Form W-8BEN to control their withholding. [IRS Publication 515, entitled "Withholding of Tax on Nonresident Aliens and Foreign Corporations", year 2000, says the following on page 3:](#)

*"Foreign persons who provide Form W-8BEN, Form W-8ECI, or Form W-8EXP (or applicable documentary evidence) **are exempt from backup withholding and Form 1099 reporting.**"*  
[\[IRS Publication 515, Year 2000, p. 3\]](#)

The backup withholding they are talking about above includes that indicated in the IRS' website for "[nonresident aliens](#)"

#### TIN Requirement

*Generally, if a Taxpayer Identification Number (TIN) is not provided on Form 1042-S, the withholding agent must apply tax at a rate of 30% (30.00). The TIN, name, and address of the recipient are required to be entered on the annual information forms for identification of the payee.*

[. . .]

#### Completion of Withholding Certification

*Unless there is an exception, any withholding agent who receives a Form 8233 or, generally, a W-8BEN without a payee TIN for the purpose of claiming a tax treaty benefit is not allowed to grant that benefit until a proper Form 8233 or W-8 BEN that does report the payee's TIN is received. In short, this means that, in the case of payments to nonresident aliens, if an NRA does not report his/her TIN to the withholding agent or does not meet an exception, the withholding agent is required to withhold 30% federal income tax on the payment(s) and the NRA is not entitled to any tax treaty benefit until a TIN is provided.*

*[SOURCE: <http://www.irs.gov/businesses/small/international/article0,,id=132273.00.html>]*

Note the careful wording of the last paragraph above. A nonresident alien wanting to claim an "exemption" of "gross income" under a treaty MUST provide a TIN, whether they submit IRS Form 8233 or Form W-8BEN. This situation could only apply to a statutory "[U.S. citizen](#)" pursuant to [8 U.S.C. §1401](#) or "resident alien" pursuant to [26 U.S.C. §7701\(b\)\(1\)\(A\)](#) when abroad pursuant to [26 U.S.C. §911](#). It would NOT apply to:

1. A person who was not abroad pursuant to [26 U.S.C. §911](#), such as a nonresident alien domiciled in a state of the Union or any place **not** within the federal zone.
2. A person who, even though abroad pursuant to [26 U.S.C. §911](#), is not claiming an "exemption" of "gross income" by virtue of a tax treaty with a foreign nation.
3. A person who does not have a "Taxpayer Identification Number".
  - 3.1. A "[Social Security Number](#)" is NOWHERE defined in [26 U.S.C. §6109](#) as a "[Taxpayer Identification Number](#)". Yes, [26 U.S.C. §6109\(d\)](#) *does* authorize the use of SSN's as an "identifying number", but nowhere are they authorized or required to be used as a "[Taxpayer Identification Number](#)". The top of [IRS Form W-7](#), in fact, says "For use by individuals who are not U.S. citizens or nationals", which is exactly what an "alien" is. Pursuant to [26 CFR §301.6109-1\(d\)-3](#) and [IRS Form W-7](#), only "aliens" may lawfully be issued "Taxpayer Identification Numbers". [26 U.S.C. §7701\(a\)\(41\)](#) makes an SSN equivalent to a "TIN", but nowhere is a TIN made equivalent to a "Taxpayer Identification Number". The reason they didn't do this is that they cannot make you into a "Taxpayer" under I.R.C. Subtitle A without your consent. See the following for details:  

<http://famguardian.org/Subjects/Taxes/Articles/TaxpayerVNontaxpayer.htm>
  - 3.2. SSNs are issued pursuant to [20 CFR §422.104](#) to statutory "[U.S. citizens](#)" as defined in [8 U.S.C. §1401](#) and statutory "[resident aliens](#)" as defined in [26 U.S.C. §7701\(b\)\(1\)\(A\)](#). Statutory "[U.S. citizens](#)" and "aliens" are not interchangeable groups unless the "U.S. citizen" is abroad and coming under a tax treaty with a foreign country and the IRS has no statutory or regulatory authority to convert an SSN into a "Taxpayer Identification Number". In fact, their Individual Master File (IMF) has a "VAL" field used by the computer to indicate that the number being used is NOT A VALID TIN issued pursuant to an IRS Form W-9, and when this happens, the IRS isn't

1 even allowed to lawfully use any of the information in the master file because it is INVALID. See the following  
2 for details:

Master File Decoder

<http://sedm.org/ItemInfo/Programs/MFDecoder/MFDecoder.htm>

3 We remind our readers that:

- 4 1. Only [Members](#) may use this website, and that all [Members](#) are "[nonresident aliens](#)" not engaged in a "[trade or](#)  
5 [business](#)" and who have no earnings from the "[United States](#)" (U.S. government) and who therefore do not need and  
6 should not claim the benefit of any tax treaty, because they do not earn "gross income" within the meaning of [26](#)  
7 [U.S.C. §871](#).
- 8 2. ***BOTH*** the [IRS Form 8233](#) (Part II, blocks 11-18) ***AND*** [IRS Form W-8BEN](#) (Part II, blocks 9-10) have a place to claim  
9 an "exemption" of "gross income" based on a tax treaty, and those who check these blocks and thereby avail  
10 themselves of the "privileges" (financial subsidies) associated with said treaty to reduce their ACTUAL tax liability are  
11 the ONLY ones required to provide a TIN. For all others, a TIN is optional AND the person filling out the IRS Form  
12 1042-S CANNOT and SHOULD NOT do backup withholding.
- 13 3. You can investigate the requirement for backup withholding further by reading our free training course below, which is  
14 item #3.10 in our [Liberty University](#):  
15 [Income Tax Withholding and Reporting Course](#), Form #12.004  
16 <http://sedm.org/Forms/FormIndex.htm>

17 The fact that "[nonresident aliens](#)" not engaged in a "[trade or business](#)" are not subject to withholding, including that  
18 mentioned above, is further reiterated both in the statutes, regulations, and even in the Form 1042-S Instructions themselves  
19 below:

- 20 1. IRS Form 1042-S Instructions:

21 **Who Must File**

22 *Every withholding agent (defined on page 2) must file an information return on Form 1042-S to report amounts*  
23 *paid during the preceding calendar year that are described under Amounts Subject to Reporting on Form 1042-*  
24 *S on page 4. **However, withholding agents who are individuals are not required to report a payment on Form***  
25 ***1042-S if they are not making the payment as part of their trade or business and no withholding is required***  
26 ***to be made on the payment.***

27 *[IRS Form 1042-S Instructions, Year 2006, p. 2]*

- 28 2. IRS Form 1042-S itself:

29 **U.S. Income Tax Filing Requirements**

30 *Every [nonresident alien individual](#), nonresident alien fiduciary, and foreign corporation with [United States](#)*  
31 *income, including income that is effectively connected with the conduct of a [trade or business](#) in the [United](#)*  
32 *[States](#), must file a [United States](#) income tax return. However, no return is required to be filed by a nonresident*  
33 *alien individual, nonresident alien fiduciary, or a foreign corporation if such person was not engaged in a [trade](#)*  
34 *[or business](#) in the [United States](#) at any time during the tax year and if the tax liability of such person was fully*  
35 *satisfied by the withholding of United States tax at the source. (Corporations file Form 1120-F; all others file*  
36 *Form 1040NR(or Form 1040NR-EZ if eligible).) You may get the return forms and instructions at any [United](#)*  
37 *States Embassy or consulate or by writing to: National Distribution Center, P.O. Box 8903, Bloomington,*  
38 *IL61702-8903, U.S.A.*

39 *[IRS Form 1042-s, Year 2006, p. 3]*

- 40 3. IRS Publication 519 says that earnings of a nonresident alien from without the "[United States](#)" [federal  
41 government/territory] that is not connected with a "[trade or business](#)" is not taxable.

42 **Income Subject to Tax**

43 **Income from sources outside the United States that is not effectively connected with a trade or business in**  
44 **the United States is not taxable if you receive it while you are a nonresident alien.** *The income is not taxable*  
45 *even if you earned it while you were a resident alien or if you became a resident alien or a U.S. citizen after*  
46 *receiving it and before the end of the year.*

47 *[IRS Publication 519, Year 2000, p. 26]*

- 1 4. 26 U.S.C. §871(b)(2) says that only earnings connected with a "trade or business" are taxable on a 1040 form, ALL OF  
2 WHICH refers to sections 1 and 55 of Title 26:

3 *TITLE 26--INTERNAL REVENUE CODE*  
4 *Subtitle A--Income Taxes*  
5 *CHAPTER 1--NORMAL TAXES AND SURTAXES*  
6 *Subchapter N--Tax Based on Income From Sources Within or Without the United States*  
7 *PART II--NONRESIDENT ALIENS AND FOREIGN CORPORATIONS*  
8 *Subpart A--Nonresident Alien Individuals*  
9 *Sec. 871. Tax on nonresident alien individuals*

10  
11 *(b) Income connected with United States business--graduated rate of tax*  
12 *(1) Imposition of tax*  
13 *A nonresident alien individual engaged in trade or business within the United States during the taxable year*  
14 *shall be taxable as provided in section 1 or 55 on his taxable income which is effectively connected with the*  
15 *conduct of a trade or business within the United States.*  
16 *(2) Determination of taxable income*  
17 **In determining taxable income for purposes of paragraph (1), gross income includes only gross income**  
18 **which is effectively connected with the conduct of a trade or business within the United States.**

- 19 5. 26 CFR §31.3401(a)(6)-1 says that nonresident aliens whose earnings originate from outside the statutory "United  
20 States\*\*" (federal territory) or which are not connected with a "trade or business" are not subject to withholding:

21 *Title 26*  
22 *PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE*  
23 *Subpart E—Collection of Income Tax at Source*  
24 *§ 31.3401(a)(6)-1 Remuneration for services of nonresident alien individuals.*

25 *(a) In general.*

26 *All remuneration paid after December 31, 1966, for services performed by a nonresident alien individual, if*  
27 **such remuneration otherwise constitutes wages within the meaning of §31.3401(a)-1 and if such**  
28 **remuneration is effectively connected with the conduct of a trade or business within the United States, is**  
29 **subject to withholding under section 3402 unless excepted from wages under this section.** *In regard to wages*  
30 *paid under this section after February 28, 1979, the term "nonresident alien individual" does not include a*  
31 *nonresident alien individual treated as a resident under section 6013 (g) or (h).*

32 *(b) Remuneration for services performed outside the United States.*

33 **Remuneration paid to a nonresident alien individual (other than a resident of Puerto Rico) for services**  
34 **performed outside the United States is excepted from wages and hence is not subject to withholding.**

- 35 6. 26 U.S.C. §3406(g) and 26 CFR §31.3406(g)-1(e) both say that foreign persons (which includes "nonresident aliens")  
36 are not subject to backup withholding or information reporting

37 *TITLE 26 > Subtitle C > CHAPTER 24 > § 3406*  
38 *§ 3406. Backup withholding*

39 *(g) Exceptions*

40 *(1) Payments to certain payees Subsection (a) shall not apply to any payment made to— (A) any organization or*  
41 *governmental unit described in subparagraph (B), (C), (D), (E), or (F) of [section 6049](#) (b)(4), or (B) any other*  
42 *person specified in regulations.*

43 *(2) Amounts for which withholding otherwise required Subsection (a) shall not apply to any amount for which*  
44 *withholding is otherwise required by this title.*

- 45 7. 26 CFR §31.3121(b)-3 says that persons working outside the statutory "United States\*\*" (federal territory) are not  
46 involved in "employment" under Subtitle C of the Internal Revenue Code

47 *Title 26: Internal Revenue*  
48 *PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE*  
49 *Subpart B—Federal Insurance Contributions Act (Chapter 21, Internal Revenue Code of 1954)*  
50 *General Provisions*  
51 *§31.3121(b)-3 Employment; services performed after 1954.*

1 "(c) Services performed outside the United States—

2 (1) In general.

3 Except as provided in paragraphs (c)(2) and (3) of this section, services performed outside the United States  
4 [federal territory as defined in 26 U.S.C. §7701(a)(9) and (10) and 4 U.S.C. §110(d)] (see §31.3121(e)-1) do  
5 not constitute employment."

6 There are LOTS more citations like those above, which you can read below:

About IRS Form W-8BEN, Form #04.202  
<http://sedm.org/Forms/FormIndex.htm>

7 What the IRS "conveniently" overlooks and omits and refuses to mention in their article, to their own unlawful financial  
8 benefit we might add, are the following provisions within the I.R.C.:

- 9 1. That a nonresident aliens who submit IRS Form W-8BEN to the withholding agent can exempt themselves from  
10 backup withholding. See [IRS Pub 515](#) above.
- 11 2. That the only way you can be subject to involuntary backup withholding is if you claim financial benefits called  
12 "exemptions" from a tax treaty. See the following article on the IRS website pointed out at the beginning of this page:  
13 <http://www.irs.gov/businesses/small/international/article/0,,id=132273,00.html>
- 14 3. The term "U.S. sources" is legally defined as ONLY "[income](#)" originating from within federal territory or the U.S.  
15 Government. [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10), [26 U.S.C. §7701\(a\)\(39\)](#), and [26 U.S.C. §7408\(d\)](#) all confirm that  
16 [I.R.C. Subtitle A](#) is really a tax upon instrumentalities of the U.S. government in the District of Columbia.
- 17 4. That there is no reason to withhold on a person who has no tax liability. 26 CFR §1.871-2(f) says that "nonresident  
18 aliens" with no "[trade or business](#)" earnings have no tax liability.
- 19 5. Involuntary backup withholding pursuant to [26 U.S.C. §3401](#) is only authorized on "nonresident aliens" engaged in a  
20 "trade or business" and may NOT be lawfully instituted against those NOT engaged in a "trade or business".
- 21 6. The IRS Form 1042 is an "information return". [26 U.S.C. §6041](#) says that information returns may ONLY be  
22 completed in the case of transactions connected with a "[trade or business](#)", which is defined in [26 U.S.C. §7701\(a\)\(26\)](#)  
23 as "the functions of a [public office](#)".
- 24 7. Few nonresident aliens domiciled in states of the Union are actually engaged in a "public office"/"trade or business",  
25 and therefore few qualify for the filing of information returns. Those "nonresident aliens", in fact, who are not engaged  
26 in a "[trade or business](#)" are identified as a "foreign estate" in [26 U.S.C. §7701\(a\)\(31\)](#), none of whose earnings are  
27 subject to tax OR withholding of any kind.
- 28 8. Private companies are *not* lawfully allowed to act as "withholding agents" as defined in [26 U.S.C. §7701\(a\)\(16\)](#) and  
29 pursuant to [26 U.S.C. §1461](#). A party can ONLY act as a withholding agent when explicitly authorized by the  
30 Secretary of the Treasury pursuant to IRS Form 2678 and [26 U.S.C. §3504](#). Chances are, those private companies who  
31 "think" they are "[withholding agents](#)" in fact DO NOT and CANNOT lawfully qualify as "[withholding agents](#)". A  
32 private company that is engaged in a "[trade or business](#)" is NOT a "private company", but a "public company" that  
33 essentially is a business partner and instrumentality of the U.S. government. See the following for details:

*Public v. Private Employment: You Really Work for Uncle Sam if you Receive Federal Benefits*  
<http://famguardian.org/Subjects/Taxes/Remedies/PublicVPrivateEmployment.htm>

- 34 9. You cannot hold a "public office" without authority from Congress, pursuant to [4 U.S.C. §72](#). The [Internal Revenue](#)  
35 [Code](#) doesn't authorize any "[public offices](#)" outside the District of Columbia in connection with the [Internal Revenue](#)  
36 [Code](#), so no one in a state of the Union can lawfully be engaged in a "[public office](#)", even if they think or act like they  
37 are.

38 "*Congress cannot authorize a [trade or business](#) within a State in order to tax it.*"  
39 [*License Tax Cases, [72 U.S. 462](#), 18 L.Ed. 497, 5 Wall. 462, 2 A.F.T.R. 2224 (1866)*]

40 Therefore, it is obvious that the IRS, by its vague article on IRS Form 1042's above, is deliberately trying to deceive and  
41 mislead private employers and companies into committing perjury under penalty of perjury on the IRS Forms 1042-S and  
42 1042-T information returns they submit in order to ILLEGALLY manufacture more "[taxpayers](#)" out of those who are not  
43 liable. This injury to those not engaged in a "[trade or business](#)", as usual, is occurring primarily because of a willful  
44 omission of ALL of the pertinent facts that would allow withholding to be properly and lawfully executed. Does this  
45 surprise you?

1 It is quite common for financial institutions and private companies to misapply the state and federal revenue "codes", and  
2 especially the provision above. Notice we didn't say "laws", because the [Internal Revenue Code Subtitle A](#), not being  
3 enacted into [positive law](#), can only be "private law" that attaches to the individual through explicit consent. Instead, it is  
4 only "a decree under legislative forms" [tyranny, in fact] as the Supreme Court describes it below. Neither does the [Internal  
5 Revenue Code Subtitle A](#) describe a lawful "tax" in most cases either, except where the individual has given consent by  
6 choosing to involve in excise taxable activity called a "[trade or business](#)". Instead, it is a "bible" that describes a state-  
7 sponsored religion, not a public law:

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

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

17 If you would like to learn more about why the [Internal Revenue Code](#) is not "public law" but "private law", and why it is  
18 also a state-sponsored federal religion based on explicit consent of each person in becoming a "taxpayer", and why the tax  
19 is NOT voluntary AFTER they become "[taxpayers](#)", see:

- 20 1. [Requirement for Consent](#), Form #05.003-memorandum of law by SEDM  
21 <http://sedm.org/Forms/FormIndex.htm>
- 22 2. [Great IRS Hoax](#), Form #11.302, Sections 5.4.1 through 5.4.1.4 entitled "The [Internal Revenue Code](#) is not Positive  
23 Law, it is a private voluntary contract".  
24 <http://sedm.org/Forms/FormIndex.htm>
- 25 3. [Socialism: The New American Civil Religion](#), Form #05.016 -memorandum of law by SEDM  
26 <http://sedm.org/Forms/FormIndex.htm>

27 Violation of the revenue codes by financial institutions and private companies happens mainly because the IRS has illegally  
28 harassed, terrorized, and threatened them usually verbally when they insist on following the revenue statutes exactly as  
29 written or when they insist that such statutes have no jurisdiction over them. In effect, the IRS and state revenue  
30 agencies and [a colluding and compromised federal judiciary](#) (see also Chapter 6, Sections 6.9 through 6.9.12 of the free  
31 [Great IRS Hoax, Form #11.302](#) book, which proves they are compromised) have made it risky and very confrontational to  
32 follow the revenue statutes exactly as written and have done so completely without any lawful or delegated authority to do  
33 so. This has been done mainly using what is called "[judge-made law](#)", and Congress has looked the other way on this  
34 scandal because they want it to happen and it benefits them hugely, to the tune of over a Trillion extorted dollars a year, to  
35 let it continue. As a consequence, these institutions attempt to transfer the inherent risks to their workers so that they don't  
36 have to deal with them and can focus on the more important aspects of maintaining their businesses and their profitability.  
37 The most important result of this abuse and illegal extortion directed at these institutions by the IRS is the misreporting of  
38 earnings and payments reported on IRS Forms 1042, 1099, and [W-2](#). These types of filings are called "Information  
39 Returns" by the IRS. If you do not take the responsibility to promptly correct these erroneous Information Returns with the  
40 IRS and state taxing authorities, then these agencies will automatically make the following usually false and completely  
41 illegal and prejudicial presumptions, and in the process, violate your [due process rights](#) under the Constitution:

- 42 1. That you have a [Social Security Number](#), which means you are a federal "[employee](#)" and also are exercising agency of  
43 a federal entity that has a domicile in the District of Columbia. Therefore, in the context of anything in which the  
44 number is used, you are presumed to be representing a federal corporation called the "United States" which has a  
45 [domicile](#) in the District of Columbia, which becomes your domicile as well under Federal Rule of Civil Procedure  
46 17(b). See [20 CFR §422.104](#), which describes who may be issued a Social Security Number. This regulation is under  
47 [CFR Title 20](#), which is entitled "Employee benefits", and the only type of "employee" they can legislate for are federal  
48 employees.
- 49 2. That because there is an identifying number on the 1042, that you consented for it to be treated as a "[Taxpayer  
50 Identification Number](#)". The only kind of number the IRS is authorized to use by law are Taxpayer Identification  
51 Numbers, and the Treasury Department readily admits in its regulations at [26 CFR §301.6109-1\(d\)\(3\)](#) that a Social  
52 Security Number is NOT a "[Taxpayer Identification Number](#)".

- 1 3. That because you consented to have a "[Taxpayer Identification Number](#)", that you must be a "[Taxpayer](#)"
- 2 4. That because you supplied any kind of identifying number, you must be a "[U.S. person](#)". 26 CFR §301.6109-1 says
- 3 that only "U.S. persons" can be required to provide identifying numbers. A "U.S. person" is defined in [26 U.S.C.](#)
- 4 [§7701\(a\)\(30\)](#) as either a "citizen" (a person born anywhere in the country and domiciled on federal territory) or a
- 5 "resident" (an "alien" domiciled on federal territory).
- 6 5. That because the earnings were reported on a federal form, then you must reside within federal jurisdiction, because
- 7 you wouldn't fill out the form to begin with if you weren't subject to federal jurisdiction
- 8 6. That because you have a "[Taxpayer Identification Number](#)", and because [TINs](#) can ONLY be issued to "[aliens](#)" ,
- 9 then you are an "[alien](#)" and a "[resident](#)" under federal law domiciled in the [federal zone](#) . See our [Liberty](#)
- 10 [University](#) pamphlet "[Who are 'Taxpayers' and who needs a 'Taxpayer Identification Number'?](#)"

11 If you do not rebut the above false government presumptions which you encouraged on government forms you signed  
12 under penalty of perjury, then your rights will be prejudiced and the government will mercilessly harass you, even if you  
13 never explicitly consented, to collect what they think are lawful "taxes" on these earnings, even though such earnings were  
14 earned entirely outside of their jurisdiction and do not satisfy the definition of "[gross income](#)" under the Internal Revenue  
15 Code. This article will show you how to prepare a corrected IRS Form 1099 so that you can effectively zero out these false  
16 and unauthorized reports of taxable "[gross income](#)", and negate all the above false government presumptions that you do  
17 not consent to. If you do not rebut them, then you will be presumed to agree with them by default. After they have been  
18 rebutted, the government will be left with no legally admissible or reliable evidence upon which to base any kind of  
19 assessment. Without the power of assessment, there is nothing to collect. Without the ability to collect, they are supposed  
20 to leave you alone.

21 The Corrected IRS Form 1099 is for use primarily in undoing the damage done by private employers and companies, who  
22 usually because of their ignorance of the law, either complete Information Returns such as the Form 1099 when they don't  
23 need to, or who put false information on these returns. If you would like to prevent this problem from happening in the  
24 future, then we suggest using our free form below:

[Demand for Verified Evidence of "Trade or Business" Activity: Information Return, Form #04.006](http://sedm.org/Forms/Tax/DmdVerEvOfTradeOrBusiness-IR.pdf)  
<http://sedm.org/Forms/Tax/DmdVerEvOfTradeOrBusiness-IR.pdf>

25 The U.S. Government Accounting Office (GAO) has published some interesting reports that show that even federal  
26 agencies have been completing their Information Returns (IR) improperly and explaining why the returns are incorrect.  
27 Below is a sampling:

- 28 1. [Tax Administration: More can be done to ensure Federal Agencies file Accurate Information Returns \(Report # GAO-](#)  
29 [04-74 \)](#)  
30 <http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/d0474.pdf>
- 31 2. [Data Quality: IRS' Actions to Improve the Accuracy of Non-Wage Income Data Are Vital \(Report # GAO/IMTEC-86-](#)  
32 [17\)](#)  
33 <http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/129831.pdf>

34 You can find more samples at the link below:

<http://www.gao.gov/>

## 35 **13.2 Background on the IRS Form 1042**

36 IRS Form 1042 is yet another type of information return used to report payment of "gross income" and "trade or business"  
37 income to "foreign persons", such as nonresident aliens. The [IRS Form 1042-S](#) has only one block for reporting earnings,  
38 which is Block 2 entitled "[Gross income](#)". This is the same "gross income" identified in [26 U.S.C. §61](#), which makes you  
39 into a "[taxpayer](#)" subject to the I.R.C.! WATCH OUT! You can't earn "[gross income](#)" as defined in the I.R.C. without  
40 being a "[taxpayer](#)", and the reason the IRS will encourage financial institutions and private employers to fill out this form  
41 even in cases when it is not required, is to manufacture more "[taxpayers](#)" using false presumption to prejudice your  
42 constitutional rights. We cover this in our free pamphlet below:

1 Like all other information returns, the [IRS Form 1042-S](#) is a type of Information Return, and the only authority for  
2 demanding information returns is [26 U.S.C. §6041](#). This section says that the *only* occasion where information returns are  
3 required is in the case of those in receipt of "[trade or business](#)" income, which means income from a "public office" in the  
4 United States government. If you aren't engaged in a "public office" in the United States government and don't have  
5 earnings from the U.S. government, then there is nothing to report and no report need be filed, and if a report IS mistakenly  
6 filed, then the "[Gross income](#)" block must be zero and the tax rate must be zero. This is consistent with the content of [26](#)  
7 [U.S.C. §871](#) and [26 CFR §1.872-2\(f\)](#), which says:

8 *Title 26: Internal Revenue*  
9 *PART 1—INCOME TAXES*  
10 *nonresident alien individuals*  
11 *§ 1.872-2 Exclusions from gross income of nonresident alien individuals.*

12 *(f) Other exclusions.*

13 *Income which is from sources without [outside] the United States [federal territory, see 26 U.S.C.*  
14 *§7701(a)(9) and (a)(10) and 4 U.S.C. §110(d)], as determined under the provisions of sections 861 through*  
15 *863, and the regulations thereunder, is not included in the gross income of a nonresident alien individual*  
16 *unless such income is effectively connected for the taxable year with the conduct of a trade or business in the*  
17 *United States by that individual.* To determine specific exclusions in the case of other items which are from  
18 *sources within the United States, see the applicable sections of the Code. For special rules under a tax*  
19 *convention for determining the sources of income and for excluding, from gross income, income from sources*  
20 *without the United States which is effectively connected with the conduct of a trade or business in the United*  
21 *States, see the applicable tax convention. For determining which income from sources without the United States*  
22 *is effectively connected with the conduct of a trade or business in the United States, see section 864(c)(4) and*  
23 *§1.864-5.*

24 Don't take our word for it. Read [the instructions for the form](#) yourself. It should also be pointed out that instructions for the  
25 form say that if you aren't engaged in a "[trade or business](#)", which is everyone except federal employees, and federal  
26 business entities and contractors participating in "social insurance" (e.g. SOCIALIST INSECURITY), then you don't have  
27 to provide a Social Security Number either:

28 **Box 14, Recipient's U.S. Taxpayer Identification Number (TIN)**

29 *You must obtain and enter a U.S. taxpayer identification number (TIN) for:*

30 *Any recipient whose income is effectively connected with the conduct of a trade or business in the United States.*  
31 *[IRS Form 1042-S Instructions, p. 14]*

32 Only the "nonresident alien" who is engaged in a "[trade or business](#)" and who REFUSED to provide an SSN or TIN can  
33 have backup withholding involuntarily attempted against them. Therefore, the IRS CANNOT lawfully order or command a  
34 private company in a state of the Union to initiate 30-% backup withholding in the case of a "nonresident alien" who is not  
35 engaged in a "[trade or business](#)", even if he in fact has an SSN or TIN. There is no statute or regulation that creates a  
36 presumption or inference that simply by the existence of an SSN or TIN, a person is engaged in a "[trade or business](#)". All  
37 public offices are VOLUNTARY employments and you can quit a job whenever you want. Therefore, taxes are voluntary  
38 for those who choose not be or act as voluntary federal instrumentalities.

39 If you are not in fact engaged in a "[public office](#)", then you should object vociferously against anyone filing this form  
40 against you by any third party. If you do object to this form being filed on you by a financial institution or employer, and if  
41 the payer fills this form out against you despite your hopefully vociferous objections, then you should make sure that the  
42 Exemption Code in Block 6 reads "03, which means "Not from 'U.S. sources'" and the tax rate in block 5 is "00.00". Then,  
43 when you get a copy of this form from them at the end of the year, you can file a corrected version by checking the  
44 "AMENDED" block and reporting "0" for "Gross income" in block 2.

**IMPORTANT:** If you aren't filing or paying and you get a 1099 filed against you that you don't rebut, you are virtually guaranteed at some point to be hounded by the IRS to pay up. Don't forget to correct every such report incorrectly filed against you if you are not in fact and in deed engaged in a "trade or business" so that you don't suffer the adverse consequences of this omission as an innocent "nontaxpayer".

### 13.3 Instructions

Whenever we complete government forms, the first thing to remember is that even the Standard government forms usually contain false presumptions or statements that will prejudice one's rights and which typically would slip by unnoticed by the general public. This is especially true of the "words of art" used on the form and the perjury statement at the end of the government form. Therefore, it is usually unwise to use the government's Standard forms, and to instead use a modified or what we call an "Amended" form. Amended forms are the only kinds of forms we recommend and the [Family Guardian Website](#) contains a catalog of both the original government forms and the Amended versions below:

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormsPubs.htm>

Whenever possible, you must use the Amended forms or else you will suffer having your rights unjustly prejudiced by the government. All of the SEDM response letters which include government forms as exhibits or attachments include blank Amended, and not Standard, government forms, and you should *not* substitute the Standard government form unless compelled to do so. See the following for a list of the changes made to the Standard forms to make them into the Amended forms if you are curious.

<http://sedm.org/ItemInfo/RespLtrs/ChangesStdForms.htm>

To give you one glaring example of a TRAP that greedy state lawyers set which should be avoided at all costs, take a look at the Oregon "Employees Substitute Wage and Tax Statement" form. Notice it has "Taxpayer's Signature" at the end and "Employee" at the top. There is no way to fill out this form and send it in without creating TWO false presumptions:

1. That you are an "employee" under 26 U.S.C. §3401(c) and 26 CFR §31.3401(c)-1.
2. That you are a franchisee called a "[taxpayer](#)".

The state of Oregon DOES NOT have a substitute form suitable to be submitted by those who claim to be neither "taxpayers" nor "employees" and who want to zero out false reports by their private employers, who coerced them into participating because they quite frankly do not want people exiting the fraudulent tax system. WATCH OUT!

Oregon "Employees Substitute Wage and Tax Statement", Form 206-005  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/OREGON-206-005.pdf>

Below is a link to both the Standard and Amended IRS Form 1042, so you can compare and see the differences for yourself. The Amended forms are "fillable" with the free Adobe Acrobat Reader. They have been pre-initialized with the most common values to save you time. You can edit the year as well as fill in any of the blocks. The term "NTIN" means "Nontaxpayer Identification Number", not to be confused with an "SSN" or "ITIN". The NTIN is issued under the authority of 26 CFR §301.6109-1(1)(i).

<i>Form</i>	<i>Standard IRS form</i>	<i>Amended version</i>
1042-S	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s.pdf</a> <a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s.rtf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s.rtf</a>	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s-Amended.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s-Amended.pdf</a> <a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s-Amended.rtf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s-Amended.rtf</a>
1042-T	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042t.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042t.pdf</a> <a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042t.rtf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042t.rtf</a>	
1042 Instructions	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s-Inst.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/IRSFForm1042s-Inst.pdf</a>	NA
IRS Pub 1187: Specification for completing IRS Form 1042-S	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/p1187.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/p1187.pdf</a>	NA

2 Remember the following requirements for the IRS Form 1042:

- 3 1. One corrected 1042 form must be filled out for EACH [Form 1042](#) that was wrongfully filed on you, and must include
- 4 all the information about the original organization that made the report. If you don't have the original forms that
- 5 hopefully were mailed to you by your business associate, then you can request replacement copies from the associate
- 6 or from the IRS.
- 7 2. Enter the identification numbers for the PAYER and RECIPIENT and after "RECIPIENT identification number" write
- 8 "NONTAXPAYER".
- 9 3. Do NOT attach or send in the original [Form 1042](#) that your financial institution or employer gave you, because they
- 10 are wrong and will just confuse the IRS or state revenue agency. Give them ONLY the substitute form and make it
- 11 hard for them to even see the false information on the original reports.
- 12 4. The 1042 is filled out with all the same information as what was on the original 1042, including "taxes" paid, but with
- 13 Income earned set to zero. Therefore blocks 7 and 22, the tax withheld, should reflect whatever was wrongfully
- 14 reported by your business associate, while blocks 2, 4, and 8 will be zero. The reason that income blocks should be
- 15 zero is because the only nonzero amounts in these blocks are those connected with a "trade or business", meaning a
- 16 public office in connection with the United States government as defined under [26 U.S.C. §7701\(a\)\(26\)](#). Since you
- 17 probably don't hold public office, then you shouldn't be reporting earnings in connection with it.

**WARNING!:** If you do not have any earnings in connection with a "[trade or business](#)", you also cannot take any deductions ([26 U.S.C. §162](#)), earned income credit ([26 U.S.C. §32](#)), or apply a graduated rate of tax ([26 U.S.C. §1](#)) if you file a return. All such "privileges" will make you into a person engaged in a "trade or business". The rate on all "[gross income](#)" for those with no earnings connected with a "trade or business" is a flat 30% for Nonresident aliens, as indicated under [26 U.S.C. §871\(a\)](#). This is normally not a big deal, because the only type of "[gross income](#)" that is not specifically identified as connected with a "[trade or business](#)" is Social Security under [26 U.S.C. §861\(a\)\(8\)](#) and you cannot become a [Member](#) without quitting Social Security using the [Resignation of Compelled Social Security Trustee](#), Form #06.002. See the following for details:

[The "Trade or Business" Scam](#), Form #05.001

<http://sedm.org/Forms/FormIndex.htm>

- 18 5. If you provided a TIN for the original 1042-S form, then you should attach a note indicating that you are not a statutory
- 19 "taxpayer", "resident", "alien", or "U.S. person", but instead are a [nonresident alien](#) NON-individual" not not engaged
- 20 in a "[trade or business](#)" as defined in 26 U.S.C. §7701(b)(1)(B) who has no "SSN", "TIN", or "ITIN". Our [Corrected](#)
- 21 [Information Return Attachment Letter](#), Form #04.002, does this with Enclosure (8), Tax Form Attachment, Section 3.
- 22 That form also makes any original information return reports FALSE and FRAUDULENT.
- 23 6. If you don't have the original erroneous 1042 reports, then you won't have anything you can start with to transfer
- 24 numbers onto the 1042. In that case, fill out one form for each tax year and each institution or employer, and put as
- 25 much information as you have about the institution on the form, and indicate under blocks 2, 4, and 8 the amount
- 26 "zero".

27 You can use the [Corrected Information Return Attachment Letter](#), Form #04.002, earlier in section 5 to correct false IRS

28 Form W-2's.

Some states have their own substitutes for the IRS Form 1042. These substitutes must be used when you are filing state income taxes, but accomplish the same affect as the IRS Form 1042. If your state does not have a 1042 substitute form and you are corresponding with a state revenue agency, then its best to provide either a corrected form W-2 or 1042, or to use the IRS Form 1042 to correct erroneous reports of gross income. The decision is yours. If you would like more information about the tax laws of a specific state, see the link below:

- State Income Taxes  
<http://famguardian.org/Subjects/Taxes/Research/StateIncomeTaxes.htm>
- State Tax Forms  
<http://www.taxadmin.org/fta/link/forms.html>

### 13.4 Examples

Below are some example documents to help show you how to fill out the corrected IRS Form 1042. Note that Block 12 does not list an option for "transient foreigner", and so the only thing you can put in the box is "20".

<i>IRS Form sent in by institution</i>	<i>Example completed original form</i>	<i>Example Amended 1042 replacement</i>
<a href="#">Form 1042-S</a>	<a href="#">1042-S example</a>	1042-S Replacement
<a href="#">Form 1042-T</a>		1042-T Replacement

### 13.5 Further reading and research

1. [The "Trade or Business" scam](#) -very important article  
<http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm>
2. [Demand for Verified Evidence of "Trade or Business" Activity: Information Return](#), Form #04.006- SEDM  
<http://sedm.org/Forms/FormIndex.htm>
3. [Certification of Federal Privileged Status](#), Form #04.211-use this to establish evidence from your private employer that you are not engaged in a "trade or business" or any other federally privileged status.  
<http://sedm.org/Forms/FormIndex.htm>
4. [Sovereignty Forms and Instructions Online](#), Form #10.004, Instruction 4.13: Stop employer withholding of Income Taxes -Family Guardian Website  
<http://sedm.org/Forms/FormIndex.htm>
5. [Sovereignty Forms and Instructions Online, Form #10.004, Cites by Topic: IRS Form W-2](#) - Family Guardian Website  
<http://famguardian.org/TaxFreedom/CitesByTopic/W2.htm>
6. [Information Returns Processing](#) -IRS website  
<http://www.irs.gov/taxpros/content/0,,id=98185.00.html>
7. [Information Returns Filing Chart](#) -IRS website
8. [Federal Income Tax Withholding](#) -IRS Website. Note that withholding only authorized on nonresident aliens for earnings connected to a "trade or business"  
<http://www.irs.gov/businesses/small/international/article/0,,id=104923.00.html>
9. [Taxation of Nonresident Aliens](#) -IRS Website  
<http://www.irs.gov/businesses/small/international/article/0,,id=96477.00.html>
10. [IRS Pub 519: Paying Tax Through Withholding or Estimated Tax](#) -IRS Website  
<http://www.irs.gov/publications/p519/ch08.html>
11. [Internal Revenue Manual, 20.1.7: Information Return Penalties](#) -IRS Website  
<http://www.irs.gov/irm/part20/ch01s12.html>
12. [IRS Publication 3609: Information Returns Electronically](#) -IRS website  
<http://www.irs.gov/pub/irs-pdf/p3609.pdf>
13. [Federal and State Tax Withholding Options for Private Employers](#), Form #04.101  
<http://sedm.org/Forms/FormIndex.htm>
14. [26 U.S.C. §7434](#), Civil damages for fraudulent filing of information returns  
<http://www.irs.gov/businesses/small/international/article/0,,id=102330.00.html>
15. [Amounts that are not subject to reporting on Form 1042-S](#) -IRS Website  
<http://www.irs.gov/businesses/small/international/article/0,,id=102330.00.html>

- 1 16. [Form 1042 Annual Withholding Tax Return for U.S. Source Income of Foreign Persons](http://www.irs.gov/businesses/small/international/article/0,,id=102325,00.html) -IRS Website
- 2 <http://www.irs.gov/businesses/small/international/article/0,,id=102325,00.html>
- 3 17. [Amounts Subject to Reporting on Form 1042-S](http://www.irs.gov/businesses/small/international/article/0,,id=102336,00.html) -IRS Website
- 4 <http://www.irs.gov/businesses/small/international/article/0,,id=102336,00.html>
- 5 18. [IRS Form 1042 Instructions](http://www.irs.gov/instructions/i1042s/index.html) -IRS Website
- 6 <http://www.irs.gov/instructions/i1042s/index.html>
- 7 19. Ten most common errors for completing Form 1042-S, Foreign Persons' U.S. Source Income Subject to Withholding -
- 8 IRS Website
- 9 <http://www.irs.gov/businesses/small/international/article/0,,id=124175,00.html>
- 10 20. Definitions for Form 1042-S Reporting - IRS Website
- 11 <http://www.irs.gov/businesses/small/international/article/0,,id=102328,00.html>
- 12 21. Who Must File - IRS Website
- 13 <http://www.irs.gov/businesses/small/international/article/0,,id=102339,00.html>
- 14 22. Nonresident Alien Withholding - IRS Website
- 15 <http://www.irs.gov/businesses/small/international/article/0,,id=104997,00.html>
- 16 23. Withholding Agent -IRS Website
- 17 <http://www.irs.gov/businesses/small/international/article/0,,id=105005,00.html>
- 18 24. Internal Revenue Manual Section 4.6: Payer Compliance [information returns] - IRS Website
- 19 <http://www.irs.gov/irm/part4/index.html>
- 20 25. Internal Revenue Manual Section 2.7.7: Information Return Reporting - IRS Website
- 21 <http://www.irs.gov/irm/part2/ch06s01.html>
- 22 26. Compliance with Tax Return Withholdings for U.S. Source Income of Nonresident Aliens -IRS Website
- 23 <http://www.irs.gov/businesses/small/international/article/0,,id=132754,00.html>
- 24 27. IRS Answers Frequently Asked Questions About Information Reports -IRS Website
- 25 <http://www.irs.gov/businesses/small/article/0,,id=136408,00.html>
- 26 28. IRS Publication 1179: General Rules and Specifications for Substitute Forms 1096, 1098, 1099, 5498, W-2G, and
- 27 1042-S - IRS
- 28 <http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1042/p1179.pdf>

## 29 **14 Correcting Erroneous IRS Form 1098's**

### 30 **14.1 Why We Must Correct Erroneous 1098 Reports**

31 The IRS Form 1098 is commonly sent out at the end of each calendar year by mortgage companies and banks as proof of  
 32 interest that was paid on outstanding loans in their inventory. One form is prepared annually for each person who has a  
 33 loan with the bank or mortgage company. The IRS Form 1098:

- 34 1. Can only be filed in the case of mortgage payment recipients who are engaged in a "[trade or business](#)".
- 35 Companies that are not engaged in a "[trade or business](#)" may NOT file this form, which includes most companies.
- 36 Here is what the instructions for this form say:

#### 37 *Who Must File*

38 *File this form if you are engaged in a [trade or business](#) and, in the course of such [trade or business](#), you receive*  
 39 *from an individual \$600 or more of mortgage interest on any one mortgage during the calendar year. You are*  
 40 *not required to file this form if the interest is not received in the course of your trade or business. For example,*  
 41 *you hold the mortgage on your former personal residence. The buyer makes mortgage payments to you. You are*  
 42 *not required to file Form 1098.*

43 *[IRS Form 1098 Instructions, p. 1]*

- 44 2. Can NOT be filed against "[nonresident aliens](#)" who have no real property located in the "[United States](#)", as defined
- 45 in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10). Below is the IRS Form 1098 instructions which confirm this:

#### 46 **Nonresident Alien Interest Payer Governmental unit.**

47 *You must file Form 1098 to report interest paid by a nonresident alien only if all or part of the security for the*  
 48 *mortgage is real property located in the United States. Report the interest based on the following:*

- If the interest is paid within the United States, you must request from the payer the applicable Form W-8 (withholding certificate) as described in Regulations section 1.1441-1(e)(1)
- If the interest is paid outside the United States, you must satisfy the documentary evidence standard described in Regulations section 1.6049-5(c).

[IRS Form 1098 Instructions, p. 2]

- Can only be filed in connection with real property that is located in the "[United States](#)", as defined in [26 U.S.C. §7701\(a\)\(9\)](#) and [\(a\)\(10\)](#). That is because only earnings "effectively connected with a trade or business within the United States" are taxable under I.R.C. Subtitle A, as confirmed by I.R.C. [26 U.S.C. §861](#) and [26 U.S.C. §864\(c\)\(3\)](#). Below is the definition of "United States" from the Internal Revenue Code which shows what a "U.S. source" is:

[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.

If you would like to learn more about what "[trade or business](#)" means or how "[domicile](#)" affects one's status as a "nontaxpayer", please refer to our free exhaustive memorandums of law on the subject available below:

- [The "Trade or Business" Scam](#), Form #05.001  
<http://sedm.org/Forms/FormIndex.htm>
- [Why Domicile and Becoming a "Taxpayer" Require Your Consent](#), Form #05.002  
<http://sedm.org/Forms/FormIndex.htm>

Based on the above, the average American [domiciled](#) within a state of the Union on other than federal [territory](#) does not maintain real property in the "[United States](#)" as legally defined, and the mortgage company he is dealing with also is not a "[U.S. person](#)" nor is it usually REALLY engaged in a "[trade or business](#)" either. Therefore, the 1098 reports sent out by financial institutions relating to mortgage loans in their portfolio in most cases:

- Are false.
- Create a prima facie false presumption that the payor of the mortgage is connected with excise taxable "[trade or business](#)" activity, which also makes it "gross income" under [26 U.S.C. §61](#).
- If a Social Security Number also appears on the IRS Form 1098 for the payor, it also creates a prima facie presumption that the payor is a "U.S. person" with a [domicile](#) in the statutory "United States\*\*" (federal territory) who is a "[taxpayer](#)". The only number that can lawfully be put on any IRS Form is a Taxpayer Identification Number and the regulations say a Social Security Number is NOT a "[Taxpayer Identification Number](#)":

[26 CFR §301.6109-1\(g\)](#)

(g) Special rules for taxpayer identifying numbers issued to foreign persons—

(1) General rule—

(i) Social security number.

**A social security number is generally identified in the records and database of the Internal Revenue Service as a number belonging to a U.S. citizen or resident alien individual.** A person may establish a different status for the number by providing proof of foreign status with the Internal Revenue Service under such procedures as the Internal Revenue Service shall prescribe, including the use of a form as the Internal Revenue Service may specify. Upon accepting an individual as a nonresident alien individual, the Internal Revenue Service will assign this status to the individual's social security number.

1 The IRS Form 1098 is sent to both the IRS and the State Revenue Agencies. This information is also shared by the IRS  
2 with the State Revenue Agencies under what is called the "FedState" program. This program was created to enforce the  
3 [Buck Act, 4 U.S.C. §103-105](#) and [5 U.S.C. §5517](#). Both the IRS and State revenue agencies commonly send out "Request  
4 for Return" notices to unsuspecting homeowners who have these false IRS Form 1098's filed against them. Those persons  
5 who are "nontaxpayers" and "nonresident aliens" must ensure that these false IRS Form 1098's are not filed by their  
6 mortgage company in order to avoid receipt of these wrongful collection notices. This article will show you how to correct  
7 these reports and will provide forms and tools for making the correction.

8 The Corrected IRS Form 1098 is for use primarily in undoing the damage done by private financial institutions, who  
9 usually because of their ignorance of the law, either complete Information Returns such as the Form 1098 when they don't  
10 need to, or who put false information on these returns. If you would like to prevent this problem from happening in the  
11 future, then we suggest using our free form below:

*Demand for Verified Evidence of "Trade or Business" Activity: Information Return*, Form #04.006

<http://sedm.org/Forms/FormIndex.htm>

## 12 **14.2 Instructions**

13 Whenever we complete government forms, the first thing to remember is that even the Standard government forms usually  
14 contain false presumptions or statements that will prejudice one's rights and which typically would slip by unnoticed by the  
15 general public. This is especially true of the "[words of art](#)" used on the form and the perjury statement at the end of the  
16 government form. Therefore, it is usually unwise to use the government's Standard forms, and to instead use a modified or  
17 what we call an "Amended" form. Amended forms are the only kinds of forms we recommend and the [Family Guardian](#)  
18 [Website](#) contains a catalog of both the original government forms and the Amended versions below:

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormsPubs.htm>

19 Whenever possible, you must use the Amended forms or else you will suffer having your rights unjustly prejudiced by the  
20 government. All of the SEDM response letters which include government forms as exhibits or attachments include blank  
21 Amended, and not Standard, government forms, and you should *not* substitute the Standard government form unless  
22 compelled to do so. See the following link to see a list of the changes made to the Standard forms to make them into the  
23 Amended forms if you are curious.

<http://sedm.org/ItemInfo/RespLtrs/ChangesStdForms.htm>

24 To give you one glaring example of a TRAP that greedy state lawyers set which should be avoided at all costs, take a look  
25 at the Oregon "Employees Substitute Wage and Tax Statement" form. Notice it has "Taxpayer's Signature" at the end and  
26 "Employee" at the top. There is no way to fill out this form and send it in without creating TWO false presumptions:

- 27 1. That you are an "employee" under 26 U.S.C. §3401(c) and 26 CFR §31.3401(c)-1;
- 28 2. That you are a franchisee called a "taxpayer".

29 The state of Oregon DOES NOT have a substitute form suitable to be submitted by those who claim to be neither  
30 "taxpayers" nor "employees" and who want to zero out false reports by their private employers, who coerced them into  
31 participating because they quite frankly do not want people exiting the fraudulent tax system. WATCH OUT!

*Oregon "Employees Substitute Wage and Tax Statement"*, Form 206-005

<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/OREGON-206-005.pdf>

32 All the above preliminaries now aside, we can get to work showing you how to fill out the IRS 1098 to attach to your IRS  
33 or state response letter. First, let's review what the instructions for form 1098 say themselves about correcting an erroneous  
34 1098 report, from page GEN-12 of the 2004 "[General Instructions for Forms 1098, 1099, 5498, and W-2G](#)":

- 35 1. Prepare a new information return.

2. Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form.
3. Correct any recipient information such as money amounts and address. Report other information per original return.

Below is a link to both the Standard and Amended IRS Form 1098, so you can compare and see the differences for yourself. The Amended forms are "fillable" with the free Adobe Acrobat Reader. They have been pre-initialized with the most common values to save you time.

Form	Standard IRS Form	Amended version
1098	<a href="http://sedm.org/Forms/CorrErrInfoRtns/Tax/Form1098/IRSForm1098.pdf">http://sedm.org/Forms/CorrErrInfoRtns/Tax/Form1098/IRSForm1098.pdf</a>	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1098/IRSForm1098-Amended.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1098/IRSForm1098-Amended.pdf</a>
1098 Instructions	<a href="http://sedm.org/Forms/CorrErrInfoRtns/Tax/Form1098/IRSForm1098-Inst.pdf">http://sedm.org/Forms/CorrErrInfoRtns/Tax/Form1098/IRSForm1098-Inst.pdf</a>	NA

Remember the following requirements for the IRS Form 1098:

1. One corrected 1098 form must be filled out for EACH [Form 1098](#) that was wrongfully filed on you, and must include all the information about the original organization that made the report. If you don't have the original forms that hopefully were mailed to you by your business associate, then you can request replacement copies from the associate or from the IRS.
2. Enter the identification numbers for the PAYER and RECIPIENT and after "RECIPIENT identification number" write "NONTAXPAYER".
3. Do NOT attach or send in the original [Form 1098](#) that your financial institution or employer gave you, because they are wrong and will just confuse the IRS or state revenue agency. Give them ONLY the substitute form and make it hard for them to even see the false information on the original reports.
4. The 1098 is filled out with all the *same information* as what was on the original 1098, except that "Mortgage Interest" (Block 1), "Points" (Block 2), and "Refund of Overpaid Interest" (Block 3) will be zero. The reason that these blocks should be zero is because the only nonzero amounts in these blocks are those connected with a "[trade or business](#)", meaning a "[public office](#)" in connection with the United States government as defined under [26 U.S.C. §7701\(a\)\(26\)](#). Since you probably don't hold public office, then you shouldn't be reporting earnings in connection with it.

**WARNING!:** If you do not have any earnings in connection with a "[trade or business](#)", you also cannot take any deductions ([26 U.S.C. §162](#)), earned income credit ([26 U.S.C. §32](#)), or apply a graduated rate of tax ([26 U.S.C. §1](#)) if you file a return. All such "privileges" will make you into a person engaged in a "trade or business". The rate on all "[gross income](#)" for those with no earnings connected with a "trade or business" is a flat 30% for Nonresident aliens, as indicated under [26 U.S.C. §871\(a\)](#). This is normally not a big deal, because the only type of "[gross income](#)" that is not specifically identified as connected with a "[trade or business](#)" is Social Security under [26 U.S.C. §861\(a\)\(8\)](#) and you cannot become a [Member](#) without quitting Social Security using the [Resignation of Compelled Social Security Trustee](#), Form #06.002. See the following for details:

*The "Trade or Business" Scam*, Form #05.001

<http://sedm.org/Forms/FormIndex.htm>

5. If you provided a TIN for the original 1098 form, then you should attach a note indicating that you are not a statutory "[taxpayer](#)", "[resident](#)", "alien", or "[U.S. person](#)", but instead are a "[nonresident alien](#) NON-individual" not engaged in a "[trade or business](#)" as defined in 26 U.S.C. §7701(b)(1)(B) who has no "SSN", "TIN", or "ITIN". Our [Corrected Information Return Attachment Letter, Form #04.002](#), does this with Enclosure (8), Tax Form Attachment, Section 3. That form also makes any original information return reports FALSE and FRAUDULENT.
6. If you don't have the original erroneous 1098 reports, then you won't have anything you can start with to transfer numbers onto the 1098. In that case, fill out one form for each tax year and each institution or employer, and put as much information as you have about the institution on the form, and indicate under blocks 1, 2, and 3 the amount "zero".
7. You should attach a cover letter of explanation to the corrected IRS Form 1098 if you send it to the IRS or State Revenue Agency alone and not as part of a response letter.

You can use the [Corrected Information Return Attachment Letter](#), Form #04.002, earlier in section 5 to correct false IRS Form 1098.

At least annually at the beginning of the year, it is a good idea to:

1. Contact your mortgage company and ensure that they are not filing IRS Form 1098's against you. You may wish to use the materials in this article to convince them WHY they should not.
2. If they disregarded your wishes and filed it anyway, you will need to proactively send in corrected IRS Form 1098's to the IRS to remedy their malicious refusal to obey the law. This will keep the IRS computer records of receipt of "gross income" zeroed out so that you do not receive any wrongful collection notices or become the victim of an [illegal Substitute For Return \(SFR\)/Assessment](#) against you.

If you did not follow the above guidance, you may receive a collection notice from the IRS or a state Revenue Agency, asking you to file a return. Below is an example, the California FTB 4600K notice, which illustrates what we mean:

<a href="#">California FTB 4600K Request for Return</a>
---------------------------------------------------------

They will do this because of the false presumptions the form creates that connect the mortgage payment to "[trade or business](#)" activity and connect you to federal "employment", because the report has an SSN or TIN on it. We have prepared a sample Memorandum of Law that you can use to attach to your response to such a "Request for Return" letter that you can use to explain to the IRS or State Revenue Agency:

1. Exactly why the IRS Form 1098 report is wrong.
2. Correct the erroneous report with a corrected form 1098.
3. Remove the erroneous federal ID number (SSN) from their records.
4. Penalize them for violating your privacy, bothering you, and violating the copyright on personal information they maintain about you. This will discourage further collection actions.

Below are some forms you can use to do this. Feel free to modify the form, but please don't do so unless you have REALLY done your homework, because you are likely to create more problems for yourself than you solve in the process, mostly because of ignorance. Click on the links below:

1. [Response letter template](#)-use as a cover letter to your response. Requires Microsoft Word 2000 or later. <http://sedm.org/Forms/Subscriptions/Forms/Tax/Form1098/CA-FTB4600K.doc>
2. [Response letter template](#)-use as a cover letter to your response. PDF format <http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1098/CA-FTB4600K.pdf>
3. [Exhibit \(2\): Example Original California FTB4600K Request for Return Notice Filled In](#)-use this as an example to fill yours in <http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1098/CA-FTB4600K-Example.pdf>
4. [Exhibit \(3\): Affidavit of Citizenship, Domicile, and Tax Status](#), Form #02.001-attach to your response letter clarifying your citizenship, domicile, and tax status is outside their jurisdiction <http://sedm.org/Forms/FormIndex.htm>
5. Exhibit (4): [Wrong Party Notice](#), Form #07.105-specifies that identifying number on the collection notice is wrong because you quit Social Security <http://sedm.org/Forms/FormIndex.htm>
6. Exhibit (5): [1098 Interest: Request for Filing Response](#), Form #07.108-describes why the notice is wrong <http://sedm.org/Forms/FormIndex.htm>
7. Exhibit (6): [Why I am Not Legally Liable to File Affidavit](#), Form #07.103-exhaustive proof why you aren't required to file in affidavit form <http://sedm.org/Forms/FormIndex.htm>

### 14.3 Further reading and research

1. [The "Trade or Business" Scam](#), Form #05.001 -very important article <http://sedm.org/Forms/FormIndex.htm>
2. [Demand for Verified Evidence of "Trade or Business" Activity: Information Return, Form #04.006](#)-SEDM <http://sedm.org/Forms/FormIndex.htm>
3. [Certification of Federal Privileged Status, Form W-0](#), Form #04.021-use this to establish evidence from your private employer that you are not engaged in a "trade or business" or any other federally privileged status. <http://sedm.org/Forms/FormIndex.htm>
4. [Sovereignty Forms and Instructions Online](#), Form #10.004, Cites by Topic: IRS Form W-2 -Family Guardian Website

- 1 <http://famguardian.org/TaxFreedom/CitesByTopic/W2.htm>
- 2 5. Federal and State Tax Withholding Options for Private Employers, Form #09.001 -Family Guardian Website
- 3 <http://famguardian.org/Publications/FedStateWHOOptions/FedStateWHOOptions.pdf>
- 4 6. Sovereignty Forms and Instructions, Instruction 4.13: Stop employer withholding of Income Taxes -Family Guardian
- 5 Website
- 6 <http://famguardian.org/TaxFreedom/Instructions/4.13StopEmployerWH.htm>
- 7 7. IRS Form 1098 Instructions -IRS Website
- 8 <http://sedm.org/Forms/Tax/Form1098/IRSForm1098-Inst.pdf>
- 9 8. Instructions for Forms 1099, 1098, 5498, and W-2G -IRS Website
- 10 <http://www.irs.gov/pub/irs-pdf/i1099.pdf>
- 11 9. Information Returns Processing -IRS website
- 12 <http://www.irs.gov/taxpros/content/0,,id=98185,00.html>
- 13 10. Information Returns Filing Chart -IRS website
- 14 <http://www.irs.gov/govt/tribes/article/0,,id=102552,00.html>
- 15 11. Federal Income Tax Withholding -IRS Website. Note that withholding only authorized on nonresident aliens for
- 16 earnings connected to a "trade or business"
- 17 <http://www.irs.gov/businesses/small/international/article/0,,id=104923,00.html>
- 18 12. Taxation of Nonresident Aliens -IRS Website
- 19 <http://www.irs.gov/businesses/small/international/article/0,,id=96477,00.html>
- 20 13. IRS Pub 519: Paying Tax Through Withholding or Estimated Tax -IRS Website
- 21 <http://www.irs.gov/publications/p519/ch08.html>
- 22 14. Internal Revenue Manual, 20.1.7: Information Return Penalties -IRS Website
- 23 <http://www.irs.gov/irm/part20/ch01s12.html>
- 24 15. IRS Publication 3609: Information Returns Electronically -IRS website
- 25 <http://www.irs.gov/pub/irs-pdf/p3609.pdf>
- 26 16. 26 U.S.C. §7434. Civil damages for fraudulent filing of information returns
- 27 [http://www4.law.cornell.edu/uscode/html/uscode26/usc\\_sec\\_26\\_00007434----000-.html](http://www4.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00007434----000-.html)

## 28 **15 Correcting Erroneous IRS Form 1099's**

### 29 **15.1 Why We Must Correct Erroneous 1099s**

30 The only parties who can use this website are "nonresident aliens" not engaged in the "trade or business" franchise and who

31 use the following forms to control their withholding in the priority presented, where the highest priority is the lowest

32 number:

- 33 1. [Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001](#)
- 34 2. [AMENDED IRS form W-8BEN, Form #04.202](#)
- 35 3. STANDARD IRS form W-8BEN with the following attached:
- 36 [Tax Form Attachment, Form #04.201](#)

37 [IRS Publication 515, entitled "Withholding of Tax on Nonresident Aliens and Foreign Corporations", year 2000, says the](#)

38 [following on page 3:](#)

39 *"Foreign persons who provide Form W-8BEN, Form W-8ECI, or Form W-8EXP (or applicable documentary*

40 *evidence) **are exempt from backup withholding and Form 1099 reporting.**"*

41 *[IRS Publication 515, Year 2000, p. 3]*

42 Here is another example off the IRS website, that shows that nonresident aliens not engaged in a "trade or business" (which

43 is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as "the functions of a public office" in the United States government) are exempt from

44 1099 reporting:

45 [What is the difference between a Form W-2 and a Form 1099-MISC?](#)

46 *A Form 1099-MISC is used to report payments made in the course of a trade or business to another person or*

47 *business who is not an employee.*

48 *[SOURCE: IRS Website, <http://www.irs.gov/faqs/faq12.html>]*

1 As we proved in the Introduction in Section 1, few Americans are lawfully engaged in a public office in the U.S.  
2 government and it is illegal for them to do so as described above. It is nevertheless quite common for financial institutions  
3 and private companies to misapply the state and federal revenue "codes", and especially the provision above. Notice we  
4 didn't say "laws", because the [Internal Revenue Code](#) Subtitle A, not being enacted into [positive law](#), can only be "private  
5 law" that attaches to the individual through [explicit consent](#). Instead, it is only "a decree under legislative forms" [tyranny,  
6 in fact] as the Supreme Court describes it below. Neither does the Internal Revenue Code Subtitle A describe a lawful  
7 "tax" in most cases either, except where the individual has given consent by choosing to involve in excise taxable activity  
8 called a "trade or business". Instead, it is a "bible" that describes a state-sponsored religion, not a public law:

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

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

18 If you would like to learn more about why the Internal Revenue Code is not "public law" but "private law", and why it is  
19 also a state-sponsored federal religion, see:

- 20 1. [Requirement for Consent, Form #05.003](#)-memorandum of law by SEDM
- 21 2. The free [Great IRS Hoax](#), Form #11.302, Sections 5.4.6 through 5.4.6.6 entitled "The Internal Revenue Code is not  
22 Public or Positive Law, but private law".
- 23 3. [Socialism: The New American Civil Religion, Form #05.016](#) -memorandum of law by SEDM

24 Violation of the revenue codes by financial institutions and private companies happens mainly because the IRS has illegally  
25 harassed, terrorized, and threatened them usually verbally when they insist on following the revenue statutes exactly as  
26 written or when they insist that such statutes have no jurisdiction over them. In effect, the IRS and state revenue  
27 agencies and [a colluding and compromised federal judiciary](#) (see also Chapter 6, Sections 6.9 through 6.9.12 of the free  
28 [Great IRS Hoax, Form #11.302](#) book, which proves they are compromised) have made it risky and very confrontational to  
29 follow the revenue statutes exactly as written and have done so completely without any lawful or delegated authority to do  
30 so. This has been done mainly using what is called "[judge-made law](#)", and Congress has looked the other way on this  
31 scandal because they want it to happen and it benefits them hugely, to the tune of over a Trillion extorted dollars a year, to  
32 let it continue. As a consequence, these institutions attempt to transfer the inherent risks to their workers so that they don't  
33 have to deal with them and can focus on the more important aspects of maintaining their businesses and their profitability.  
34 The most important result of this abuse and illegal extortion directed at these institutions by the IRS is the misreporting of  
35 earnings on financial accounts reported on 1099 forms and earnings from labor reported on the [IRS Form W-2](#). These  
36 types of filings are called "Information Returns" by the IRS. If you do not take the responsibility to promptly correct these  
37 erroneous Information Returns with the IRS and state taxing authorities, then these agencies will automatically make the  
38 following [usually false and completely illegal presumptions](#), and in the process, violate your [due process rights](#) under the  
39 Constitution:

- 40 1. That you have income "effectively connected with a [trade or business](#)", which is defined in [26 U.S.C. §7701\(a\)\(26\)](#)  
41 as "the functions of a public office" in the United States government. The 1099 form instructions, in fact, say that the  
42 form is ONLY for use in connection with a "trade or business". Here is what they say:

43 *[IRS Form 1099-MISC Instructions, 2005, p. 1](#)*

44 *"Trade or business reporting only. Report on Form 1099-MISC only when payments are mad in the course of  
45 your trade or business. Personal payments are not reportable. You are engaged in a trade or business if you  
46 operate for gain or profit. However, nonprofit organizations are considered to be engaged in a trade or  
47 business and are subject to these reporting requirements. Nonprofit organizations subject to these reporting  
48 requirements include trusts of qualified pension or profit-sharing plans of employers, certain organizations  
49 exempt from tax under section 501(c) or (d), and farmers' cooperatives that are exempt from tax under section  
50 521. Payments by federal, state, or local government agencies are also reportable."*  
51 [[SOURCE: http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1099Inst.pdf](#)]

**"Form 1099-MISC.** Use Form 1099-MISC, Miscellaneous Income, to report certain payments you make in your trade or business. These payments include the following..."

[SOURCE: <http://famguardian.org/TaxFreedom/Forms/IRS/IRSPub583.pdf> ]

2. That you have a [Social Security Number](#), which means you are a federal "employee" and also are exercising agency of a federal entity that has a domicile in the District of Columbia. Therefore, in the context of anything in which the number is used, you are presumed to be representing a federal corporation called the "United States" which has a [domicile](#) in the District of Columbia, which becomes your domicile as well pursuant to [Fed.Rul.Civ.Proc. 17\(b\)](#). See [20 CFR §422.104](#), which describes who may be issued a Social Security Number. This regulation is under [CFR Title 20](#), which is entitled "Employee benefits", and the only type of "employee" they can legislate for are federal employees. See the following for more details:

*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>

3. That because there is an identifying number on the 1099, that you consented for it to be treated as a "[Taxpayer Identification Number](#)" . The only kind of number the IRS is authorized to use by law are Taxpayer Identification Numbers, and the Treasury Department readily admits in its regulations at [26 CFR 301.6109-1\(d\)\(3\)](#) that a Social Security Number is NOT a "[Taxpayer Identification Number](#)" .
4. That because you consented to have a "[Taxpayer Identification Number](#)" , that you must be a "[Taxpayer](#)"
5. That because you supplied any kind of identifying number, you must be a "[U.S. person](#)" . [26 CFR §301.6109-1](#) says that only "[U.S. persons](#)" can be required to provide identifying numbers. A "U.S. person" is defined in [26 U.S.C. §7701\(a\)\(30\)](#) as either a "[citizen](#)" (a person born in and [domiciled in](#) the District of Columbia or a federal [territory](#)) or a "[resident](#)" (an "alien" [domiciled in](#) the District of Columbia or a federal [territory](#)).
6. That because the earnings were reported on a federal form, then you must reside on [federal territory](#) and within federal jurisdiction, because you wouldn't fill out the form to begin with if you weren't subject to federal jurisdiction. The fact that you didn't rebut false information returns filed against you is evidence that you agree they are TRUE.

If you do not rebut the above false government presumptions which you encouraged on government forms you signed under penalty of perjury, then your rights will be prejudiced and the government will mercilessly harass you, even if you never explicitly consented, to collect what they think are lawful "taxes" on these earnings, even though such earnings were earned entirely outside of their jurisdiction and do not satisfy the definition of "[gross income](#)" under the Internal Revenue Code. See the following for details on why your silence equates with consent.

*Silence as a Weapon and a Defense in Legal Discovery*, Form #05.021  
<http://sedm.org/Forms/FormIndex.htm>

This article will show you how to prepare a corrected IRS Form 1099 so that you can effectively zero out these false and unauthorized reports of taxable "[gross income](#)", and negate all the above false government presumptions that you do not consent to. If you do not rebut them, then you will be presumed to agree with them by default. After they have been rebutted, the government will be left with no legally admissible or reliable evidence upon which to base any kind of assessment. Without the [power of assessment](#), there is nothing to collect. Without the ability to collect, the law requires that they must LEAVE YOU ALONE.

The U.S. Government Accounting Office (GAO) has published some interesting reports that show that even federal agencies have been completing their Information Returns (IR) improperly and explaining why the returns are incorrect. Below is a sampling:

1. *Tax Administration: More can be done to ensure Federal Agencies file Accurate Information Returns (Report # GAO-04-74 )*  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/d0474.pdf>
2. *Data Quality: IRS' Actions to Improve the Accuracy of Non-Wage Income Data Are Vital (Report # GAO/IMTEC-86-17)*  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/129831.pdf>

1 You can look at more by samples by visiting the link below:

<http://www.gao.gov/>

2 **15.2 Instructions**

3 The procedures documented herein are useful for any variant or version of the 1099, such as 1099-INT, 1099-R, 1099-  
4 MISC, etc. Whenever we complete government forms, the first thing to remember is that even the Standard government  
5 forms usually contain false presumptions or statements that will prejudice one's rights and which typically would slip by  
6 unnoticed by the general public. This is especially true of the "[words of art](#)" used on the form and the perjury statement at  
7 the end of the government form. Therefore, it is usually unwise to use the government's Standard forms, and to instead use  
8 a modified or what we call an "Amended" form. Amended forms are the only kinds of forms we recommend and the  
9 [Family Guardian Website](#) contains a catalog of both the original government forms and the Amended versions below:

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSFormsPubs.htm>

10 Whenever possible, you must use the Amended forms or else you will suffer having your rights unjustly prejudiced by the  
11 government. All of the SEDM response letters which include government forms as exhibits or attachments include blank  
12 Amended, and not Standard, government forms, and you should *not* substitute the Standard government form unless  
13 compelled to do so. See the following for a list of the changes made to the Standard forms to make them into the Amended  
14 forms if you are curious.

<http://sedm.org/ItemInfo/RespLtrs/ChangesStdForms.htm>

15 To give you one glaring example of a TRAP that greedy state lawyers set which should be avoided at all costs, take a look  
16 at the Oregon "Employees Substitute Wage and Tax Statement" form. Notice it has "Taxpayer's Signature" at the end and  
17 "Employee" at the top. There is no way to fill out this form and send it in without creating TWO false presumptions: 1.  
18 That you are an "employee" under the I.R.C.; 2. That you are a "taxpayer". The state of Oregon DOES NOT have a  
19 substitute form suitable to be submitted by those who claim to be neither "taxpayers" nor "employees" and who want to  
20 zero out false reports by their private employers, who coerced them into participating because they quite frankly do not  
21 want people exiting the fraudulent tax system. WATCH OUT!

*Oregon "Employees Substitute Wage and Tax Statement", Form 206-005*  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/OREGON-206-005.pdf>

22 All the above preliminaries now aside, we can get to work showing you how to fill out the IRS 1099 to attach to your IRS  
23 or state response letter. First, let's review what the instructions for form 1099 say themselves about correcting an erroneous  
24 1099 report, from page GEN-12 of the 2004 "[General Instructions for Forms 1098, 1099, 5498, and W-2G](#)":

- 25 1. Prepare a new information return.
- 26 2. Enter an "X" in the "CORRECTED" box (and date (optional)) at the top of the form.
- 27 3. Correct any recipient information such as money amounts and address. Report other information per original return.

28 Below is a link to both the Standard and Amended IRS Form 1099, so you can compare and see the differences for  
29 yourself. The Amended forms are "fillable" with the free Adobe Acrobat Reader. They have been pre-initialized with the  
30 most common values to save you time.

<b>Form</b>	<b>Standard IRS Form</b>	<b>Amended version</b>
1099-MISC	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099misc.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099misc.pdf</a>	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099misc-Amended.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099misc-Amended.pdf</a>
1099-DIV	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099div.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099div.pdf</a>	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099div-Amended.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099div-Amended.pdf</a>
1099 Instructions	<a href="http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099Inst.pdf">http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/IRSForm1099Inst.pdf</a>	NA

1 Remember the following requirements for the IRS Form 1099:

- 2 1. If you wish to avoid all the pitfalls with using standard IRS forms, then we highly recommend the [1099-CC Form, Form #04.309](#) indicated in the Amended column above. This custom form is the ONLY information correction method we know of that can be filed by a nonresident no-individual non-taxpayer, and which also doubles as a criminal complaint against the original filer. This is useful in filling your record with exculpatory evidence to prevent any kind of criminal prosecution by recipients of the correction form who don't read the law.
- 3 2. One corrected 1099 form must be filled out for EACH [Form 1099](#) that was wrongfully filed on you, and must include all the information about the original organization that made the report. If you don't have the original forms that hopefully were mailed to you by your business associate, then you can request replacement copies from the associate or from the IRS.
- 4 3. Enter the identification numbers for the PAYER and RECIPIENT and after "RECIPIENT identification number" write "NONTAXPAYER".
- 5 4. Do NOT attach or send in the original [Form 1099](#) that your financial institution or employer gave you, because they are wrong and will just confuse the IRS or state revenue agency. Give them ONLY the substitute form and make it hard for them to even see the false information on the original reports.
- 6 5. The 1099-MISC is filled out with all the *same information* as what was on the original 1099-MISC, including "taxes" paid, but with Income earned set to zero. Therefore blocks 4, 6, and 16, the tax withheld, should reflect whatever was wrongfully reported by your business associate, while blocks 1 through 3, 5 through 14, 15a, and 15b will be zero. The reason that income blocks should be zero is because the only nonzero amounts in these blocks are those connected with a "trade or business", meaning a public office in connection with the United States government as defined under 26 U.S.C. §7701(a)(26). Since you probably don't hold public office, then you shouldn't be reporting earnings in connection with it.

**WARNING!:** If you do not have any earnings in connection with a "[trade or business](#)", you also cannot take any deductions ([26 U.S.C. §162](#)), earned income credit ([26 U.S.C. §32](#)), or apply a graduated rate of tax ([26 U.S.C. §1](#)) if you file a return. All such "privileges" will make you into a person engaged in a "trade or business". The rate on all "[gross income](#)" for those with no earnings connected with a "trade or business" is a flat 30% for Nonresident aliens, as indicated under [26 U.S.C. §871\(a\)](#). This is normally not a big deal, because the only type of "[gross income](#)" that is not specifically identified as connected with a "[trade or business](#)" is Social Security under [26 U.S.C. §861\(a\)\(8\)](#) and you cannot become a [Member](#) without quitting Social Security using the [Resignation of Compelled Social Security Trustee, Form #06.002](#). See the following for details:

*The "Trade or Business" Scam, Form #05.001*

<http://sedm.org/Forms/FormIndex.htm>

- 23 6. The 1099-DIV is filled out with all the *same information* as what was on the original 1099-DIV, except that the earnings in blocks 1a through 9 are set to ZERO. The reason that earnings blocks should be zero is because the only nonzero amounts in these blocks are those connected with a "trade or business", meaning a public office in connection with the United States government as defined under 26 U.S.C. §7701(a)(26). Since you probably don't hold public office, then you shouldn't be reporting earnings in connection with it.
- 24 7. If you provided a TIN for the original 1099 form, then you should attach a note indicating that you are not a statutory "taxpayer", "resident", "alien", or "U.S. person", but instead are a "[nonresident alien](#) NON-individual" not engaged in a "[trade or business](#)" as defined in 26 U.S.C. §7701(b)(1)(B) who has no "SSN", "TIN", or "ITIN". Our [Corrected Information Return Attachment Letter, Form #04.002](#), does this with Enclosure (8), Tax Form Attachment, Section 3. That form also makes any original information return reports FALSE and FRAUDULENT.
- 25 8. If you don't have the original erroneous 1099 reports, then you won't have anything you can start with to transfer numbers onto the 1099. In that case, fill out one form for each tax year and each institution or employer, and put as much information as you have about the institution on the form, and indicate under items 7(A)(a) through 7(A)(e) and 7(B)(1) through 7(B)(3) the amount "zero".
- 26 9. You may wish to attach a note of explanation to the corrected IRS Form 1099. This explanation should state something like the following.

39 *The reason this corrected form is being provided is because:*

40 1. *The person about whom the original false 1099 was filed is a "nonresident alien", domiciled outside of the "United States" and who has no earnings connected with a "trade or business" in the United States.*

42 2. *Only earnings connected with a "trade or business" are reportable on a 1099. The IRS 1099-MISC instructions say this:*

***"Trade or business reporting only.*** Report on Form 1099-MISC only when payments are mad in the course of your trade or business. Personal payments are not reportable. You are engaged in a trade or business if you operate for gain or profit. However, nonprofit organizations are considered to be engaged in a trade or business and are subject to these reporting requirements. Nonprofit organizations subject to these reporting requirements include trusts of qualified pension or profit-sharing plans of employers, certain organizations exempt from tax under section 501(c) or (d), and farmers' cooperatives that are exempt from tax under section 521. Payments by federal, state, or local government agencies are also reportable."  
 [SOURCE: <http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1099Inst.pdf> ]

3. The organization issuing the original 1099 is also a "nonresident alien" domiciled outside of the "United States", but through either fraud or mistake or through duress or false statement on the part of the IRS, refuses to acknowledge that fact or rebut the overwhelming evidence that they are simply WRONG. The organization has also refused to honor my wishes by not submitting the form 1099 after being explicitly told that I am not engaged in a "trade or business". This has prejudiced my rights and created false presumptions on the part of the recipients of this form which I insist on correcting so as to protect my Constitutional rights.

If you disagree, please rebut the overwhelming evidence below and answer the admissions at the end within ten days. Any admissions you do not address shall be admitted and a failure to timely respond within that time period shall constitute a "nihil dicit" judgment and a default on the part of the recipient of this submission per Federal Rule of Civil Procedure 8(b)(6).

The "Trade or Business" Scam, Form #05.001; <http://sedm.org/Forms/MemLaw/TradeOrBusScam.pdf> .  
 (OFFSITE LINK)

See the following for a sample attachment of that listed above:

<http://sedm.org/Forms/Tax/CorrErrInfoRtns/Form1099/Form1099Attachment.pdf>

You can use the Corrected Information Return Attachment Letter, Form #04.002, earlier in section 5 to correct false IRS Form 1099's.

Some states have their own substitutes for the IRS Form 1099. These substitutes must be used when you are filing state income taxes, but accomplish the same affect as the IRS Form 1099. If your state does not have a 1099 substitute form and you are corresponding with a state revenue agency, then its best to provide either a corrected form W-2 or 1099, or to use the IRS Form 1099 to correct erroneous reports of gross income. The decision is yours. If you would like more information about the tax laws of a specific state, see the link below:

- [State Income Taxes](http://famguardian.org/Subjects/Taxes/Research/StateIncomeTaxes.htm)  
<http://famguardian.org/Subjects/Taxes/Research/StateIncomeTaxes.htm>
- [State Tax Forms](http://www.taxadmin.org/fta/link/forms.html)  
<http://www.taxadmin.org/fta/link/forms.html>

### 15.3 Examples

Below are some example documents to help show you how to fill out the 1099 and 1099:

<i>IRS Form sent in by institution</i>	<i>Example completed original form</i>	<i>Example Amended 1099 replacement</i>
<a href="#">Form 1099-MISC</a>	<a href="#">1099-MISC example</a>	<a href="#">1099 Replacement for 1099-MISC</a>
<a href="#">Form 1099-DIV</a>	<a href="#">1099-DIV example</a>	<a href="#">1099 Replacement for 1099-DIV</a>

### 15.4 Other alternatives to the corrected IRS Form 1099: The Form 4852

IRS makes one other form that serves the same purpose as the form 1099 but is more versatile, and this is the IRS Form 4852, which is called

*"Substitute for Form W-2 and Tax Statement, or Form 1099-R, Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, Etc."*

1 Note the SERIOUS limitations upon the IRS Form 4852:

- 2 1. Note that this form can ONLY be used to rebut false Form W-2 and Form 1099-R.
- 3 2. The form is ONLY for use in connection with forms 1040 and 1040X. That means it is ONLY for resident aliens and
- 4 cannot be used by nonresident aliens. If you want a nonresident form, you have to make your own, such as the [1099-](#)
- 5 [CC Form, Form #04.309](#) that we use.

6 If you need to rebut false 1099-MISC or any other type of 1099 OR if you are a nonresident alien, then you can't use this

7 form. We wrote a similar article about this form which you can view by clicking on the link below:

[1099-CC Form, Form #04.309](#)

<http://sedm.org/Forms/FormIndex.htm>

## 8 **15.5 Further reading and research**

- 9 1. [The "trade or business scam"](#) -very important article
- 10 <http://famguardian.org/Subjects/Taxes/Articles/TradeOrBusinessScam.htm>
- 11 2. [Federal and State Tax Withholding Options for Private Employers](#), Form #09.001 -Family Guardian Website
- 12 <http://famguardian.org/Publications/FedStateWHOOptions/FedStateWHOOptions.pdf>
- 13 3. [Demand for Verified Evidence of "Trade or Business" Activity: Information Return, Form #04.006](#), SEDM
- 14 <http://sedm.org/Forms/Tax/DmdVerEvOfTradeOrBusiness-IR.pdf>
- 15 4. [Sovereignty Forms and Instructions Online](#), Form #10.004, Cites by Topic: IRS Form W-2 -Family Guardian Website
- 16 <http://famguardian.org/TaxFreedom/CitesByTopic/W2.htm>
- 17 5. [Sovereignty Forms and Instructions Online](#), Form #10.004, [Instruction 4.13: Stop employer withholding of Income](#)
- 18 [Taxes](#) -Family Guardian Website
- 19 <http://famguardian.org/TaxFreedom/FormsInstr.htm>
- 20 6. [Certification of Federal Privileged Status, Form W-0](#)-use this to establish evidence from your private employer that
- 21 you are not engaged in a "trade or business" or any other federally privileged status.
- 22 <http://sedm.org/Forms/Tax/w0.pdf>
- 23 7. [IRS Form 1099-MISC Instructions](#) -IRS Website
- 24 [http://www.irs.gov/pub/irs-pdf/i1099msc\\_05.pdf](http://www.irs.gov/pub/irs-pdf/i1099msc_05.pdf)
- 25 8. [Instructions for Forms 1099, 1098, 5498, and W-2G](#) -IRS Website
- 26 <http://www.irs.gov/pub/irs-pdf/i1099.pdf>
- 27 9. [Information Returns Processing](#) -IRS website
- 28 <http://www.irs.gov/taxpros/content/0,,id=98185,00.html>
- 29 10. [Information Returns Filing Chart](#) -IRS website
- 30 <http://www.irs.gov/govt/tribes/article/0,,id=102552,00.html>
- 31 11. [Federal Income Tax Withholding](#) -IRS Website. Note that withholding only authorized on nonresident aliens for
- 32 earnings connected to a "trade or business"
- 33 <http://www.irs.gov/businesses/small/international/article/0,,id=104923,00.html>
- 34 12. [Taxation of Nonresident Aliens](#) -IRS Website
- 35 <http://www.irs.gov/businesses/small/international/article/0,,id=96477,00.html>
- 36 13. [IRS Pub 519: Paying Tax Through Withholding or Estimated Tax](#) -IRS Website
- 37 <http://www.irs.gov/publications/p519/ch08.html>
- 38 14. [Internal Revenue Manual, 20.1.7: Information Return Penalties](#) -IRS Website
- 39 <http://www.irs.gov/irm/part20/ch01s12.html>
- 40 15. [IRS Publication 3609: Information Returns Electronically](#) -IRS website
- 41 <http://www.irs.gov/pub/irs-pdf/p3609.pdf>
- 42 16. [26 U.S.C. §7434](#), Civil damages for fraudulent filing of information returns
- 43 [http://www4.law.cornell.edu/uscode/html/uscode26/usc\\_sec\\_26\\_00007434----000-.html](http://www4.law.cornell.edu/uscode/html/uscode26/usc_sec_26_00007434----000-.html)

## 16 Correcting Erroneous IRS Schedule K-1's

### 16.1 Why We Must Correct Erroneous K-1's

Schedule K-1 is an attachment to any one of the following tax returns:

1. Form 1041: U.S. Income Tax Return for Estates and Trusts. Documents Beneficiary's Share of Income, Deduction, and Credits, etc.
2. Form 1065: U.S. Return of Partnership Income. Documents Partner's Share of Income, Deductions, and Credits, etc.
3. Form 1065-B: U.S. Return of Partnership Income. Documents Partner's Share of Income (Loss) From an Electing Large Partnership
4. Form 1120s: U.S. income tax return for S Corporation. Documents shareholder's share of income, deduction, and credits

K-1's are usually issued by the entity within which the person is serving, usually as an officer or partner. The amounts Schedule K-1 are also entered in Schedules E and SE attached to form 1040, but the Schedule K-1 is usually not included with the return. IRS warns filers on Schedules E and SE that the K-1 amounts filed by third parties are compared with the amounts entered on these schedules.

The purpose of filing Schedule K-1 is to apportion income, deductions, and credits of partnerships, estates, trusts, and S-corporations engaged in the "trade or business" franchise. Only persons engaged in a "trade or business" can earn "income", take deductions, or take credits in connection with the "trade or business" franchise. Like all other information returns, Schedule K-1's are filed pursuant to 26 U.S.C. §6041(a), which requires all amounts received in excess of \$600 in the course of the "trade or business" franchise to be reported.

If you have not elected to connect your activities to the "trade or business" franchise and a public office in the U.S. government, you cannot allow non-zero amounts to be reported against you by any third party and must correct these false forms.

### 16.2 How to Correct Erroneous Schedule K-1 reports

Schedule K-1's are corrected by the following means:

**Table 2: Correcting Erroneous IRS Schedule K-1's**

#	IRS Form Number	Form name	If false, may be corrected by
1	Schedule K-1 (Form 1041)	Beneficiary's Share of Income, Deduction, and Credits, etc.	Re-filing with "Amended K-1" block checked at top
2	Schedule K-1 (Form 1065)	Partner's Share of Income, Deductions, and Credits, etc.	Re-filing with "Amended K-1" block checked at top
3	Schedule K-1 (Form 1065-B)	Partner's Share of Income (Loss) From an Electing Large Partnership	Re-filing with "CORRECTED" block checked at the top
4	Schedule K-1 (Form 1120s)	Shareholder's Share of Income, Deduction, and Credits (For Shareholder's Use Only)	Re-filing with "Amended K-1" block checked at top
5	Schedule K-1 (Form 8865)	Partner's Share of Income, Deductions, and Credits, etc.	Re-filing with "Amended K-1" block checked at top

### 16.3 Further reading and research

The following additional resources are available for those who wish to investigate further:

1. IRS Online Instructions for Forms

- 1 <http://www.irs.gov/instructions/index.html>
- 2 2. Schedule K-1 (Form 8865): Partner's Share of Income, Deductions, and Credits, etc
- 3 <http://www.irs.gov/pub/irs-pdf/f8865sk1.pdf>
- 4 3. Schedule K-1 (Form 1041): Beneficiary's Share of Income, Deduction, and Credits, etc.
- 5 <http://www.irs.gov/pub/irs-pdf/f1041sk1.pdf>
- 6 4. Schedule K-1 (Form 1065-B): Partner's Share of Income (Loss) From an Electing Large Partnership
- 7 <http://www.irs.gov/pub/irs-pdf/f1065bsk.pdf>
- 8 5. Schedule K-1 (Form 1120s): Shareholder's Share of Income, Deductions, Credits, etc.
- 9 <http://www.irs.gov/pub/irs-pdf/f1120ssk.pdf>
- 10 6. Partner's Instructions for Schedule K-1 (Form 1065)
- 11 <http://www.irs.gov/instructions/i1065sk1/ch02.html>
- 12 7. Partner's Instructions for Schedule K-1 (Form 1065B)
- 13 <http://www.irs.gov/instructions/i1065bsk/ch01.html>
- 14 8. Shareholder's Instructions for Schedule K-1 (Form 1120s)
- 15 <http://www.irs.gov/instructions/i1120ssk/index.html>

## 16 **17 Avoiding Penalties in Submitting Corrected Information Returns**

17 On occasion, the IRS may attempt to illegally penalize nontaxpayers and nonresidents who attempt submit corrected  
 18 information returns. Ironically, IRS penalties are *only* authorized against those who participate in the "trade or business"  
 19 franchise as "public officers". These persons are described in 26 U.S.C. §6671 as follows:

20 [TITLE 26 > Subtitle F > CHAPTER 68 > Subchapter B > PART I > § 6671](#)  
 21 [§ 6671. Rules for application of assessable penalties](#)

22 (b) *Person defined*

23 *The term "person", as used in this subchapter, includes an officer or employee of a corporation, or a member*  
 24 *or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in*  
 25 *respect of which the violation occurs.*

26 The "corporation" they are talking about is defined below:

27 [TITLE 26 > Subtitle F > CHAPTER 79 > § 7701](#)  
 28 [§ 7701. Definitions](#)

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

31 [. . .]

32 (3) *Corporation*

33 *The term "corporation" includes associations, joint-stock companies, and insurance companies.*

34 Remember, the Internal Revenue Code, Subtitle A describes a private law franchise agreement/contract and that franchise is  
 35 called a "trade or business". This is exhaustively proven below:

[Government Instituted Slavery Using Franchises, Form #05.030](http://sedm.org/Forms/FormIndex.htm)  
<http://sedm.org/Forms/FormIndex.htm>

36 The penalty provisions within that franchise agreement can only apply to statutory "persons" who are subject to it as  
 37 "public officers". Statutory "persons" excludes human beings unless the human being agreed to become surety for the  
 38 actions of the office by entering into a contract to be responsible for the office. The only legal "persons" the government  
 39 can lawfully penalize are its own instrumentalities, employees, officers, and agencies and not private persons.

40 *"The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to provide modes*  
 41 *of redress" against offensive state action, was "repugnant" to the Constitution. Id., at 15. See also United States*  
 42 *v. Reese, 92 U.S. 214, 218 (1876); United States v. Harris, 106 U.S. 629, 639 (1883); James v. Bowman, 190*

1 [U.S. 127, 139 \(1903\)](#). Although the specific holdings of these early cases might have been superseded or  
2 modified, see, e.g., *Heart of Atlanta Motel, Inc. v. United States*, [379 U.S. 241 \(1964\)](#); *United States v. Guest*,  
3 [383 U.S. 745 \(1966\)](#), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not  
4 been questioned."  
5 [*City of Boerne v. Flores, Archbishop of San Antonio*, [521 U.S. 507 \(1997\)](#)]  
6

7 "The restrictions that the Constitution places upon the government in its capacity as lawmaker, i.e., as the  
8 regulator of private conduct, are not the same as the restrictions that it places upon the government in its  
9 capacity as employer. We have recognized this in many contexts, with respect to many different constitutional  
10 guarantees. Private citizens perhaps cannot be prevented from wearing long hair, but policemen can. *Kelley v.*  
11 *Johnson*, [425 U.S. 238, 247 \(1976\)](#). Private citizens cannot have their property searched without probable  
12 cause, but in many circumstances government employees can. *O'Connor v. Ortega*, [480 U.S. 709, 723 \(1987\)](#)  
13 (plurality opinion); *id.*, at 732 (SCALIA, J., concurring in judgment). Private citizens cannot be punished for  
14 refusing to provide the government information that may incriminate them, but government employees can be  
15 dismissed when the incriminating information that they refuse to provide relates to the performance of their job.  
16 *Gardner v. Broderick*, [497 U.S. 62, 95] [392 U.S. 273, 277 -278 \(1968\)](#). With regard to freedom of speech in  
17 particular: Private citizens cannot be punished for speech of merely private concern, but government employees  
18 can be fired for that reason. *Connick v. Myers*, [461 U.S. 138, 147 \(1983\)](#). Private citizens cannot be punished  
19 for partisan political activity, but federal and state employees can be dismissed and otherwise punished for that  
20 reason. *Public Workers v. Mitchell*, [330 U.S. 75, 101 \(1947\)](#); *Civil Service Comm'n v. Letter Carriers*, [413 U.S.](#)  
21 [548, 556 \(1973\)](#); *Broadrick v. Oklahoma*, [413 U.S. 601, 616 -617 \(1973\)](#)."  
22 [*Rutan v. Republican Party of Illinois*, [497 U.S. 62 \(1990\)](#)]

23 It is otherwise illegal to penalize private human beings who are not instrumentalities, officers, or statutory "employees" (5  
24 U.S.C. §2105(a)) of the government and this is forbidden by the Constitutional prohibition against "bills of attainder".

25 *United States Constitution*  
26 *Article I, Section 9, Clause 3:*

27 "No Bill of Attainder or ex post facto Law shall be passed." (with respect to the U.S. Congress)

28 *Article I, Section 10, Clause 1:*

29 "No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin  
30 Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any  
31 Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts, or grant any Title of  
32 Nobility."

33 Below is the definition of a Bill of Attainder for your reference:

34 *Bill of attainder: Legislative acts, no matter what their form, that apply either to named individuals or to*  
35 *easily ascertainable members of a group in such a way as to inflict punishment on them without a judicial*  
36 *trial. *United States v. Brown*, 381 U.S. 437, 448-49, 85 S.Ct. 1707, 1715, 14 L.Ed. 484, 492; *United States v.**  
37 *Lovett*, 328 U.S. 303, 315, 66 S.Ct. 1073, 1079, 90 L.Ed. 1252. An act is a "bill of attainder" when the  
38 punishment is death and a "bill of pains and penalties" when the punishment is less severe; **both kinds of**  
39 **punishment fall within the scope of the constitutional prohibition. *U.S.Const. Art. I, Sect 9, Cl. 3 (as to***  
40 *Congress);' Art. I, Sec. 10 (as to state legislatures).* [Black's Law Dictionary, Sixth Edition, page 165,  
41 Emphasis added]

42 The following pamphlet proves that the government has no enforcement authority in states of the Union against anyone  
43 other than its own statutory "employees", officers, and instrumentalities in the Constitutional exercise of their delegated  
44 powers:

*Federal Enforcement Authority in States of the Union*, Form #05.032  
<http://sedm.org/Forms/FormIndex.htm>

45 The more supporting information and explanation you include with your corrected information returns, the less likely they  
46 are to penalize you. To avoid being penalized, the following techniques are helpful:

- 47 1. Attach the following form to your corrected information returns, which protects you from false presumptions:

*Tax Form Attachment*, Form #04.201  
<http://sedm.org/Forms/FormIndex.htm>

- 1 2. Attach the following article and demand that they rebut the questions at the end within 30 days or waive their right to  
2 argue later:

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

- 3 3. Use the forms provided herein instead of inventing your own approach, because chances are, you will forget  
4 something.  
5 4. Warn the recipient that penalties are ILLEGAL for a person not engaged in the franchise and use the language in this  
6 section.  
7 5. You may also consider attaching our free pamphlet that proves that the IRS has no authority to penalize a person who  
8 is not engaged in a "trade or business" and is a nonresident alien not subject to federal jurisdiction:

*Why Penalties are Illegal for Anything But Federal Employees, Contractors, and Agents*, Form #05.010  
<http://sedm.org/Forms/FormIndex.htm>

## 9 **18 Stopping the false Information Returns from being filed in the first place**

10 The following IRS Forms are for use primarily in undoing the damage done by private employers, who usually because of  
11 their ignorance of the law, either unlawfully complete and submit Information Returns such, or who unlawfully put false  
12 information on these returns.

- 13 1. IRS Form 4852 is used to correct false W-2's with the submission of a tax return or tax statement.  
14 **WARNING:** This is a "taxpayer" form that you should avoid. Use the SUBSTITUTE or AMENDED versions of the  
15 forms we provide instead in order to avoid penalty and subject the IRS to the same penalty they try to subject you to.  
16 2. IRS Form W-2C corrects false W-2's without filing a tax return or tax statement.  
17 3. IRS Form 1042-S with the "CORRECTED" box checked corrects false 1042s.  
18 4. IRS Form 1098 with the "CORRECTED" box checked corrects false 1098's.  
19 5. IRS Form 1099 with the "CORRECTED" box checked corrects false 1099's.

### 18 **18.1 Civil Arbitration Procedure**

19 If you would like to *permanently* prevent false information returns from being filed against you by ignorant, presumptuous  
20 clerks, employers, and financial institutions who believe the DECEIT and SELF-SERVING OMISSIONS in IRS  
21 publications in the future, then we suggest using the following procedure below:

- 22 1. Try submitting the correct withholding paperwork in accordance with the following:  
23 *Federal and State Tax Withholding Options for Private Employers*, Form #04.101  
24 <http://sedm.org/Forms/FormIndex.htm>  
25 The form to file will usually be:  
26 1.1. *New Hire Paperwork Attachment*, Form #04.203  
27 <http://sedm.org/Forms/FormIndex.htm>  
28 1.2. *Affidavit of Citizenship, Domicile, and Tax Status*, Form #02.001  
29 <http://sedm.org/Forms/FormIndex.htm>  
30 2. If they will not accept your withholding paperwork, meet privately with the filer of the false reports and bring a  
31 witness. DO NOT meet without witnesses or you are SURE to be railroaded. Use the following documents to quickly  
32 educate them about their duties:  
33 1.3. *Federal and State Income Taxation of Individuals*, Form #12.003  
34 <http://sedm.org/Forms/FormIndex.htm>  
35 1.4. *Income Tax Withholding and Reporting Course*, Form #12.004  
36 <http://sedm.org/Forms/FormIndex.htm>  
37 1.5. *Tax Withholding and Reporting: What the Law Says*, Form #04.103  
38 <http://sedm.org/Forms/FormIndex.htm>  
39 3. Submit the following form to the filer of the false form and demanding that they prove with evidence that you are  
40 engaged in a "trade or business". Do so with a [Certificate of Service](#) and have it notarized. Send via certified mail or  
41 personally by a neutral third party. This will provide formal notice and legal evidence that they have been notified. If  
they do not rebut the information, you have readily admissible evidence that their conduct beyond that point becomes  
legally actionable and FRAUDULENT.

*Demand for Verified Evidence of "Trade or Business" Activity: Information Return*, Form #04.006  
<http://sedm.org/Forms/Tax/DmdVerEvOfTradeOrBusiness-IR.pdf>

- 1 2. Send in corrected information returns containing a criminal complaint against the filer of the false reports. This letter  
2 provides a Form 4598 that the IRS will then send to the private employer demanding that they correct the false reports:

*Corrected Information Return Attachment Letter*, Form #04.002  
<http://sedm.org/Forms/FormIndex.htm>

- 3 4. Next, if the above does not resolve the dispute with your private employer or financial institution, you can send in an  
4 amended [IRS Form SS-8](#) asking them to issue what amounts to a declaratory judgment on the dispute between you and  
5 your private employer. You may want to send in this form BEFORE you even begin looking for new employment, and  
6 keep it in your back pocket so that the hiring process is not delayed waiting for a response from the IRS. Attach to the  
7 SS-8 form the following:

- 8 4.1. The [Demand for Verified Evidence of "Trade or Business" Activity: Information Return, Form #04.006](#) above.  
9 4.2. Our free memorandum of law entitled [The "Trade or Business" Scam, Form #05.001](#). Have them answer the  
10 questions at the end of this pamphlet so that the parties are clear on what the law requires.  
11 4.3. Our free memorandum of law entitled [Reasonable Belief About Income Tax Liability, Form #05.007](#). Emphasize  
12 that the IRS' answers must be consistent with the content of this pamphlet, which means that the only thing they  
13 can suggest as a basis for reasonable belief, according to the courts and their own Internal Revenue Manual, is 1.  
14 The Statutes at Large after January 2, 1939; 2. The Constitution; 3. The rulings of the U.S. Supreme Court and  
15 not lower courts; 4. NOT the Internal Revenue Code; 5. Not any IRS Form, publication, or revenue ruling.  
16 Explain that this pamphlet is the government's and courts own words on the subject of what you can believe, and  
17 nothing the IRS says or writes are included in what you can believe. Therefore, the only thing you can accept is  
18 legally admissible evidence in the form of an affidavit under penalty of perjury where the speaker is held  
19 personally accountable for his untruths, not unlike what we have to do when we send the IRS a tax return.

20 You can find a suggest IRS form SS-8 on our website at the address below:

Amended IRS Form SS-8  
<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSFormSS-8.pdf>

- 21 5. Emphasize to the IRS that you want the questions on the SS-8 form answered under penalty of perjury as required by  
22 [26 U.S.C. §6065](#), that the real legal name and STATE ID, not IRS ID be included in the IRS response showing the real  
23 identity of the agent, and that if they deviate from the requirements of the [Reasonable Belief About Income Tax](#)  
24 [Liability, Form #05.007](#), they must cite stare decisis and enactments from the Statutes At Large as authority for doing  
25 so, because you can't accept "policy", but only legally admissible evidence signed under penalty of perjury. Remind  
26 them that the U.S. Supreme Court said we are a society of law and not men, or the policies of men not demonstrably  
27 derived DIRECTLY from law. Emphasize that the I.R.C. is not positive, but simply a presumption, according to [1](#)  
28 [U.S.C. §204](#), and that [presumptions](#) are a violation of due process and are not evidence. See the following for details  
29 on why the I.R.C. is not a suitable basis for belief because it is simply a presumption and a state sponsored religion.

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

- 30 6. If the financial institution or private employer insists that you contact the legal department of the company to resolve  
31 your dispute about fraudulent filing of information returns and unlawful withholding, we suggest sending the following  
32 very powerful letter directly to the employer or financial institution legal office according to the instructions:

*Legal Notice to Correct Fraudulent Tax Status, Reporting, and Withholding*, Form #04.404  
<http://sedm.org/Forms/FormIndex.htm>

- 33 7. If the legal department doesn't correct the illegal, harmful, and fraudulent reporting and withholding of the company  
34 based on the above letter, you may consider suing the payroll, withholding, or reporting person individually and by  
35 name. We are working on a canned lawsuit suitable for this purpose which will be referenced in this document when  
36 available.

- 37 8. After the private employer has been confronted about the false information returns, if the IRS refuses its legal duty to  
38 resolve the dispute in compliance with step 2 above, and if the private employer persists and insists on continuing to  
39 violate the laws on either withholding or reporting, you can write the IRS to ask them to correct the false information  
40 return and also financially and civilly penalize the employer for submitting false information pursuant to [26 U.S.C.](#)  
41 [§6702](#). Starting in January 2007, the IRS posted a notice warning those who submit false 4852's that they could be  
42 civilly penalized for submitting a false return. This penalty applies just as readily to the submitters of the original false  
43 information return as it does to those who are submitting the corrections. See the following to view the current version  
44 of the form that shows the penalty language.

<http://sedm.org/Forms/Tax/CorrErrInfoRtns/FormW2/IRSForm4852.pdf>

45 You can cite the language on the form as your authority for demanding that the submitter of the false returns be  
46 penalized.

- 8.1. You should also do follow-up to ensure that this penalty is instituted. Once their violations of law begin affecting their bottom line, usually the submitters of the false returns will reform their ways.
- 8.2. If the IRS refused to EQUALLY enforce the law, inform them that a criminal complaint will be filed against the IRS Commissioner for the following:
  - 8.2.1. [18 U.S.C. §3: Accessory after the fact](#). The IRS, by refusing to remedy the situation, becomes an accessory after the fact to fraud and false statement by the submitter of the false information returns.
  - 8.2.2. [18 U.S.C. §912: Falsely impersonating an officer \[PUBLIC OFFICER\] or employee of the United States](#). The IRS is causing you to be misrepresented as a "public official". The tax in [Subtitle A of the I.R.C.](#) is a tax upon a "trade or business", which is defined as "the functions of a public office" in [26 U.S.C. §7701\(a\)\(26\)](#). By allowing their records to falsely reflect the fact that you are a "public official", they are causing you to involuntarily and falsely impersonate an officer of the United States government.
  - 8.2.3. [18 U.S.C. §1030: Fraud and related activity in connection with computers](#). The IRS is deliberately and willfully falsifying the records that describe your status and they should be prosecuted.
  - 8.2.4. [26 U.S.C. §7207: Fraudulent Returns, Statements, or other documents](#). The IRS is facilitating the submission and processing of knowingly false information returns, such as IRS Forms W-2, 1042-S, 1098, and 1099.
9. Next, you can file a civil lawsuit as follows:
  - 9.1. [26 U.S.C. §7434: Civil Damages for Fraudulent Filing of Information Returns](#). To recover civil damages for false filing of information returns for \$5,000 or more, including attorneys fees, against the submitter of the false information returns.
  - 9.2. [31 U.S.C. §3729: False Claims Act](#). Use this statute and file in the name of the United States to recover false claims against the United States. Since the U.S. Attorney declined to prosecute, then this statute allows you to file suit individually as an agent of the United States.

## **18.2 Criminal Remedies Against Filers of False Reports**

Those who file false information returns are subject to criminal prosecution under the following statutes:

1. 26 U.S.C. §7206(1): Fraud and False Statements. Forms W-2, 1042-S, 1098, and 1099 are not signed under penalty of perjury and therefore are not subject to this provision, but Forms 1096 and W-3 filed by businesses along with these forms or Form 4852 filed by individuals are subject to this penalty.

[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. 26 U.S.C. §7207: Fraudulent returns, statements, or other documents

[TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter A > PART I > § 7207](#)  
[§ 7207. Fraudulent returns, statements, or other documents](#)

*Any person who willfully delivers or discloses to the Secretary any list, return, account, statement, or other document, known by him to be fraudulent or to be false as to any material matter, shall be fined not more than \$10,000 (\$50,000 in the case of a corporation), or imprisoned not more than 1 year, or both. Any person required pursuant to section 6047 (b), section 6104(d), or subsection (i) or (j) of section 527 to furnish any information to the Secretary or any other person who willfully furnishes to the Secretary or such other person any information known by him to be fraudulent or to be false as to any material matter shall be fined not more than \$10,000 (\$50,000 in the case of a corporation), or imprisoned not more than 1 year, or both.*

3. 18 U.S.C. §912: Impersonating an officer or employee of the United States

[TITLE 18 > PART I > CHAPTER 43 > § 912](#)

1 [§ 912. Officer or employee of the United States](#)

2 *Whoever falsely assumes or pretends to be an officer or employee acting under the authority of the United*  
3 *States or any department, agency or officer thereof, and acts as such, or in such pretended character demands*  
4 *or obtains any money, paper, document, or thing of value, shall be fined under this title or imprisoned not more*  
5 *than three years, or both.*

- 6 4. 18 U.S.C. §654: Officer or employee of United States converting property of another. Associating PRIVATE property  
7 with a “public office” is an unlawful conversion of the property to a public use and public purpose without the consent  
8 of the owner and without compensation, in violation of the Fifth Amendment. Remember: “Withholding agents” as  
9 described in 26 U.S.C. §7701(a)(16) and those who file false information returns are “officers” of the government and  
10 therefore subject to the provisions below.

11 [TITLE 18 > PART 1 > CHAPTER 31 > § 654](#)  
12 [§ 654. Officer or employee of United States converting property of another](#)

13 *Whoever, being an officer or employee of the United States or of any department or agency thereof, embezzles*  
14 *or wrongfully converts to his own use the money or property of another which comes into his possession or*  
15 *under his control in the execution of such office or employment, or under color or claim of authority as such*  
16 *officer or employee, shall be fined under this title or not more than the value of the money and property thus*  
17 *embezzled or converted, whichever is greater, or imprisoned not more than ten years, or both; but if the sum*  
18 *embezzled is \$1,000 or less, he shall be fined under this title or imprisoned not more than one year, or both.*

19 We must remember, however, that

- 20 1. Tax liability is a *civil* liability, meaning that it only pertains to those with a domicile on federal territory within the  
21 “United States” as defined in 26 U.S.C. §7701(a)(9) and (a)(10), wherever situated. Those with such a domicile are  
22 called “citizens”, “residents”, or “inhabitants” under federal statutory law. Those domiciled within a state of the  
23 Union, which is “foreign” and “alien” in relation to federal jurisdiction are NOT “citizens”, “residents”, or  
24 “inhabitants” under federal statutory law, but “nonresidents” and “transient foreigners”. See:

*Why Domicile and Becoming a “Taxpayer” Require Your Consent*, Form #05.002  
<http://sedm.org/Forms/FormIndex.htm>

- 25 2. The Internal Revenue Code, Subtitle A, including the criminal provisions, are civil law, private law and a franchise  
26 agreement that only activates upon the consent of a “U.S. person” domiciled on federal territory. See:

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

- 27 3. If you don’t want to be subject to the “trade or business” franchise agreement, including the criminal provisions, but  
28 are compelled to file tax forms, you must:  
29 3.1. Use “nonresident alien” forms.  
30 3.2. Not describe yourself as anything they have jurisdiction over, including a “person”, “individual”, “taxpayer”, etc.  
31 3.3. Redefine the words on all forms you are compelled to file to place you firmly outside their jurisdiction using the  
32 following form if you are compelled to file THEIR form without modification:

*Tax Form Attachment*, Form #04.201  
<http://sedm.org/Forms/FormIndex.htm>

- 33 4. Standard IRS forms contain perjury statements that place you on federal territory pursuant to 28 U.S.C. §1746(2) and  
34 therefore make you subject to the jurisdiction of federal district and circuit “franchise courts”. Those who file federal  
35 forms who are NOT domiciled on federal territory should do all the following in order to PREVENT committing  
36 perjury on government forms:

- 37 4.1. Should use their own custom tax forms instead of IRS forms so that they can’t be penalized for changing  
38 anything.  
39 4.2. Should correct the perjury statement to make it consistent with 28 U.S.C. §1746(1). Our Tax Form Attachment  
40 redefines the entire perjury statement paragraph so that you don’t have to make pen and ink changes to it.  
41 Therefore, you should attach this form to prevent being penalized for changing or modifying the jurat statement  
42 on a government form.  
43 4.3. If they are penalized or prevented from changing the perjury statement on a standard tax form, should redefine it  
44 using the Tax Form Attachment above.

45 For more information about the above, see:

*Nonresident Alien Position*, Form #05.020, Section 14.7  
<http://sedm.org/Forms/FormIndex.htm>

1 You can use the above knowledge as a method to file criminal complaints against those who refuse to stop filing false  
2 information returns against you after being educated about the error of their ways. The typical sequence for doing this  
3 would be as follows:

- 4 1. Exhaust the civil arbitration procedure in the previous section first.
- 5 2. If the IRS refuses to accept their legal duty to civilly penalize the submitter of the false information returns pursuant to  
6 [26 U.S.C. §6702](#), next you can file a criminal complaint against them with the Department of Justice of the United  
7 States pursuant to [28 U.S.C. §2679](#). Charge as follows:
  - 8 2.1. Charge the submitter of the information return and the withholding agent with the following
    - 9 2.1.1. [26 U.S.C. §7207: Fraudulent Returns, Statements, or other documents](#)
    - 10 2.1.2. [18 U.S.C. §912: Falsely impersonating an officer \[PUBLIC OFFICER\] or employee of the United States](#)
    - 11 2.1.3. [18 U.S.C. §1589: Forced Labor](#). The private employer, by inducting you illegally into the tax system, is  
12 causing you to engage in forced labor for the portion of your compensation that he illegally diverts to the  
13 government. [18 U.S.C. §1593](#) mandates restitution for the slavery be paid to you by the submitter of the  
14 fraudulent information return.
  - 15 2.2. Charge the IRS with the following:
    - 16 2.2.1. [18 U.S.C. §3: Accessory after the fact](#). The IRS is cooperating with the crimes of the information return  
17 submitter and withholding agent.
    - 18 2.2.2. [18 U.S.C. §241: Deprivation of Rights](#). The IRS is causing you to involuntarily forfeit your rights to the  
19 fruits of your labor and the compensation from it, by refusing to take action on your petition for redress.
    - 20 2.2.3. [18 U.S.C. §1002: Possession of false papers to defraud the United States](#). The fraudulent information  
21 returns received from the submitter are used in crediting Social Security Earnings, which in turn become a  
22 basis for collecting Social Security benefits. If these reports are wrong, then the person who is the subject of  
23 the report is entitled to increased Social Security earnings, which in turn can be used to defraud the United  
24 States out of monies that they in fact are not legally entitled to. No one domiciled in a state of the Union on  
25 other than federal territory can lawfully participate in or collect benefits from Social Security. See  
26 *Resignation of Compelled Social Security Trustee*, Form #06.002  
27 <http://sedm.org/Forms/Emancipation/SSTrustIndenture.pdf>
    - 28 2.2.4. [18 U.S.C. §1028A: Aggravated Identity Theft](#). The IRS, by using a Social Security Number as a  
29 Taxpayer Identification Number, and by falsely associating you with the status of a "public employee", is  
30 stealing your identity and transporting it unlawfully to the District of Columbia pursuant to [26 U.S.C.](#)  
31 [§7701\(a\)\(39\)](#) and [26 U.S.C. §7408\(d\)](#).
    - 32 2.2.5. [18 U.S.C. §1583: Enticement into Slavery](#). The IRS, through the omission of failing to correct the false  
33 information return reports or in LYING to you by telling you that they are required, is inducting you  
34 illegally into the tax system, is causing you to engage involuntarily in slavery for the portion of your  
35 compensation that he illegally diverts to the government.
    - 36 2.2.6. [18 U.S.C. §1589: Forced Labor](#). The IRS, by refusing to correct the fraud of the information return  
37 submitter, is inducting you illegally into the tax system, is causing you to engage in forced labor for the  
38 portion of your compensation that he illegally diverts to the government. [18 U.S.C. §1593](#) mandates  
39 restitution for the slavery be paid to you by the IRS.
    - 40 2.2.7. [18 U.S.C. §1951: Interference with commerce by threats or violence](#). If the IRS threatened to penalize,  
41 audit, or "selectively enforce" against you in retaliation for brining the illegal activity of the submitter of the  
42 fraudulent information return and withholding agent to their attention, then they are engaging in criminal  
43 racketeering.
    - 44 2.2.8. [18 U.S.C. §1956: Laundering of monetary instruments](#). If the submitter of the false information return  
45 also involuntarily withheld monies from your pay, the IRS, in receiving the proceeds of said extortion, is  
46 engaging in laundering of monetary instruments.
    - 47 2.2.9. [18 U.S.C. §1030: Fraud and related activity in connection with computers](#). The fraudulent information  
48 returns received from the submitter by the IRS are processed entirely by computer. By allowing knowingly  
49 false information in their computer system, they are engaging in computer fraud.
    - 50 2.2.10. [42 U.S.C. §1994: Peonage abolished](#). The IRS, by its omission in correcting the fraudulent information  
51 returns, is recruiting you into peonage and making you into involuntary surety for debts of a foreign  
52 jurisdiction.
  - 53 3. If the DOJ does not prosecute the IRS employees engaging in the fraud because of their omission, file a criminal  
54 complaint with the Attorney General of your State against the commissioner of the IRS and the specific employees at  
55 the IRS who refused to correct the fraudulent information returns. Use the following as a resource:
    - 56 3.1. [State Legal Resources](#)

- 1 3.2. [State Income Taxes](#)
- 2 3.3. [28 U.S.C. §2679\(c\)](#) ): Authorizes you to sue a federal employee in a state court if he is operating outside of his
- 3 delegated or lawful authority.
- 4 3.4. [28 U.S.C. §1652: State laws as rules of decision](#). States that state law prevails in cases where federal actors are
- 5 operating outside their authority on land under exclusive state jurisdiction.

## 6 **19 Saving and reusing completed forms**

7 The IRS Forms W-2, 1042-S, 1098, and 1099 are frequently used when corresponding with the IRS and state taxing

8 authorities as a way to remind the government that a person has no taxable income. Once you have completed the form for

9 a particular tax year, it is best to keep the original in a safe place and reuse it by photocopying it and attaching it to

10 correspondence. This will save you lots of work and time. We scan in ours and make it into an Adobe Acrobat PDF and

11 just reprint it whenever we need it.

## 12 **20 Frequently Asked Questions**

13 Q1: What is the difference between the approach of this website and that of Pete Hendrickson's Lost Horizon's Website,

14 which focuses on the same "trade or business" subject?

15 A1: An exhaustive list of differences between our approach and that of Pete Hendrickson's approach is contained in the

16 following document:

<p><i>Policy Document: Pete Hendrickson's "Trade or Business" Approach</i>, Form #08.003 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a></p>
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17 For additional information about Pete Hendrickson, see our Liberty University, Item #5.8

18 <http://sedm.org/LibertyU/LibertyU.htm>

19

20 Q2: What if I don't have the original information returns that I want to zero out that I can take the original information

21 from to put on the corrected forms?

22 A2: You can call the provider and ask them to fax you the original information returns again. Alternatively, you can file a

23 corrected information return that simply says "All sources" under item 5 on the 4852 form.

24

25 Q3: Is it ever too late to submit these forms for past years?

26 A3: No. There is never a wrong time to do the right thing. As long as the government has records of receipt of "gross

27 income", then it is our duty to rebut the wrong evidence, no matter how old it is, because sooner or later, they will use it to

28 come back to us and demand that we either file or pay.

29

30 Q4: Should I fill out the corrected information returns for past years, or only for the years they are going after me for?

31 A4: It's always safest to file corrected information returns for all years that a person didn't file a return. This is a

32 preventive measure if they decide later on to go after a person later for those years.

## 33 **21 Resources for further study and rebuttal**

34 A number of additional resources are available for those who wish to further investigate the contents of the pamphlet:

- 35 1. *Government Instituted Slavery Using Franchises*, Form #05.030-explains how franchises such as a "trade or business"
- 36 are abused by the government to enslave people against their will

- 1 <http://sedm.org/Forms/FormIndex.htm>
- 2 2. *Federal and State Tax Withholding Options for Private Employers*, Form #09.001: Free book that exhaustively covers  
3 tax withholding.  
4 <http://sedm.org/Forms/FormIndex.htm>
- 5 3. *Federal Tax Withholding*, Form #05.005: Brief summary of content of the above book. For busy managers and payroll  
6 people.  
7 <http://sedm.org/Forms/FormIndex.htm>
- 8 4. *Income Tax Withholding and Reporting Course*, Form #12.004: Short and succinct training course on federal income  
9 tax withholding and reporting.  
10 <http://sedm.org/Forms/FormIndex.htm>
- 11 5. *Tax Withholding and Reporting: What the Law Says*, Form #04.103: Short tabular summary of tax withholding and  
12 reporting laws you can use to educate payroll managers, executives, and company counsel.  
13 <http://sedm.org/Forms/FormIndex.htm>
- 14 6. *The "Trade or Business" Scam*, Form #05.001. Describes the federal franchise or "public right" that the federal  
15 income tax is built upon, and how it results in a surrender of both rights and or equal protection..  
16 <http://sedm.org/Forms/FormIndex.htm>
- 17 7. *Resignation of Compelled Social Security Trustee*, Form #06.002. Describes the federal franchise or "public right"  
18 which is the chief means for manufacturing federal "taxpayers" under the Internal Revenue Code, how it results in a  
19 surrender of Constitutional rights and equal protection, and how to quit the system.  
20 <http://sedm.org/Forms/FormIndex.htm>
- 21 8. *Presumption: Chief Weapon for Unlawfully Enlarging Federal Jurisdiction*, Form #05.017  
22 <http://sedm.org/Forms/FormIndex.htm>
- 23 9. IRS Links:
  - 24 9.1. [Frequently Asked Questions Regarding Information Return Filing](http://www.irs.gov/faqs/faq4-4.html)  
25 <http://www.irs.gov/faqs/faq4-4.html>
  - 26 9.2. [Frequently Asked Questions Regarding Information Filing of Forms 1099](http://www.irs.gov/faqs/faq-kw4.html)  
27 <http://www.irs.gov/faqs/faq-kw4.html>
  - 28 9.3. [Information Returns Guide](http://www.irs.gov/efile/article/0,,id=98114.00.html)  
29 <http://www.irs.gov/efile/article/0,,id=98114.00.html>
- 30 10. IRS Customer Service:
  - 31 10.1. Toll Free: 1-866-455-7438
  - 32 10.2. Direct: 1-304-263-8700 (not toll free) 8:30 a.m. – 4:30 p.m. EST.
  - 33 10.3. TTY/TDD: 1-304-267-3367 (not toll free) 8:30 a.m. – 4:30 p.m. EST.
  - 34 10.4. E-mail: [mccirp@irs.gov](mailto:mccirp@irs.gov)
- 35 11. IRS Publication 1220: Specifications for Filing Forms 1098, 1099, 5498, and W-2G Electronically or Magnetically  
36 using IBN 3480, 3490, 3590, AS400 compatible tape cartridges  
37 <http://www.irs.gov/pub/irs-pdf/p1220.pdf>
- 38 12. Internal Revenue Manual, Section 4.6.2: Information Returns and Information Reporting  
39 <http://www.irs.gov/irm/part4/ch06s03.html>
- 40 13. IRS Publication 1582: Information Returns Vendor List  
41 <http://www.irs.gov/pub/irs-pdf/p1582.pdf>
- 42 14. Internal Revenue Manual, Section 20.1.7: Information Return Penalties  
43 <http://www.irs.gov/irm/part20/ch01s12.html>