

**HOW THE GOVERNMENT DEFRAUDS YOU OUT OF
LEGITIMATE DEDUCTIONS FOR THE
MARKET VALUE OF YOUR LABOR**

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TABLE OF CONTENTS

TABLE OF CONTENTS	2
LIST OF TABLES	3
TABLE OF AUTHORITIES	3
1 Introduction	12
2 Who is the “taxpayer” filing the “tax return”?	12
3 The Ability to Regulate Private Rights and Private Conduct is Repugnant to the Constitution	16
4 Income tax is upon “profit” and not ALL earnings	19
5 What is “income”?	21
6 Why One’s Own Labor is not an article of Commerce and cannot Produce “profit” in the Context of Oneself	24
7 Why Labor is Property	26
8 Why the Cost of Labor is Deductible from Gross Receipts In Computing Profit	29
9 How much can we deduct and how do we take the deduction?	38
10 Taxes on One’s Own Labor are Slavery	41
11 Government interference with your employment agreement is a criminal trespass	49
12 How IRS Forms and Publications Hide or Disguise the deductibility of labor	54
12.1 IRS publications “conveniently” do not mention it.	54
12.2 There is nothing on Schedule C that specifically mentions labor	56
12.3 There is no space to write it on the IRS Forms 1040 or 1040NR	56
12.4 The Internal Revenue Code does not define the term “personal services” as used in the phrase “compensation for services” within 26 U.S.C. §61(a)(1), which defines “gross income”	56
12.5 There is no pointer in 26 U.S.C. §61 which references deductions for labor, as indicated in 26 U.S.C. §83 so they don’t receive “reasonable notice” of the deductibility of labor within the code itself.	58
12.6 The Internal Revenue Code does not talk about the implications of the Constitution, such as the Thirteenth Amendment, upon what can be classified as “gross income”.	60
12.7 The nature of the Internal Revenue Code as an excise tax upon “profit” and not “gross receipts” is carefully hidden from the public within IRS publications.	61
13 The REAL Reason the Government Hides the Deductibility of Labor	61
14 Rebutted Arguments Against the Conclusions In This Pamphlet	65
14.1 Hyslep v. U.S., 765 F.2d. 1083 (1985)	68
14.2 Davis v. U.S., 742 F.2d. 171 (1984)	68
14.3 Olson v. U.S., 760 F.2d. 1003 (1985)	69
15 Conclusions	70
16 How to submit a claim for return of unlawfully withheld earnings derived from labor based on the content of this pamphlet that is likely to survive government scrutiny	72
16.1 Instructions for using obtaining refund	72
16.2 Claim for unlawfully withheld earnings connected with labor	76
17 Resources for Further Study and Rebuttal	83
18 Questions that Readers, Grand Jurors, and Petit Jurors should be asking the Government	83

LIST OF TABLES

Table 1: Constitutional v. Statutory "income" compared	21
Table 2: Calculating net "gross income" to put on Line 8 of an IRS Form 1040NR.....	40
Table 3: "Negro Slave" v. "Taxpayer"	44
Table 4: Percent Ownership of Person and Labor	46

TABLE OF AUTHORITIES

Constitutional Provisions

Art. 1, § 2, cl. 3, § 9, cl. 4	20
Article 1, Section 10.....	49, 50
Article 1, Section 8, Clause 1	21
Article 4, Section 3, Clause 2	21
Constitution	60
Federalist Paper # 78	60
Federalist Papers	60
First Amendment.....	16
Fourteenth Amendment Section 1	37
Sixteenth Amendment	22, 25
Thirteenth Amendment.....	12, 26, 41, 42, 60, 61, 83, 86
U.S. Const. amend. XVI.....	68
United States Constitution.....	12

Statutes

1 U.S.C. §204	78
15 U.S.C. §17	24, 33
18 U.S.C. §1001	37
18 U.S.C. §1583	79
18 U.S.C. §1589	61
18 U.S.C. §1593	43
18 U.S.C. §1951	79
18 U.S.C. §1956	79
18 U.S.C. §201	79
18 U.S.C. §241	79
18 U.S.C. §4	37
18 U.S.C. §872	79
18 U.S.C. §880	79
18 U.S.C. §912	64, 79
18 U.S.C. §924(c)(1)	35
21 U.S.C. §853(b) (1982 ed., Supp.V)	33
26 U.S.C. § 6703(c).....	68
26 U.S.C. § 7701(a)(14).....	74
26 U.S.C. §§62 and 63	30
26 U.S.C. §§6901 and 6903	14
26 U.S.C. §§7206 and 7207	74
26 U.S.C. §§83, 1001	40
26 U.S.C. §§83, 1011, and 1012.....	32

26 U.S.C. §§83, 212, 1001, 1011, and 1012.....	29, 31
26 U.S.C. §1001	30
26 U.S.C. §1012	32
26 U.S.C. §1032	40
26 U.S.C. §1035	40
26 U.S.C. §1038	40
26 U.S.C. §1041	40
26 U.S.C. §107	30, 81, 84
26 U.S.C. §107, 3401(a)(9), and 3121(a)(8)(A)	40
26 U.S.C. §1402(b)	76
26 U.S.C. §1461	66, 77, 81
26 U.S.C. §162	14, 38, 39, 66, 81
26 U.S.C. §212	33
26 U.S.C. §2503(b)	40
26 U.S.C. §3401(a).....	53
26 U.S.C. §3401(a)(6)	76
26 U.S.C. §3401(a)(9)	39
26 U.S.C. §3401(d)	76
26 U.S.C. §3402(p)	50
26 U.S.C. §6020(b)	74
26 U.S.C. §6041	53, 73
26 U.S.C. §6041(a).....	64, 82
26 U.S.C. §61	12, 40, 50, 57, 70, 84, 88
26 U.S.C. §61(a).....	29, 30, 58
26 U.S.C. §61(a)(1)	12, 28, 29, 56, 58, 59, 68, 85
26 U.S.C. §6201	70
26 U.S.C. §63	21, 88
26 U.S.C. §6401(c)	73
26 U.S.C. §6402(a).....	73, 76
26 U.S.C. §643	22, 23
26 U.S.C. §6671(b)	13, 65, 67, 77, 81
26 U.S.C. §6702	68, 76, 77
26 U.S.C. §7201	45
26 U.S.C. §7203	45
26 U.S.C. §7206	76
26 U.S.C. §7206 and 7207	80
26 U.S.C. §7207	76
26 U.S.C. §7343	13
26 U.S.C. §7408(d)	64
26 U.S.C. §7422	73
26 U.S.C. §7426	78
26 U.S.C. §7434	39, 67, 74, 76, 82
26 U.S.C. §7601	64
26 U.S.C. §7701(a)(14)	63
26 U.S.C. §7701(a)(26)	14, 19, 38, 41, 54, 57, 67, 71, 77, 78
26 U.S.C. §7701(a)(31)	76
26 U.S.C. §7701(a)(9) and (a)(10)	15, 64, 81
26 U.S.C. §83	12, 24, 26, 29, 31, 38, 55, 84, 87, 88
26 U.S.C. §83(a).....	33, 36, 37
26 U.S.C. §861(a)(3)(C)(i)	76
26 U.S.C. §864(b)(1).....	85
26 U.S.C. §871(a).....	57
28 U.S.C. § 2201	74
28 U.S.C. §3002(15)(A)	18, 67
39 Stat. 757.....	20
4 U.S.C. §110(d)	15
4 U.S.C. §72	14, 26, 64

40 Stat. 300, 307.....	20
42 U.S.C. § 1437d(1)(6) (1994 Ed., Supp.V).....	34
44 U.S.C. §1505(a).....	77
5 U.S.C. §2105(a).....	19
5 U.S.C. §552(a)(1).....	77
5 U.S.C. §553(a).....	77
8 U.S.C. 1401.....	13
Corporation Excise Tax Act of 1909.....	20, 88
Corporation Tax Act of 1909.....	21
Declaratory Judgments Act, 28 U.S.C. §2201(a).....	74
Declaratory Judgments Act, 28 U.S.C. §2201(a).....	65
I.R.C.	58, 60
I.R.C. §6703(c).....	68
I.R.C. Section 83.....	84, 85
I.R.C. Subtitle A.....	24, 56, 57, 62, 65, 67, 76, 82
I.R.S. Code of 1954.....	20
s 4411 of the Internal Revenue Code of 1954, 26 U.S.C.A. s 4411.....	51
Section 6702.....	69
Social Security Act.....	71

Regulations

26 CFR §1.1001-1(a).....	32, 37
26 CFR §1.1011-1.....	32
26 CFR §1.1012 -1.....	32
26 CFR §1.1012-1(a).....	32
26 CFR §1.469-9.....	30, 58, 85
26 CFR §1.61-1.....	60
26 CFR §1.61-1(b).....	30
26 CFR §1.83-3(g).....	31, 32, 38
26 CFR §1.83-4(b)(2).....	31
26 CFR §1.871-1(b)(i).....	66, 72, 74, 76, 81
26 CFR §1.872-2(f).....	73, 74, 76
26 CFR §301.6402-3(a)(1).....	69
26 CFR §301.6402-3(a)(1) (1983).....	69
26 CFR §31.3401(a)(6)-1(b).....	76
26 CFR §31.3401(a)-3.....	67, 80, 82
26 CFR §31.3401(a)-3(a).....	71
26 CFR §31.3402(p)-1.....	50, 71, 72
26 CFR §601.702(a)(2)(ii).....	77
27 CFR §70.150(b).....	31, 38
5 CFR §2635.101.....	23
Treasury Regulations.....	58, 60

Rules

Fed.R.App.P. 38.....	70
Federal Rule of Civil Procedure 8(b)(6).....	83

Cases

Alves v. C.I.R., 734 F.2d. 478, 481 (CA9 1984).....	36
Barnette v. Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326.....	53, 54, 73, 79
Berea College v. Kentucky, 211 U.S. 45 (1908).....	19
Blue Island v. Kozul, 379 Ill. 511, 519, 41 N.E.2d. 515, 519.....	26

Botta v. Scanlon, 288 F.2d. 504, 508 (1961).....	74, 75, 78
Bowers v. Kerbaugh-Empire Co., 271 U.S. 170, 174, (1926).....	20
Brady v. U.S., 397 U.S. 742 (1970)	27, 51
Brookhart v. Janis, 384 U.S. 1, 86 S.Ct. 1245, 16 L.Ed.2d. 314 (1966).....	27, 51
Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134.....	53, 54, 72, 79
Brushaber v. Union P. R. Co., 240 U.S. 1, 17	20
Budd v. People of State of New York, 143 U.S. 517 (1892).....	18, 66, 71, 81
Butchers' Union Co. v. Crescent City Co., 111 U.S. 746 (1884).....	27, 29, 81, 86
California v. San Pablo & T. R. Co., 149 U.S. 308, 314, 37 S. L.Ed. 747, 748, 13 Sup.Ct.Rep. 876	28
Cantwell v. Connecticut, 310 U.S. 296, 306 , 60 S.Ct. 900, 904, 128 A.L.R. 1352.....	26
Centel Communications Co. v. CIR, 920 F.2d. 1335, 1342 (CA7 1990).....	37
Cereghino v. State By and Through State Highway Commission, 230 Or. 439, 370 P.2d. 694, 697.....	27, 59, 86
Chicago ex rel. Cohen v Keane, 64 Ill.2d. 559, 2 Ill.Dec. 285, 357 N.E.2d. 452.....	14
Chicago Park Dist. v Kenroy, Inc., 78 Ill.2d. 555, 37 Ill.Dec. 291, 402 N.E.2d. 181	14
Cleveland Bd. of Ed. v. LaFleur (1974), 414 U.S. 632, 639-640, 94 S.Ct. 1208, 1215.....	75
Clyatt v. U.S., 197 U.S. 207 (1905)	42, 80
Cohn v. C.I.R., 73 U.S.T.C. 443, 446 (1979).....	36
Cohn v. Commissioner, 73 U.S.T.C. 443, 446-47 (1979)	36
Colautti v. Franklin, 439 U.S. 379 (1979).....	57
Colautti v. Franklin, 439 U.S. at 392-393, n. 10	64
Collector v. Hubbard, 12 Wall. 1, 15 (1871).....	35
Connecticut Nat. Bank v. Germain, 503 U.S. 249, 254 (1992)	35
Conner v. U.S., 303 F.Supp. 1187.....	20
Cooke v. United States, 91 U.S. 389 , 399	53
Coppage v. State of Kansas, 236 U.S. 1 (1915)	28
Curtin v. State, 61 Cal.App. 377, 214 P. 1030, 1035	62
Davis v. U.S., 742 F.2d. 171 (1984).....	69, 81
Davis v. United States, 742 F.2d. 171 (5th Cir.1984)	68, 70
Davis v. United States, 742 F.2d. 171, 172 (5th Cir.1984).....	68
Davis v. United States, 742 F.2d. 171, 173 (5th Cir.1984).....	69
Davis v. United States, 742 F.2d. at 173	70
Department of Housing and Urban Renewal v. Rucker, 535 U.S. 125, 130-31 (2002).....	27, 33, 35
Downes v. Bidwell, 182 U.S. 244 (1901).....	17
Doyle v. Mitchell Bros. Co., 247 U.S. 179, 185, 38 S.Sup.Ct. 467, 469, 62 L.Ed. 1054	21
Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.	29, 41
Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--	20, 88
Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972).....	66, 75, 77
Edward J. DeBartolo Corp. v. Florida Gulf Coast Building & Constr. Trades Council, 485 U.S. 568, 575 (1988)	34
Edwards v. Cuba Railroad, 268 U.S. 628, 633	20
Eisner v. Macomber, 252 U.S. 189, 207	20
Eisner v. Macomber, 252 U.S. 189, 207, 40 S. Sup.Ct. 189, 193 (64 L.Ed. 521, 9 A.L.R. 1570)	21
Eisner v. Macomber, 252 U.S. 189, 207, 40 S.Ct. 189, 9 A.L.R. 1570 (1920)	21
Estate of McKenzie, 227 Cal App 2d 167, 38 Cal Rptr 496, 7 A.L.R.3d. 1275.....	63
Estate of Schloss, 56 Cal 2d 248, 14 Cal Rptr 643, 363 P.2d. 875.....	63
Everhart v. Miles, 47 Md.App. 131, 136, 422 A.2d 28	37
Ex parte Peterson, 253 U.S. 300, 310, 40 S.Ct. 543, 546, 64 L.Ed. 919 (1920).....	70
Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144.....	53, 54, 73, 79
Federal Crop Ins. v. Merrill, 332 U.S. 380 (1947)	52
Fox v. Standard Oil Co. of N.J., 294 U.S. 87, 95-96 (1935)	64
Fulton Light, Heat & Power Co. v. State, 65 Misc.Rep. 263, 121 N.Y.S. 536.....	26, 59, 86
Galpin v. Page, 18 Wall. 350, 368-369	59
Gattuso v. Pecorella, 733 F.2d. 709, 710 (9th Cir.1984).....	70
Georgia Dep't of Human Resources v Sistrunk, 249 Ga 543, 291 S.E.2d. 524.....	14
Georgia R. & Power Co. v. Atlanta, 154 Ga 731, 115 S.E. 263.....	63
Glasser v. United States, 315 U.S. 60, 70-71, 86 L.Ed. 680, 699, 62 S.Ct. 457	27, 51
Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773	53, 54, 73, 79
Goodrich v. Edwards, 255 U.S. 527 (1921)	21

Goodrich v. Edwards, 255 U.S. 527, 535	20
Grand Rapids School Dist. v. Ball, 473 U.S. 373, 385 (1985)	40
Grosjean v. American Press Co., 297 U.S. 233, 244 (1936)	19
Hale v. Henkel, 201 U.S. 43 at 47 (1906)	25
Haroco, Inc. v. American Nat. Bank & Trust Co. of Chicago, 747 F.2d. 384, 398 (CA7 1984).....	34
Hatch v. Reliance Insurance Co., 758 F.2d. 409, 416 (9th Cir.1985).....	70
Heckler v. Comm Health Svc, 467 U.S. 51 (1984)	52
Heider v. Unicum, 142 Or. 416, 20 P.2d. 384	53, 54, 73, 79
Heiner v. Donnan, 285 U.S. 312 (1932).....	75
Hicks v. U.S., 335 F.Supp. 474, 481 (Colo.1971).....	31, 38
Hoeffler v. Clogan, 171 Ill. 462, 49 N.E. 527	62
Holden v. Hardy, 169 U.S. 366, 389	59
Holker v. United States, 737 F.2d. 751 (8th Cir.1984).....	68, 70
Holker v. United States, 737 F.2d. 751, 752 (8th Cir.1984).....	69
Holker v. United States, 737 F.2d. at 752.....	70
Hughes v. United States, 953 F.2d. 531, 536-537 (9th Cir. 1991)	74
Hyslep v. U.S., 765 F.2d. 1083 (1985).....	68, 81
In re Floyd Acceptances, 7 Wall. 666	52
Indiana State Ethics Comm'n v Nelson (Ind App) 656 N.E.2d. 1172	14
Insurance Co. v. New Orleans, 13 Fed. Cas. 67 (C.C.D.La. 1870)	19
Irwin v. Gavit, 268 U.S. 161, 167	20
Jersey City v Hague, 18 NJ 584, 115 A2d 8.....	14
Johnson v. Zerbst, 304 U.S. 458, 464, 82 L.Ed. 1461, 1466, 58 S.Ct. 1019, 146 A.L.R. 357	27, 51
Klingler Electric Co. v. C.I.R., 776 F.Supp. 1158, 1164 at [1] (S.D.Miss. 1991)	36
L & A Drywall, Inc. v. Whitmore Cons. Co., Inc., Utah, 608 P.2d. 626, 630.....	37
Labberton v. General Cas. Co. of America, 53 Wash.2d 180, 332 P.2d. 250, 252, 254.....	26, 27, 59, 86
Lacey v. State, 13 Ala.App. 212, 68 So. 706, 710.....	62
Largent v. Texas, 318 U.S. 418, 63 S.Ct. 667, 87 L.Ed. --.....	26
Lee v. Weisman, 505 U.S. 577 (1992)	41
Liberty Warehouse Co. v. Tobacco Growers, 276 U.S. 71, 89 (1928).....	19
Lippencott v. Allander, 27 Iowa 460.....	63
Long v. Rasmussen, 281 F. 236 (1922).....	75, 77
Lonsdale v. CIR, 661 F.2d. 71, 72 (5th Cir.1981).....	69
Lonsdale v. Commissioner, 661 F.2d. 71, 72 (5th Cir.1981)	68
Lonsdale, 661 F.2d. at 72	68
Lovell v. Griffin, 303 U.S. 444 , 58 S.Ct. 666.....	26
Lynch v. Household Finance Corp., 405 U.S. 538 (1972)	26
MacNaughton v. C.I.R., 888 F.2d. 418, 421 (CA6 1989)	36
Madison v. United States, 752 F.2d. 607, 609 (11th Cir.1985).....	68
Madlener v Finley (1st Dist) 161 Ill.App.3d. 796, 113 Ill.Dec. 712, 515 N.E.2d. 697	14
Magnano Co. v. Hamilton, 292 U.S. 40, 44 , 45 S., 54 S.Ct. 599, 601	25
Maine v. Thiboutot, 448 U.S. 1, 4 (1980)	35
McGoldrick v. Berwind-White Co., 309 U.S. 33, 56-58, 60 S.Ct. 388, 397, 398, 128 A.L.R. 876	25
Mcnally v. United States, 483 U.S. 350 (1987).....	52
Meese v. Keene, 481 U.S. 465, 484 (1987).....	57
Meese v. Keene, 481 U.S. 465, 484-485 (1987)	64
Mercantile Banking & Trust Co. v. Showacre, 102 W Va 260, 135 S.E. 9, 48 ALR 1138.....	62
Merchants' L. & T. Co. v. Smietanka, 255 U.S. 509, 219	20
Miles v. Safe Deposit Co., 259 U.S. 247, 252-253.....	20
Miranda v. Arizona, 384 U.S. 436, 491 (1966).....	51
Missouri, K. & T. R. Co. v. Cade, 233 U.S. 642, 648 , 58 S. L.Ed. 1135, 1137, 34 Sup.Ct.Rep. 678	28
Montelepre Systemed, Inc. v. C.I.R., 956 F.2d. 496, 498 at [1] (CA5 1992).....	36
Mugler v. Kansas, 123 U.S. 623 (1887)	19
Munn. v. Illinois, 94 U.S. 113 (1876)	16
Murdock v. Commonwealth of Pennsylvania, 319 U.S. 105, 63 S.Ct. 870 (1943).....	26
Nash v. United States, 229 U.S. 373, 377 (1913).....	51
New York Life Insurance Co. v. Eggleston, 96 U.S. 572.....	53

Newton v. Newton Burial Park, 326 Mo 901, 34 S.W.2d. 118	62
Nichols v. United States, 575 F.Supp. 320, 322 (D.Minn.1983).....	69
NLRB. v. Catholic Bishop of Chicago, 440 U.S. 490, 500 (1979)	34
Noice v. Schnell, 101 N.J.Eq. 252,137 A. 582, 52 A.L.R. 965	62
Olson v. U.S., 760 F.2d. 1003 (1985).....	70, 81
Orient Ins. Co. v. Daggs, 172 U.S. 557, 561 (1869).....	19
Ould v. Washington Hospital for Foundlings, 95 U.S. 303, 24 L.Ed. 450	62
Parker v. CIR, 724 F.2d. 469, 471 (5th Cir.1984)	69
Paul v. Virginia, 75 U.S. (8 Wall.) 168 (1869).....	19
People ex rel. Ellert v. Cogswell, 113 Cal 129, 45 P 270.....	63
Phoenix Mut. Life Insurance Co. v. Doster, 106 U.S. 30, 1 S.Ct. 18	53
Pledger v. C.I.R., 641 F.2d. 287, 293 (CA5 1981).....	36
Plessy v. Ferguson, 163 U.S. 537, 542 (1896)	42, 80
Pollock v. Farmer's Loan & T. Co., 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601, 39 L.Ed. 1108, 15 Sup.Ct.Rep. 912	20, 29, 41
Pollock v. Farmers' Loan & Trust Co., 158 U.S. 601.....	20
Powell v. Alabama, 287 U.S. 45 (1932).....	59
Re Estate of Freshour, 185 Kan 434, 345 P.2d. 689, 81 A.L.R.2d. 806	62
Re Estate of Sutro, 155 Cal 727, 102 P 920	63
Re MacDowell's Will, 217 N.Y. 454, 112 N.E. 177	62
Richardson v. McChesney, 218 U.S. 487, 492 , 54 S. L.Ed. 1121, 1122, 31 Sup.Ct.Rep. 43.....	28
Robinson v. C.I.R., 82 U.S.T.C. 444, 459 (1984)	36
Rock Island, A. & L. R. Co. v. United States, 254 U.S. 141, 143 (1920)	52
Rowen v. U.S., 05-3766MMC. (N.D.Cal. 11/02/2005).....	74
Russello v. United States, 464 U.S. 16, 23 (1983)	35
Schering Corp. v. Shalala, 995 F.2d. 1103 (D.C.Cir. 1993).....	31
Sedima, S.P.R.L. v. Imrex Co., 473 U.S. 479, 499 (1985).....	34
Selover, Bates & Co. v. Walsh, 226 U.S. 112, 126 (1912).....	19
Shelmadine v. City of Elkhart, 75 Ind.App. 493, 129 N.E. 878	62
Simanonok v. Commissioner, 731 F.2d. 743, 744 (11th Cir.1984).....	68
Sinking Fund Cases, 99 U.S. 700 (1878)	50, 75, 78
Slaughter House Cases, 16 Wall. 36	79
Southern Pacific Co. v. Lowe, 247 U.S. 330, 335	20
Southern Pacific Co. v. Lowe, 247 U.S. 330, 335, 38 S.Ct. 540 (1918)	20, 29, 41, 88
Stapler v. U.S., 21 F.Supp. 737,U.S. Dist. Ct. EDPA (1937).....	20
State ex rel. Colorado River Commission v. Frohmiller, 46 Ariz. 413, 52 P.2d. 483, 486	62
State ex rel. Emmert v. Union Trust Co., 227 Ind. 571, 86 N.E.2d. 450, 12 A.L.R.2d. 836	63
State ex rel. Hutton v. Baton Rouge, 217 La. 857, 47 So.2d. 665.....	63
State ex rel. Nagle v Sullivan, 98 Mont. 425, 40 P.2d. 995, 99 A.L.R. 321	14
State v. Brennan, 49 Ohio.St. 33, 29 N.E. 593	62
Steinbrecher v. CIR, 712 F.2d. 195, 197-98 (5th Cir.1983).....	69
Stenberg v. Carhart, 530 U.S. 914 (2000)	57, 64
Stratton's Independence v. Howbert, 231 U.S. 399, 415, 34 S.Supp.Ct. 136, 140.....	21
Stratton's Independence v. Howbert, 231 U.S. 399, 416, 417 S., 34 Sup.Ct. 136.....	20, 29, 41, 88
Stratton's Independence v. Howbert, 231 U.S. 399, 415	20
Sutton v. U.S., 256 U.S. 575 (1921).....	52, 53
Sutton v. United States, 256 U.S. 575, 579, 41 S.Ct. 563, 19 A.L.R. 403.....	53
The Antelope, 23 U.S. 66, 10 Wheat 66, 6 L.Ed. 268 (1825)	25, 27, 29, 80, 87
Tower v. Tower & S. Street R. Co., 68 Minn. 500, 71 N.W. 691	63
Tulalip Shores, Inc. v. Mortland, 9 Wash.App. 271, 511 P.2d. 1402, 1404	37
U.S. v. Alvarez-Sanchez, 511 U.S. 350, 357 (1994)	33, 36
U.S. v. Calamaro, 354 U.S. 351, 77 S.Ct. 1138 (U.S. 1957).....	51
U.S. v. Cartwright, 411 U.S. 546, 552 (1973).....	31, 38
U.S. v. Gonzales, 520 U.S. 1, 4-6 (1997)	33, 35
U.S. v. Monsanto, 491 U.S. 600 (syllabus) (1989).....	34
U.S. v. Monsanto, 491 U.S. 600, 607-611.....	27, 33
U.S. v. Monsanto, 491 U.S. 600, 607-611 (1989)	33

U.S. v. Whiteridge, 231 U.S. 144, 34 S.Sup.Ct. 24 (1913)	20, 29, 41
United States v Boylan (CA1 Mass) 898 F.2d. 230, 29 Fed.Rules.Evid.Serv. 1223	14
United States v Holzer (CA7 Ill) 816 F.2d. 304	14
United States v. Albertini, 472 U.S. 675, 680 (1985).....	34
United States v. Alvarez-Sanchez, 511 U.S. 350, 357 (1994).....	27
United States v. Alvarez-Sanchez, 511 U.S. 350, 358 (1994).....	35
United States v. Buras, 633 F.2d. 1356, 1361 (9th Cir.1980).....	70
United States v. Gonzales, 520 U.S. 1, 5 (1997)	34
United States v. Levy, 533 F.2d. 969 (1976).....	51
United States v. Minker, 350 U.S. 179, 76 S.Ct. 281 (1956)	51
United States v. Phellis, 257 U.S. 156, 169	20
United States v. Price, 361 U.S. 304, 313 (1960).....	34
United States v. Romero, 640 F.2d. 1014, 1016 (9th Cir.1981)	70
United States v. Stewart, 311 U.S. 60, 70 , 108	52
United States v. Supplee-Biddle Co., 265 U.S. 189, 194	20
Utah Power & Light Co. v. United States, 243 U.S. 389, 409, 37 S.Ct. 387.....	53
Utah Power & Light Co. v. United States, 243 U.S. 389, 409, 391	52
Utah Power and Light v. U.S., 243 U.S. 389 (1917).....	52
Vlandis v. Kline (1973) 412 U.S. 441, 449, 93 S.Ct. 2230, 2235	75
Voelker v. St. Louis Mercantile Library Asso. (Mo) 359 S.W.2d. 689.....	62
Walker v. Rich, 79 Cal.App. 139, 249 P. 56, 58	62
Walz v. Tax Commission, 397 U.S. 664, 694 (1970).....	40
Webster v. Wiggin, 19 R.I. 73, 31 A. 824	62
Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945).....	64
White v. United States, 270 U.S. 175, 180 , 46 S.Ct. 274).....	53
Wilbur Natl Bank v. U.S., 294 U.S. 120 (1935).....	53
Yaselli v. Goff, C.C.A., 12 F.2d. 396, 403, 56 A.L.R. 1239	62
Zorach v. Clauson, 343 U.S. 306, 313 (1952).....	40

Other Authorities

1 Cor. 7:23.....	41
19 Corpus Juris Secundum (C.J.S.), Corporations, §883	13
19 Corpus Juris Secundum (C.J.S.), Corporations, §886	18
2A N. Singer, Sutherland on Statutes and Statutory Construction § 47.07, p. 152, and n. 10 (5th ed. 1992)	64
50 Cong.Rec. p. 3839, 1913	25
63C Am.Jur.2d, Public Officers and Employees, §247	14
861 Position.....	60
A Treatise on the Law of Public Offices and Officers, p. 609, §909; Floyd Mechem, 1890	15
About IRS Form W-8BEN, Form #04.202.....	72
Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001	72, 76
Am.Jur.2d, Franchises, §4: Generally	63
American Jurisprudence 2d, Charities, §6, Definition of Charitable Trust	63
American Jurisprudence 2d, Duress, Section 21	53, 54, 73, 79
American Jurisprudence, United States, Claims against the United States, §45	74
Annotated Fourteenth Amendment, Congressional Research Service	19
Audit Techniques Guides (ATGs).....	38
Black’s Law Dictionary, Fourth Edition, p. 1235	62
Black’s Law Dictionary, Fourth Edition, p. 1693	17
Black’s Law Dictionary, Seventh Edition, p. 1536	37
Black’s Law Dictionary, Sixth Edition, p. 1185.....	75
Black’s Law Dictionary, Sixth Edition, p. 1216.....	27, 59, 86
Black’s Law Dictionary, Sixth Edition, p. 281.....	16
Black’s Law Dictionary, Sixth Edition, p. 581.....	57, 64
Colossians 4:1	42
Congressional Debates of Proposed Sixteenth Amendment.....	24
Congressional Debates on the Sixteenth Amendment.....	25

Congressional Record, Vol. 50, August 28, 1913, p. 3843	22
Constitutional Income, Phil Hart, ISBN 0-9711880-0-9	24
Correcting Erroneous Information Returns, Form #04.001	64
Correcting Erroneous IRS Form W-2's, Form #04.006	67, 82
Cover Letter	76
Encl. (2).....	78
Encl. (3).....	78
Encl. (7).....	82
Encl. 4 and 5, and 6	82
Enumeration of Inalienable Rights, Form #06.004	83
Family Guardian Website, Taxes page.....	83
Federal and State Withholding Options for Private Employers, Form #09.001	63
Federal Courts and the IRS' Own IRM Say IRS is NOT RESPONSIBLE for Its Actions or its Words or For Following Its Own Written Procedures	72
Federal Nonresident Nonstatutory Claim for Return of Funds Unlawfully Paid to the Government, Form #15.001	74
Gal. 5:1	41
Great IRS Hoax, Form #11.302.....	83
Great IRS Hoax, Form #11.302, Section 5.6.10.....	71
Great IRS Hoax, Form #11.302, Sections 3.9.1.9 and 5.6.5.....	24
Great IRS Hoax, Form #11.302, Sections 5.7.5 through 5.7.5.11.10.....	60
Gross Income Computation Worksheet, Form #15.003	76
H.Rept. 91-413 (Part 1) (1969), 1969-3 C.B. 200, 255	36
How the Government Defrauds You Out of Legitimate Deductions for the Market Value of Your Labor, Form #05.026... ..	76
Internal Revenue Manual	23
IRM 5.1.11.6.8	74
IRS 1040 Form.....	62
IRS Due Process Meeting Handout, Form #03.008	74, 77
IRS Form 1040.....	39, 40, 56, 84
IRS Form 1040, Line 7.....	24
IRS Form 1040's	66, 81
IRS Form 1040NR	38, 78
IRS Form 4868.....	77
IRS Form W-2.....	57, 66, 73, 81
IRS Form W-2's	66, 67, 81, 82
IRS Form W-4.....	79, 80, 81
IRS Forms 1040 and 1040NR	73
IRS Forms 1040 or 1040NR.....	12, 39
IRS Forms W-2 or W-4.....	72
IRS Forms W-2, 1042S, 1098, and 1099.....	78
IRS Forms W-7 and W-9.....	13
IRS Publication 17	55
IRS Publication 17, Year 2005, p. 89.....	56
IRS Publication 17: Your Federal Income Tax	83
IRS Publication 1828	39
IRS Publication 334	54, 55, 61
IRS Publication 334, Chapt 5, p. 21	61
IRS Publication 334, Chapt. 8, p. 33	55
IRS Publication 334, Section 8, p. 30.....	55
IRS Publication 334: Tax Guide for Small Businesses	83
IRS Publication 335, Chapt 5, p. 22	61
IRS Publication 517	39
IRS Publication 535: Business Expenses	83
IRS publications 334 and 535	56
IRS Published Products Catalog, Document 7130	39
IRS Schedule C	56
Is the Income Tax a Form of Slavery?	83
Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States, Form #10.001	72, 76, 77

Meaning of the Words “includes” and “including”, Form #05.014.....	57
Overview of America, SEDM Liberty University, Section 2.3.....	19
Philosophy of Liberty.....	26, 42
Proof that there is a “Straw Man”, Form #05.042.....	62
Reasonable Belief About Income Tax Liability, Form #05.007.....	76, 83
Requirement for Consent, Form #05.003.....	76
Requirement for Reasonable Notice, Form #05.022.....	59
Resignation of Compelled Social Security Trustee, Form #06.002.....	13, 62, 71
Restatement 2d, Contracts § 174.....	53, 54, 73, 79
Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34.....	75
S.Rep. at 313-314.....	35
S.Rept. 91-552 (1969), 1969-3 C.B. 423, 501.....	36
Schedule C.....	12
Section 15 entitled Remedies and Non-Statutory Claims for Violation of Rights.....	72
Social Security Forms SS-4 and SS-5.....	13
Social Security SS-5.....	71
Social Security SS-5 Application.....	62
Sovereignty Forms and Instructions Online, Form #10.004.....	83
Sovereignty Forms and Instructions Online, Form #10.004, Cites by Topic: Income.....	24
Tax Form Attachment, Form #04.201.....	66, 72, 76
Tax Guide for Small Businesses, IRS Publication 334.....	55, 61
The “Trade or Business” Scam, Form #05.001.....	19, 24, 38, 40, 61, 71, 76
The Free Exercise Boundaries of Permissible Accommodation Under the Establishment Clause, 99 Yale L.J. 1127, 1131 (1990).....	40
The Money Scam, Form #05.041.....	64
The New Income Tax Scandal.....	12
The” Trade or Business” Scam, Form #05.001.....	39, 73
To Congress.....	12
Treasury Decision 3445.....	77
Treasury Order 150-02.....	64
U.S. Attorney John C. Garrison.....	12
Who are “Taxpayers” and Who Needs a “Taxpayer Identification Number”, Form #05.013.....	15, 75
Why Domicile and Becoming a “Taxpayer” Require Your Consent, Form #05.002.....	71
Why Penalties are Illegal for Anything But Federal Employees, Contractors, and Agents, Form #05.010.....	74
Why Statutory Civil Law is Law for Government and Not Private Persons, Form #05.037.....	19
Why you are a “national” or a “state national” and NOT a “U.S. citizen”, Form #05.006.....	39
Why Your Government is Either a Thief or You are a “Public Officer” for Income Tax Purposes, Form #05.008.....	13, 61

1 Introduction

When most Americans fill out their tax return, they do not take any deductions relating to the cost of producing the labor that allows them to earn the money they earned. They do not take these deductions because:

1. IRS publications do not mention it.
2. There is nothing on Schedule C that allows it.
3. There is no space to write it on the IRS Forms 1040 or 1040NR.
4. They have not read the sections in the Internal Revenue Code that allow it.
5. The Internal Revenue Code does not define the term “personal services” as used in the phrase “compensation for services” within 26 U.S.C. §61(a)(1), which defines “gross income”.
6. There is no pointer in 26 U.S.C. §61 which references deductions for labor, as indicated in 26 U.S.C. §83 so they don’t receive “reasonable notice” of the deductibility of labor within the code itself.
7. The Internal Revenue Code does not talk about the implications of the Constitution, such as the Thirteenth Amendment, upon what can be classified as “gross income”.
8. The nature of the Internal Revenue Code as an indirect excise tax upon “profit” and not “gross receipts” is carefully hidden from the public within IRS publications.

This pamphlet will show why a deduction for the entire value of one’s personal labor from their “gross income: is warranted in the case of “taxpayers”, how the IRS has managed to prevent people from learning about it, and what you can do to claim it in your case if you are filing a return. This document will prevent the flow of a *huge* unlawful windfall of money to the U.S. government that it is not, in fact entitled to and thereby encourage our public servants to obey the law and the Constitution.

IMPORTANT NOTE: This pamphlet does *not* advocate the position that all the costs of producing one’s own labor (i.e. food, shelter, clothing, health maintenance expenses) should be deducted from the earnings arising therefrom in computing “profit”. Instead, this document establishes that *no part* of one’s own labor constitutes “profit” under Natural Law or within the context of the United States Constitution or the legislative intent of Congress. Others have attempted to deduct the cost of keeping one’s body whole (e.g. food, shelter, clothing, medicine) as a deduction for the production of their own labor. This is a complete misunderstanding of the value of one’s own labor as their own exclusive property, as further established herein with cogent legal authorities. The primary reason why one cannot deduct the costs for producing their own labor is because then the government could tell you what size house you could live in, what car you drive, and what food you eat as reasonable deductions for the production of said labor. We certainly don’t want the government meddling in or dictating *any* of these choices that only we have a protected right to make. If you want an example of how NOT to approach the issues raised in this pamphlet, it may be instructive to read a book by former U.S. Attorney John C. Garrison entitled *The New Income Tax Scandal*. In that book, he wrongfully tries to establish that we should be allowed deductions associated with the cost of producing our labor, rather than the approach established herein of saying that there is no such thing as “profit” in the context of one’s own labor on one’s own tax return.

We are not the first to study or research this issue. This research stands on the backs of many fine researchers who have done work in this area over the years. By far the most prolific source of research on this subject is David Myrland, who began researching and using some of the arguments in this pamphlet in 1996. He maintains the following website:

To Congress
<http://tocongress.com>

We also caution our readers that a proper and complete understanding of the subject of this pamphlet is essential to keep you out of trouble if you intend to pursue the position described in this pamphlet in your interactions with the taxing authorities. Some in the past who lacked a complete understanding of this subject have been criminally convicted for preparing tax returns for others based on this position.

2 Who is the “taxpayer” filing the “tax return”?

Before we can even begin to discuss the subject of deductibility of labor, we must start our discussion with a concise and complete description of EXACTLY WHO is the “taxpayer” on all government forms. Most of those who improperly apply

1 the position described in this pamphlet begin with an erroneous view of who exactly the “taxpayer” is and that
2 misunderstanding is fatal to their position and causes them to lose in court when called to defend their beliefs.

3 Here are the facts as we understand them about who exactly the “taxpayer” is who files the tax return:

4 1. The “taxpayer” is:

5 1.1. A public office in the U.S. government. See:

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

6 1.2. A federal business trust wholly owned by the United States government. That trust is the Social Security
7 charitable trust. See:

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

8 1.3. A statutory but not Constitutional “U.S. citizen” per 8 U.S.C. 1401. The United States government is a federal
9 corporation, and therefore a statutory but not Constitutional “U.S. citizen”. Because the business trust is owned
10 and controlled by Uncle, then it TOO is also a statutory but not Constitutional “U.S. citizen”.

11 *“A foreign corporation is one that derives its existence solely from the laws of another state, government, or
12 country, and the term is used indiscriminately, sometimes in statutes, to designate either a corporation created
13 by or under the laws of another state or a corporation created by or under the laws of a foreign country.”*

14 *“A federal corporation operating within a state is considered a domestic corporation rather than a foreign
15 corporation. The United States government is a foreign corporation with respect to a state.”*
16 *[19 Corpus Juris Secundum (C.J.S.), Corporations, §883]*

17
18 *“A corporation is a citizen, resident, or inhabitant of the state or country by or under the laws of which it was
19 created, and of that state or country only.”*
20 *[19 Corpus Juris Secundum (C.J.S.), Corporations, §886]*

21 2. The human being filing the tax return is the public officer occupying said public office. He entered into a partnership
22 and trusteeship with the office by applying for a de facto license to act in the capacity as said officer. That license is
23 the Taxpayer Identification Number (TIN) or Social Security Number (SSN) and it is applied for using:

24 2.1. IRS Forms W-7 and W-9.

25 2.2. Social Security Forms SS-4 and SS-5.

26 3. The partnership between the public office and the public officer is the “person” described in:

27 3.1. 26 U.S.C. §6671(b):

28 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 68](#) > [Subchapter B](#) > [PART I](#) > § 6671
29 [§ 6671. Rules for application of assessable penalties](#)

30 (b) Person defined

31 *The term “person”, as used in this subchapter, includes an officer or employee of a corporation, or a member
32 or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in
33 respect of which the violation occurs.*

34 3.2. 26 U.S.C. §7343:

35 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 75](#) > [Subchapter D](#) > Sec. 7343.
36 [Sec. 7343.](#) - Definition of term “person”

37 *The term “person” as used in this chapter [[Chapter 75](#)] includes an officer or employee of a corporation, or a
38 member or employee of a partnership, who as such officer, employee, or member is under a duty to perform
39 the act in respect of which the violation occurs*

40 4. The “duty” described in the above statutes is a fiduciary duty owed to the public at large by the public officer.

1 "As expressed otherwise, the powers delegated to a public officer are held in trust for the people and are to be
2 exercised in behalf of the government or of all citizens who may need the intervention of the officer.¹
3 **Furthermore, the view has been expressed that all public officers, within whatever branch and whatever level**
4 **of government, and whatever be their private vocations, are trustees of the people, and accordingly labor**
5 **under every disability and prohibition imposed by law upon trustees relative to the making of personal**
6 **financial gain from a discharge of their trusts.**² **That is, a public officer occupies a fiduciary relationship to**
7 **the political entity on whose behalf he or she serves,**³ **and owes a fiduciary duty to the public.**⁴ **It has been**
8 **said that the fiduciary responsibilities of a public officer cannot be less than those of a private individual.**⁵
9 Furthermore, it has been stated that any enterprise undertaken by the public official which tends to weaken
10 public confidence and undermine the sense of security for individual rights is against public policy.⁶
11 [63C Am.Jur.2d, Public Officers and Employees, §247]

- 12 5. The public office is confined to operate ONLY within the District of Columbia as required by statute at 4 U.S.C. §72.
13 It MAY NOT lawfully operate in a Constitutional state of the Union without violating the separation of powers
14 doctrine:

15 [TITLE 4 > CHAPTER 3 > § 72](#)
16 [§ 72. Public offices; at seat of Government](#)

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

- 19 6. The tax return being filed is a profit and loss statement for a federal business trust that is wholly owned by the U.S.
20 Government over which the public officer is a trustee, fiduciary, and "transferee" as described in 26 U.S.C. §§6901 and
21 6903.
22 6.1. "gross income" on the tax return is the total earnings of the business trust.
23 6.2. Everything on the tax return is "trade or business" earnings connected to a public office in the U.S. government.
24 26 U.S.C. §7701(a)(26) defines the term "trade or business" as "the functions of a public office".
25 6.3. "Deductions" taken on the tax return may only be taken for those activities directly incident to the exercise of the
26 public office and described in 26 U.S.C. §162. Those activities that are NOT so associated are not deductible
27 because they are PRIVATE activities rather than PUBLIC activities that cannot lawfully be subsidized by the
28 government without wrongfully converting public property to a PRIVATE use.
29 7. The labor or services documented on the tax return are rendered NOT by the human being or public officer running the
30 public office, but by the public office and business trust itself under hire by a third party. In that sense, the public
31 office is the equivalent of a contractor or "Kelley Girl" on loan from Uncle.
32 8. The duty to file the tax return owed by the public officer to the public office and its government owner is the following
33 duty, and that duty would exist EVEN WITHOUT A STATUTE EXPRESSLY REQUIRING THE FILING OF
34 RETURNS. It is a natural consequence of the fiduciary duty owed by ALL "public officers":

35 *"I. DUTY TO ACCOUNT FOR PUBLIC FUNDS*

36 *§ 909. In general.-*

37 **It is the duty of the public officer, like any other agent or trustee, although not declared by express statute, to**
38 **faithfully account for and pay over to the proper authorities all moneys which may come into his hands upon**

¹ State ex rel. Nagle v Sullivan, 98 Mont. 425, 40 P.2d. 995, 99 A.L.R. 321; Jersey City v Hague, 18 NJ 584, 115 A2d 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).

the public account, and the performance of this duty may be enforced by proper actions against the officer himself, or against those who have become sureties for the faithful discharge of his duties.”

[A Treatise on the Law of Public Offices and Officers, p. 609, §909; Floyd Mechem, 1890;
SOURCE: <http://books.google.com/books?id=g-I9AAAIAAJ&printsec=titlepage>]

9. Whether the public officer is “on duty” or “off duty” when he renders his labor services is **crucial** in determining whether the labor and services are deductible as an expense to the business trust filing the return.
 - 9.1. If the public officer is OFF DUTY and he is paid by the business trust for his services, then the cost of the labor is deductible.
 - 9.2. If the public officer is ON DUTY, then they are not.
10. How do you determine what actions are attributable to the public office and which are not?
 - 10.1. Anything associated with the license number is an act of the public office and NOT the human being filling the office. For instance, if withholding paperwork were provided by the human being to the payer in connection with a financial transaction or business relationship, and that withholding paperwork included a Taxpayer Identification Number, then the payment is connected with the public office and not the private human being.
 - 10.2. Anything NOT associated with the number is PRIVATE activity of the human being.

How can we use the information above to protect the deductibility of the cost of the labor rendered by the human being? Here are some pointers we have learned so far:

1. The reason you must distinguish between the public office/straw man and the private human being is summed up in the following maxim of law:

Quando duo juro concurrunt in und personâ, aequum est ac si essent in diversis.
When two rights [public right v. private right] concur in one person, it is the same as if they were in **two separate persons**. 4 Co. 118.
[Bouvier's Maxims of Law, 1856;
SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouvierMaxims.htm>]

2. The business trust uses the all caps name and the Social Security number and says after the name “(business trust)” on the return and all correspondence.
3. The private human being:
 - 3.1. Spells his name in all lower case
 - 3.2. Puts after his/her name and signature “(private human being)”.
 - 3.3. Identifies him/her self as a “nontaxpayer” not engaged in the “trade or business”/public office franchise and a nonresident.
4. A contract in commerce between the business trust and the human being must be attached to the tax return distinguishing the two, and characterizing the earnings of the private human being as:
 - 4.1. Being rendered OFF DUTY as OTHER than a public officer.
 - 4.2. Rendered by a nonresident alien who is not an “individual” or “person”, meaning PUBLIC person.
 - 4.3. Not connected to the public officer license number called the Taxpayer Identification Number.
 - 4.4. Deposited to an account not connected with the Taxpayer Identification Number.
 - 4.5. Rendered outside the “United States”, which is defined in 26 U.S.C. §7701(a)(9) and (a)(10) as the District of Columbia and statutory but not Constitutional “States” found in 4 U.S.C. §110(d).

If you don't exhaustively distinguish between the public office and business trust who is the “taxpayer”, and the private human being who is the “nontaxpayer” in the return you file, then you will betray your own ignorance and invite a corrupted government to persecute and prosecute you for what can be made to “appear” as a fraud upon Uncle.

CAVEAT EMPTOR!

The IRS and the government have a vested interest to hide the information in this section in order that you won't deduct the cost of the labor on the tax return. That is why they try to hide who the “taxpayer” is with vague definitions in the code. For more information on who this “taxpayer” is, see:

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

3 The Ability to Regulate Private Rights and Private Conduct is Repugnant to the Constitution

The following cite establishes that private rights and private property are entirely beyond the control of the government:

*When one becomes a member of society, he necessarily parts with some rights or privileges which, as an individual not affected by his relations to others, he might retain. "A body politic," as aptly defined in the preamble of the Constitution of Massachusetts, "is a social compact by which the whole people covenants with each citizen, and each citizen with the whole people, that all shall be governed by certain laws for the common good." This does not confer power upon the whole people to control rights which are purely and exclusively private. Thorpe v. R. & B. Railroad Co., 27 Vt. 143; but it does authorize the establishment of laws requiring each citizen to so conduct himself, and so use his own property, as not unnecessarily to injure another. This is the very essence of government, and 125*125 has found expression in the maxim sic utere tuo ut alienum non laedas. From this source come the police powers, which, as was said by Mr. Chief Justice Taney in the License Cases, 5 How. 583, "are nothing more or less than the powers of government inherent in every sovereignty. . . . that is to say, . . . the power to govern men and things." Under these powers the government regulates the conduct of its citizens one towards another, and the manner in which each shall use his own property, when such regulation becomes necessary for the public good. In their exercise it has been customary in England from time immemorial, and in this country from its first colonization, to regulate ferries, common carriers, hackmen, bakers, millers, wharfingers, innkeepers, &c., and in so doing to fix a maximum of charge to be made for services rendered, accommodations furnished, and articles sold. To this day, statutes are to be found in many of the States upon some or all these subjects; and we think it has never yet been successfully contended that such legislation came within any of the constitutional prohibitions against interference with private property. With the Fifth Amendment in force, Congress, in 1820, conferred power upon the city of Washington "to regulate . . . the rates of wharfage at private wharves, . . . the sweeping of chimneys, and to fix the rates of fees therefor, . . . and the weight and quality of bread," 3 Stat. 587, sect. 7; and, in 1848, "to make all necessary regulations respecting hackney carriages and the rates of fare of the same, and the rates of hauling by cartmen, wagoners, carmen, and draymen, and the rates of commission of auctioneers," 9 id. 224, sect. 2.
[Munn. v. Illinois, 94 U.S. 113 (1876),
SOURCE: http://scholar.google.com/scholar_case?case=6419197193322400931]*

Notice that they say that the ONLY basis to regulate private rights is to prevent injury of one man to another by the use of said property. They say that this authority is the origin of the "police powers" of the state. What they hide, however, is that these same POLICE POWERS involve the CRIMINAL laws and EXCLUDE the CIVIL laws or even franchises. You can TELL they are trying to hide something because around this subject they invoke the latin language that is unknown to most Americans to conceal the nature of what they are doing. Whenever anyone invokes latin in a legal setting, a red flag ought to go up because you KNOW they are trying to hide a KEY fact. Here is the latin they invoked:

"sic utere tuo ut alienum non laedas"

The other phrase to notice in the Munn case above is the use of the word "social compact". A compact is legally defined as a contract.

*"Compact, n. An agreement or contract between persons, nations, or states. Commonly applied to working agreements between and among states concerning matters of mutual concern. A contract between parties, which creates obligations and rights capable of being enforced and contemplated as such between the parties, in their distinct and independent characters. A mutual consent of parties concerned respecting some property or right that is the object of the stipulation, or something that is to be done or forborne. See also Compact clause; Confederacy; Interstate compact; Treaty."
[Black's Law Dictionary, Sixth Edition, p. 281]*

Therefore, one cannot exercise their First Amendment right to legally associate with or contract with a SOCIETY and thereby become a party to the "social compact/contract" without ALSO becoming a STATUTORY but not CONSTITUTIONAL "citizen". By statutory citizen, we really mean a domiciliary of a SPECIFIC municipal jurisdiction, and not someone who was born or naturalized in that place. Hence, by STATUTORY citizen we mean someone who CONSENTS to be protected by the regional civil laws of a SPECIFIC municipal government as either a "citizen" or a "resident", both of whom have a domicile in a specific place and collectively are called "inhabitants". Those who do NOT consent to the social compact are called "nonresidents", "transient foreigners", "non-citizen nationals", or "foreign sovereigns".

Police men are NOT allowed to involve themselves in CIVIL disputes and may ONLY intervene or arrest anyone when a CRIME has been committed. They CANNOT arrest for an "infraction", which is a word designed to hide the fact that the

1 statute being enforced is a CIVIL or FRANCHISE statute not involving the CRIMINAL "police powers". Hence, civil
2 jurisdiction over PRIVATE rights is NOT authorized among those who HAVE such rights. Nor can those rights lawfully
3 be surrendered to a REAL, de jure government, even WITH consent, if they are, in fact UNALIENABLE as the Declaration
4 of Independence indicates.

5 *"Unalienable. Inalienable; incapable of being aliened, that is, sold and transferred."*
6 *[Black's Law Dictionary, Fourth Edition, p. 1693]*

7 The only people who can consent to give away a right are those who HAVE no rights because domiciled on federal territory
8 not protected by the Constitution or the Bill of Rights:

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

25 To apply these concepts, the police enforce the "vehicle code", but most of the vehicle code is a civil franchise that they
26 may NOT enforce without ABUSING the police powers of the state. In recognition of these concepts, the civil provisions
27 of the vehicle code are called "infractions" rather than "crimes". AND, before the civil provisions of the vehicle code may
28 lawfully be enforced against those using the public roadways, one must be a "resident" with a domicile not within the state,
29 but on federal territory where rights don't exist. All civil law attaches to SPECIFIC territory. That is why by applying for a
30 driver's license, most state vehicle codes require that the person must be a "resident" of the state, meaning a person with a
31 domicile within the statutory but not Constitutional "United States", meaning federal territory.

32 So what the vehicle codes in most states do is mix CRIMINAL and CIVIL and even PRIVATE franchise law all into one
33 title of code, call it the "Vehicle code", and make it extremely difficult for even the most law abiding "citizen" to
34 distinguish which provisions are CIVIL/FRANCHISES and which are CRIMINAL, because they want to put the police
35 force to an UNLAWFUL use enforcing CIVIL rather than CRIMINAL law. This has the practical effect of making the
36 "CODE" not only a deception, but void for vagueness on its face, because it fails to give reasonable notice to the public at
37 large, WHICH specific provisions pertain to EACH subset of the population. That in fact, is why they have to call it "the
38 code", rather than simply "law": Because the truth is encrypted and hidden in order to unlawfully expand their otherwise
39 extremely limited civil jurisdiction. The two subsets of the population who they want to confuse and mix together in order
40 to undermine your sovereignty are:

- 41 1. Those who consent to the "social compact" and who therefore are:
 - 42 1.1. Residents.
 - 43 1.2. Citizens.
 - 44 1.3. Inhabitants.
 - 45 1.4. PUBLIC officers serving as an instrumentality of the government.
- 46 2. Those who do NOT consent to the "social compact" and who therefore are:
 - 47 2.1. Nonresidents.
 - 48 2.2. Transient foreigners.
 - 49 2.3. Sojourners.
 - 50 2.4. EXCLUSIVELY PRIVATE human beings beyond the reach of the civil statutes implementing the social compact.

51 The way they get around the problem of only being able to enforce the CIVIL provisions of the vehicle code against
52 domiciliaries of the federal zone is to:

- 53 1. ONLY issue driver licenses to "residents" domiciled in the federal zone.

- 1 2. Confuse CONSTITUTIONAL "citizens" with STATUTORY "citizens", to make them appear the same even though
2 they are NOT.
- 3 3. Arrest people for driving WITHOUT a license, even though technically these provisions can only be enforceable
4 against those who are acting as a public officer WHILE driving AND who are STATUTORY but not
5 CONSTITUTIONAL "citizens".

6 The act of "governing" WITHOUT consent therefore implies CRIMINAL governing, not CIVIL governing. To procure
7 CIVIL jurisdiction over a private right requires the CONSENT of the owner of the right. That is why the U.S. Supreme
8 Court states in Munn the following:

9 *"When one becomes a member of society, he necessarily parts with some rights or privileges which, as an*
10 *individual not affected by his relations to others, he might retain."*

11 Therefore, if one DOES NOT consent to join a "society" as a statutory citizen, he RETAINS those SOVEREIGN rights that
12 would otherwise be lost through the enforcement of the civil law. Here is how the U.S. Supreme Court describes this
13 requirement of law:

14 *"Men are endowed by their Creator with certain unalienable rights,- 'life, liberty, and the pursuit of*
15 *happiness;'* and to 'secure,' not grant or create, these rights, governments are instituted. *That property [or*
16 *income] which a man has honestly acquired he retains full control of, subject to these limitations:*

17 *[1] First, that he shall not use it to his neighbor's injury, and that does not mean that he*
18 *must use it for his neighbor's benefit [e.g. SOCIAL SECURITY,*
19 *Medicare, and every other public "benefit"];*

20 *[2] second, that if he devotes it to a public use, he gives to the public a right to control that use; and*

21 *[3] third, that whenever the public needs require, the public may take it upon payment of due*
22 *compensation."*

23 *[Budd v. People of State of New York, 143 U.S. 517 (1892)]*

24 A PRIVATE right that is unalienable cannot be given away, even WITH consent. Hence, the only people that any
25 government may CIVILLY govern are those without unalienable rights, all of whom MUST therefore be domiciled on
26 federal territory where CONSTITUTIONAL rights do not exist.

27 Notice that when they are talking about "regulating" conduct using CIVIL law, all of a sudden they mention "citizens"
28 instead of ALL PEOPLE. These "citizens" are those with a DOMICILE within federal territory not protected by the
29 Constitution:

30 *"Under these powers the government regulates the conduct of its citizens one towards another, and the manner*
31 *in which each shall use his own property, when such regulation becomes necessary for the public good."*

32 All "citizens" that they can regulate therefore must be WITHIN the government and be acting as public officers. Otherwise,
33 they would continue to be PRIVATE parties beyond the CIVIL control of any government. Hence, in a Republican Form
34 of Government where the People are sovereign:

- 35 1. The only "subjects" under the civil law are public officers in the government.
- 36 2. The government is counted as a STATUTORY "citizen" but not a CONSTITUTIONAL "citizen". All
37 CONSTITUTIONAL citizens are human beings and CANNOT be artificial entities. All STATUTORY citizens, on the
38 other hand, are artificial entities and franchises and NOT CONSTITUTIONAL citizens.

39 *"A corporation [the U.S. government, and all those who represent it as public officers, is a federal corporation*
40 *per 28 U.S.C. §3002(15)(A)] is a citizen, resident, or inhabitant of the state or country by or under the laws of*
41 *which it was created, and of that state or country only."*
42 *[19 Corpus Juris Secundum (C.J.S.), Corporations, §886]*

43 _____

44 *Citizens of the United States within the meaning of this Amendment must be natural and not artificial*
45 *persons; a corporate body is not a citizen of the United States.*¹⁴

1 *14 Insurance Co. v. New Orleans*, 13 Fed. Cas. 67 (C.C.D.La. 1870). Not being citizens of the United States,
2 corporations accordingly have been declared unable "to claim the protection of that clause of the Fourteenth
3 Amendment which secures the privileges and immunities of citizens of the United States against abridgment or
4 impairment by the law of a State." *Orient Ins. Co. v. Daggs*, 172 U.S. 557, 561 (1869). This conclusion was in
5 harmony with the earlier holding in *Paul v. Virginia*, 75 U.S. (8 Wall.) 168 (1869), to the effect that
6 corporations were not within the scope of the privileges and immunities clause of state citizenship set out in
7 Article IV, Sec. 2. See also *Selover*, *Bates & Co. v. Walsh*, 226 U.S. 112, 126 (1912); *Berea College v.*
8 *Kentucky*, 211 U.S. 45 (1908); *Liberty Warehouse Co. v. Tobacco Growers*, 276 U.S. 71, 89 (1928); *Grosjean*
9 *v. American Press Co.*, 297 U.S. 233, 244 (1936).

10 [SOURCE: Annotated Fourteenth Amendment, Congressional Research Service:

11 http://www.law.cornell.edu/amdt14a_hd1]

12 3. The only statutory "citizens" are public offices in the government.

13 4. By serving in a public office, one becomes the same type of "citizen" as the GOVERNMENT is.

14 These observations are consistent with the very word roots that form the word "republic". The following video says the
15 word origin comes from "res publica", which means a collection of PUBLIC rights shared by the public. You must
16 therefore JOIN "the public" and become a public officer before you can partake of said PUBLIC right.

17 **Overview of America**, SEDM Liberty University, Section 2.3

18 <http://sedm.org/LibertyU/LibertyU.htm>

19 This gives a WHOLE NEW MEANING to Abraham Lincoln's Gettysburg Address, in which he refers to American
20 government as:

21 *"A government of the people, by the people, and for the people."*

22 You gotta volunteer as an uncompensated public officer for the government to CIVILLY govern you. Hence, the only thing
23 they can CIVILLY GOVERN, is the GOVERNMENT! Pretty sneaky, huh? Here is a whole memorandum of law on this
24 subject proving such a conclusion:

25 ***Why Statutory Civil Law is Law for Government and Not Private Persons***, Form #05.037

26 FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

27 DIRECT LINK: <http://sedm.org/Form...StatLawGovt.pdf>

28 The other important point we wish to emphasize is that those who are EXCLUSIVELY private and therefore beyond the
29 reach of the civil law are:

- 30 1. Not a statutory "person" under the civil law or franchise statute in question.
- 31 2. Not "individuals" under the CIVIL law if they are human beings. All statutory "individuals", in fact, are identified as
32 "employees" under 5 U.S.C. §2105(a). This is the ONLY statute that describes HOW one becomes a statutory
33 "individual" that we have been able to find.
- 34 3. "foreign", a "transient foreigner", and sovereign in respect to government CIVIL but not CRIMINAL jurisdiction.
- 35 4. NOT "subject to" but also not necessarily statutorily "exempt" under the civil or franchise statute in question.

36 For a VERY interesting background on the subject of this section, we recommend reading the following case:

37 *Mugler v. Kansas*, 123 U.S. 623 (1887)

38 SOURCE: http://scholar.google.com/scholar_case?case=12658364258779560123

39 **4 Income tax is upon "profit" and not ALL earnings**

40 Subtitle A of the Internal Revenue Code describes an indirect excise tax upon "profit" in connection with a "trade or
41 business", which [26 U.S.C. §7701\(a\)\(26\)](#) defines as "the functions of a public office". The nature of it as an indirect excise
42 tax upon a "trade or business" is exhaustively proven in the article below:

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

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

1 Authorities from the U.S. Supreme Court proving that it is a tax upon profit are shown below:

2 "The Sixteenth Amendment declares that Congress shall have power to levy and collect taxes on income, "from
3 [271 U.S. 174] whatever source derived," without apportionment among the several states and without regard
4 to any census or enumeration. It was not the purpose or effect of that amendment to bring any new subject
5 within the taxing power. Congress already had power to tax all incomes. But taxes on incomes from some
6 sources had been held to be "direct taxes" within the meaning of the constitutional requirement as to
7 apportionment. Art. 1, § 2, cl. 3, § 9, cl. 4; Pollock v. Farmers' Loan & Trust Co., 158 U.S. 601. The
8 Amendment relieved from that requirement, and obliterated the distinction in that respect between taxes on
9 income that are direct taxes and those that are not, and so put on the same basis all incomes "from whatever
10 source derived." Brushaber v. Union P. R. Co., 240 U.S. 1, 17. **"Income" has been taken to mean the same
11 thing as used in the Corporation Excise Tax Act of 1909, in the Sixteenth Amendment, and in the various
12 revenue acts subsequently passed. Southern Pacific Co. v. Lowe, 247 U.S. 330, 335; Merchants' L. & T. Co.
13 v. Smietanka, 255 U.S. 509, 219. After full consideration, this Court declared that income may be defined as
14 gain derived from capital, from labor, or from both combined, including profit gained through sale or
15 conversion of capital. Stratton's Independence v. Howbert, 231 U.S. 399, 415; Doyle v. Mitchell Brothers
16 Co., 247 U.S. 179, 185; Eisner v. Macomber, 252 U.S. 189, 207. And that definition has been adhered to and
17 applied repeatedly. See, e.g., Merchants' L. & T. Co. v. Smietanka, supra; 518; Goodrich v. Edwards, 255 U.S.
18 527, 535; United States v. Phellis, 257 U.S. 156, 169; Miles v. Safe Deposit Co., 259 U.S. 247, 252-253; United
19 States v. Supplee-Biddle Co., 265 U.S. 189, 194; Irwin v. Gavit, 268 U.S. 161, 167; Edwards v. Cuba Railroad,
20 268 U.S. 628, 633. In determining what constitutes income, substance rather than form is to be given
21 controlling weight. Eisner v. Macomber, supra, 206. [271 U.S. 175]"
22 [Bowers v. Kerbaugh-Empire Co., 271 U.S. 170, 174, (1926)]**

24 "As repeatedly pointed out by this court, the Corporation Tax Law of 1909, **imposed an excise or privilege tax,
25 and not in any sense, a tax upon property or upon income merely as income.** It was enacted in view of the
26 decision of Pollock v. Farmer's Loan & T. Co., 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601,
27 39 L.Ed. 1108, 15 Sup.Ct.Rep. 912, which held the income tax provisions of a previous law to be
28 unconstitutional because amounting in effect to a direct tax upon property within the meaning of the
29 Constitution, and because not apportioned in the manner required by that instrument."
30 [U.S. v. Whiteridge, 231 U.S. 144, 34 S.Sup.Ct. 24 (1913)]

32 "We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909
33 (Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad contention
34 submitted on behalf of the government that all receipts—everything that comes in—are income within the proper
35 definition of the term 'gross income,' and that the entire proceeds of a conversion of capital assets, in whatever
36 form and under whatever circumstances accomplished, should be treated as gross income. Certainly the term
37 'income' has no broader meaning in the 1913 act than in that of 1909 (see Stratton's Independence v. Howbert,
38 231 U.S. 399, 416, 417 S., 34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its
39 meaning as used in the two acts."
40 [Southern Pacific Co. v. Lowe, 247 U.S. 330, 335, 38 S.Ct. 540 (1918)]

42 "Income within the meaning of the **16th Amendment** and the **Revenue Act** means, gain ... and in such
43 connection gain means profit ... proceeding from property severed from capital, however invested or employed
44 and coming in, received or drawn by the taxpayer for his separate use, benefit and disposal"
45 [Stapler v. U.S., 21 F.Supp. 737, U.S. Dist. Ct. EDPA (1937)]

47 "Whatever may constitute income, therefore must have the essential feature of gain to the recipient. This was
48 true when the **16th Amendment** became effective, it was true at the time of **Eisner v. Macomber**, supra, it was
49 true under **sect. 22(a)** of the **Internal Revenue Code** of 1938, and it is likewise true under **sect. 61(a)** of the
50 **I.R.S. Code** of 1954. If there is not gain, there is not income Congress has taxed INCOME and not
51 compensation."
52 [Conner v. U.S., 303 F.Supp. 1187]

54 "The act under which the assessment was made provides that the net income of a taxable person shall include
55 gains, profits, and income derived from ... sales or dealings in property, whether real or personal ... or gains or
56 profits and income derived from any source whatever. 39 Stat. 757; 40 Stat. 300, 307.

58 Section 2(c) of this same act provides that--

60 'For the purpose of ascertaining the gain derived from the sale or other disposition of
61 property, real, personal, or mixed, acquired before March first, nineteen hundred and
62 thirteen, the fair market price or value of such property as of March first, nineteen
63 hundred and thirteen, shall be the basis for determining the amount of such gain derived.'

1 And the definition of 'income' approved by this Court is:

2 "The gain derived from capital, from labor, or from both combined,' provided it be
3 understood to include profits gained through sale or conversion of capital assets.' Eisner
4 v. Macomber, [252 U.S. 189, 207](#), 40 S. Sup.Ct. 189, 193 (64 L.Ed. 521, 9 A.L.R. 1570).

5 It is thus very plain that the statute imposes the income tax on the proceeds of the sale of personal property to
6 the extent only that gains are derived therefrom by the vendor, and we therefore agree with the Solicitor
7 General that since no gain was realized on this investment by the plaintiff in error no tax should have been
8 assessed against him.

9 [Goodrich v. Edwards, 255 U.S. 527 (1921)]

10 "Taxable income", which is "profit" is then defined as income minus expenses within the Internal Revenue Code.

11 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART 1](#) > § 63
12 [§ 63. Taxable income defined](#)

13 (a) In general

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

16 **5 What is "income"?**

17 Like any legal term, there are TWO separate contexts in which "income" may be defined: 1. Statutory; 2. Constitutional.
18 The statutory and constitutional contexts are mutually exclusive and non-overlapping. All "income" must fit in one but not
19 both of these categories. Below is a breakdown of these two contexts:

20 **Table 1: Constitutional v. Statutory "income" compared**

#	Characteristic	Constitutional context	Statutory context
1	Source of authority to tax	Article 1, Section 8, Clause 1 of the United States Constitution	Article 4, Section 3, Clause 2 of the United States Constitution.
2	Geographic applicability	states of the Union	Federal territories and possessions
3	Activities included in the definition of "income" based on current law	Profit of a federal and not state corporation from foreign commerce ONLY	Public offices in the United States government
4	Nature of tax upon "income"	Excise tax on foreign commerce under Const. Article 1, Section 8, Clause 1	Statutory franchises within the United States government
5	Statutory definition of "income" allowed	No. Constitution defines it.	Yes. Not constrained by the Constitution.
6	Who can define it	The courts	The legislature.

21 Acts or statutes enacted by the United States Congress such as the Internal Revenue Code fall in the right column above
22 and limit themselves to federal territory not protected by the Constitution. Hence, "income" within the I.R.C. Subtitle A is
23 not constrained by the United States Constitution, because the definitions within the I.R.C. and the Constitution both limit
24 its operation to federal territory and the national government itself.

25 The U.S. Supreme Court has held that the Constitutional context on the left, Congress is WITHOUT any lawful authority to
26 define the word "income":

27 "In order, therefore, that the [apportionment] clauses cited from article 1 [§2, cl. 3 and §9, cl. 4] of the
28 Constitution may have proper force and effect ...[I]t becomes essential to distinguish between what is an what
29 is not 'income,'...according to truth and substance, without regard to form. **Congress cannot by any definition**
30 **it may adopt conclude the matter, since it cannot by legislation alter the Constitution, from which alone, it**
31 **derives its power to legislate, and within those limitations alone that power can be lawfully exercised...** [pg.
32 207]...After examining dictionaries in common use we find little to add to the succinct definition adopted in two
33 cases arising under the Corporation Tax Act of 1909, *Stratton's Independence v. Howbert*, 231 U.S. 399, 415,
34 34 S.Sup.Ct. 136, 140 [58 L.Ed. 285] and *Doyle v. Mitchell Bros. Co.*, 247 U.S. 179, 185, 38 S.Sup.Ct. 467,
35 469, 62 L.Ed. 1054..."
36 [Eisner v. Macomber, [252 U.S. 189, 207](#), 40 S.Ct. 189, 9 A.L.R. 1570 (1920)]

1 Congress itself admitted it could not statutorily define the word “income” in the Constitutional context or within states of
2 the Union shortly after the Sixteenth Amendment was ratified in 1913 in the case where they were contemplating how to
3 write the first income tax law. The Congressional Record says the following on August 28, 1913 on this subject:

4 *Mr. CUMMINS [. . .]*

5 *It ought not to be forgotten, however-and I am now speaking to the lawyers on the other side; I want to make a*
6 *lawyer's argument and not to raise at this moment any question of policy-that the authority of the Congress of*
7 *the United States with regard to this subject is not unlimited. Our power is not like the power which Great*
8 *Britain exercises over the subject. It is not like the power which the several States exercise over the subject. It is*
9 *a power granted in article 16 of the Constitution, and I will read it:*

10 *Congress shall have power to lay and collect taxes on incomes from whatever source*
11 *derived, without apportionment among the several States, and without regard to any*
12 *census or enumeration.*

13 *Our authority is to levy a tax upon incomes. I take it that every lawyer will agree with me in the conclusion that*
14 *we cannot levy under this amendment a tax upon anything but an income. I assume that every lawyer will agree*
15 *with me that we can not legislatively interpret the meaning of the word " income." **That is purely a judicial***
16 ***matter.** We can not enlarge the meaning of the word "income."* *We need not levy our tax upon the entire*
17 *income. We may levy it upon part of an income, but we cannot levy it upon anything but an income; **and what is***
18 ***income must be determined by the courts of the country when the question is submitted to them.***

19 *I think there can be no controversy with regard to those propositions. I am very anxious that when this bill shall*
20 *have passed it may be effective, that its operation may not be suspended or delayed through a resort to legal*
21 *tribunals.*

22 *Mr. FLETCHER. Mr. President-*

23 *The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Florida?*

24 *Mr. CUMMINS. I yield to the Senator.*

25 *Mr. FLETCHER. I should like to inquire whether the Senator means to state that Congress can not by statute*
26 *define what shall be regarded as an income tax?*

27 *Mr. CUMMINS. I do not think so, Mr. President. The word " income" had a well-defined meaning before the*
28 *amendment of the Constitution was adopted. It has been defined in all the courts of this country. When the*
29 *people of the country granted to Congress the right to levy a tax on incomes, that right was granted with*
30 *reference to the legal meaning and interpretation of the word "income" as it was then or as it might thereafter*
31 *be defined or understood in legal procedure. If we could call anything income that we pleased, we could*
32 *obliterate all the distinctions between income and principal. Whenever this law tested in the courts of the*
33 *country, it will be found that the courts will undertake to declare whether the thing upon which we levy the tax*
34 *is income or whether it is something else, and therefore we ought to be in the highest degree careful in*
35 *endeavoring to interpret the Constitution through a statutory enactment.*

36 *[Congressional Record, Vol. 50, August 28, 1913, p. 3843*
37 *SOURCE: <http://famguardian.org/TaxFreedom/History/Congress/1909-16thAmendCongrRecord.pdf>]*

38 A very important implication of Eisner and the Congressional Record above and the preceding section are that:

- 39 1. Congress cannot statutorily define “income” in a state of the Union or in a Constitutional context. Only the judicial
40 branch can define “income” within the context of the Constitution of the United States and the Sixteenth Amendment.
- 41 2. The U.S. Supreme Court and lower courts have consistently held that the word “income” as used within the
42 Constitutional and not statutory context, includes only “profit”, as we covered in the preceding section.
- 43 3. If Congress cannot statutorily define the word “income” in a Constitutional context or within a state of the Union, then
44 the IRS cannot have any delegated authority to define it in their publications or the Internal Revenue Manual either.
- 45 4. Since the term “income” is statutorily defined in [26 U.S.C. §643](#), then the “income” they mean cannot include anything
46 earned within a state of the Union. Therefore, the only “income” that Congress can be referring to is “profit” in
47 connection with taxable activities occurring on federal territory.

48 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter J > PART 1 > Subpart A > § 643](#)
49 [§ 643. Definitions applicable to subparts A, B, C, and D](#)

50 (b) **Income**

1 For purposes of this subpart and subparts B, C, and D, the term "income", when not preceded by the words
2 "taxable", "distributable net", "undistributed net", or "gross", means the amount of income of the estate or
3 trust for the taxable year determined under the terms of the governing instrument and applicable local law.
4 Items of gross income constituting extraordinary dividends or taxable stock dividends which the fiduciary,
5 acting in good faith, determines to be allocable to corpus under the terms of the governing instrument and
6 applicable local law shall not be considered income.

7 5. The IRS' own Internal Revenue Manual admits that not only it, but every IRS form and publication is
8 UNTRUSTWORTHY and should NOT be cited or used as a basis for good faith belief.

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

12 Based on the above, those protected by the Constitution and physically present within a constitutional and not statutory
13 State of the Union should not be relying on IRS publications to define "income" and the only thing we can consistently rely
14 upon for a definition is the enacted positive law itself. By "positive law", we mean enactments of Congress that are legally
15 admissible as evidence in a court of law of an obligation.

16 The other thing we should notice from the statutory definition of "income" found in 26 U.S.C. §643 above is that it
17 expressly includes ONLY earnings of an estate or trust. Hence, even on federal territory, you must be a trustee or executor
18 of a trust to even earn statutory "income". The only type of trust or estate they can be talking about is a public and not
19 private trust or estate, because the ability to regulate PRIVATE conduct is "repugnant to the constitution".

20 *"The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to provide modes*
21 *of redress" against offensive state action, was "repugnant" to the Constitution. Id., at 15. See also United States*
22 *v. Reese, 92 U.S. 214, 218 (1876); United States v. Harris, 106 U.S. 629, 639 (1883); James v. Bowman, 190*
23 *U.S. 127, 139 (1903). Although the specific holdings of these early cases might have been superseded or*
24 *modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964); United States v. Guest,*
25 *383 U.S. 745 (1966), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not*
26 *been questioned."*
27 *[City of Boerne v. Flores, Archbishop of San Antonio, 521 U.S. 507 (1997)]*

28 What "public trust" might they be talking about? The government! Government is a "public trust":

29 *Executive Order 12731*
30 *"Part 1 -- PRINCIPLES OF ETHICAL CONDUCT*

31 *"Section 101. Principles of Ethical Conduct. To ensure that every citizen can have complete confidence in the*
32 *integrity of the Federal Government, each Federal employee shall respect and adhere to the fundamental*
33 *principles of ethical service as implemented in regulations promulgated under sections 201 and 301 of this*
34 *order:*

35 ***"(a) Public service is a public trust, requiring employees to place loyalty to the Constitution, the laws, and***
36 ***ethical principles above private gain.***

37
38 *TITLE 5--ADMINISTRATIVE PERSONNEL*
39 *CHAPTER XVI--OFFICE OF GOVERNMENT ETHICS*
40 *PART 2635--STANDARDS OF ETHICAL CONDUCT FOR EMPLOYEES OF THE EXECUTIVE BRANCH--*
41 *Table of Contents*
42 *Subpart A--General Provisions*
43 *Sec. 2635.101 Basic obligation of public service.*

44 *(a) Public service is a public trust.*

45 *Each employee has a responsibility to the United States Government and its citizens to place loyalty to the*
46 *Constitution, laws and ethical principles above private gain. To ensure that every citizen can have complete*
47 *confidence in the integrity of the Federal Government, each employee shall respect and adhere to the principles*
48 *of ethical conduct set forth in this section, as well as the implementing standards contained in this part and in*
49 *supplemental agency regulations.*

50 All those working in the national and not state government as public officers are therefore trustees of the public trust. Any
51 earnings they have in the capacity of public officers are therefore the only proper subject of taxes upon "income" within the

1 national and not state government. These conclusions are completely consistent with the definitions found in the Internal
2 Revenue Code limiting taxes upon “income” under Subtitle A of the I.R.C. The I.R.C. Subtitle A is, in fact, an excise tax
3 upon public offices in the U.S. government and not state government. That excise tax is NEITHER “direct” nor “indirect”,
4 because these two terms only have meaning within the Constitutional context, and the I.R.C. Subtitle A is a statutory and
5 NOT constitutional context. For further details see:

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

6 If you would like to investigate further the meaning of “income”, the following resources should prove very useful:

- 7 1. *Great IRS Hoax*, Form #11.302, Sections 3.9.1.9 and 5.6.5.
8 <http://sedm.org/Forms/FormIndex.htm>
- 9 2. *Sovereignty Forms and Instructions Online*, Form #10.004, Cites by Topic: Income.
10 <http://sedm.org/Forms/FormIndex.htm>
- 11 3. *Congressional Debates of Proposed Sixteenth Amendment*.
12 <http://fanguardian1.org/TaxFreedom/History/Congress/1909-16thAmendCongrRecord.pdf>
- 13 4. *Constitutional Income*, Phil Hart, ISBN 0-9711880-0-9. SOURCE: <http://www.constitutionalincome.com>.

14 **6 Why One’s Own Labor is not an article of Commerce and cannot Produce** 15 **“profit” in the Context of Oneself**

16 The following question naturally arises from the preceding sections relating to “profit”:

17 **QUESTION:** What is “profit” in the context not of a business, but a *private individual* who offers his valuable labor in
18 EQUAL exchange for some other valuable commodity?

19 **ANSWER:** In the context of private individuals who sell their labor in exchange for money, there cannot lawfully be any
20 such thing as “profit”. The exchange of valuable labor for some other valuable commodity is an **EQUAL**
21 exchange which does not have any profit involved, and therefore cannot be the subject of any kind of tax upon
22 profits. If labor has no value in the exchange, then *no one* would be willing to pay anything for it! Anyone
23 who argues with this premise can do nothing but contradict themselves.

24 The above conclusions are confirmed by the U.S. Code, which says that “the labor of a human being is not a commodity or
25 article of commerce”:

26 [TITLE 15 > CHAPTER 1 > § 17](#)
27 [§ 17. Antitrust laws not applicable to labor organizations](#)

28 *The labor of a human being is not a commodity or article of commerce.* *Nothing contained in the antitrust*
29 *laws shall be construed to forbid the existence and operation of labor, agricultural, or horticultural*
30 *organizations, instituted for the purposes of mutual help, and not having capital stock or conducted for profit,*
31 *or to forbid or restrain individual members of such organizations from lawfully carrying out the legitimate*
32 *objects thereof; nor shall such organizations, or the members thereof, be held or construed to be illegal*
33 *combinations or conspiracies in restraint of trade, under the antitrust laws.*

34 If “the labor of a human being is not a commodity or article of commerce”, then at least in the context of oneself:

- 35 1. It *cannot* produce “profit” in the context of oneself as a human being.
- 36 2. We cannot lawfully take deductions in connection with the expenses needed to produce our own labor, because these
37 expenses might exceed the compensation and thereby produce a loss which compels the government to in effect
38 subsidize people who work for less than the full Fair Market Value or Cost of Producing their labor by giving them a
39 tax break.
- 40 3. It has no “cost basis” in the context of oneself. Consequently, there can be neither “profit” NOR its inverse, which is
41 “loss”, in connection with one’s own labor. The full Fair Market Value of the labor, which is the full amount we
42 received as payment for our OWN labor and not more, may lawfully be deducted from the compensation received in
43 EQUAL exchange for it pursuant to [26 U.S.C. §83](#) in computing gross income BEFORE we enter it on the IRS Form
44 1040, Line 7, thus rendering neither profit nor loss.

1 The debates on the [Sixteenth Amendment](#), which the government frequently identifies as the source of their authority to tax
2 the labor of a human being, also abundantly confirm that the legislative intent of the [Sixteenth Amendment](#) never included
3 the goal of taxing the labor of a human being. Instead, the main purpose of that amendment was to tax passive, unearned
4 profits of large corporations and trusts that had grown to gargantuan proportions at that time. You can read the entire
5 [Sixteenth Amendment](#) Congressional debates below, and it is electronically searchable for your convenience:

Congressional Debates on the Sixteenth Amendment
<http://famguardian.org/TaxFreedom/History/Congress/1909-16thAmendCongrRecord.pdf>

6 Among the statements during those debates were the following, which confirm the findings of this section:

7 *“Mr. Brandegee. **Mr. President, what I said was that the amendment [the Sixteenth Amendment] exempts***
8 ***absolutely everything that a man makes for himself.** Of course it would not exempt a legacy which somebody*
9 *else made for him and gave to him. If a man’s occupation or vocation—for vocation means nothing but a*
10 *calling—if his calling or occupation were that of a financier it would exempt everything he made by*
11 *underwriting and by financial operations in the course of a year that would be the product of his effort*
12 *[LABOR]. **Nothing can be imagined that a man can busy himself about with a view of profit which the***
13 ***amendment as drawn would not utterly exempt.”***
14 *[50 Cong.Rec. p. 3839, 1913]*

15 The U.S. Supreme Court has also held that labor of a human being is not taxable to that same human being, when it said:

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

19 *“There is a clear distinction in this particular case between an individual and a corporation, and that the latter*
20 *has no right to refuse to submit its books and papers for an examination at the suit of the State. **The individual***
21 ***may stand upon his constitutional rights as a citizen. He is entitled to carry on his private business in his own***
22 ***way. His power to contract is unlimited. He owes no such duty to the State, since he receives nothing***
23 ***therefrom, beyond the protection of his life and property. His rights are such as existed by the law of the land***
24 ***long antecedent to the organization of the State, and can only be taken from him by due process of law, and***
25 ***in accordance with the constitution.** Among his rights are a refusal to incriminate himself, and the immunity of*
26 *himself and his property from arrest or seizure except under a warrant of the law. **He owes nothing to the***
27 ***public so long as he does not trespass upon their rights.”***
28 *[Hale v. Henkel, 201 U.S. 43 at 47 (1906)]*

29 So the question for our esteemed readers is: What part of:

30 *“He owes NOTHING [including so-called “income taxes”] to the public so long as he does not trespass upon*
31 *their rights.”*

32 . . .do you NOT understand? Why is this? Because the government cannot tax or regulate the exercise of RIGHTS
33 protected by the Constitution. The only “persons” they can tax or regulate are those who engage in “privileges”. To wit:

34 ***The power to tax the exercise of a privilege is the power to control or suppress its enjoyment. Magnano Co. v.***
35 ***Hamilton, 292 U.S. 40, 44 , 45 S., 54 S.Ct. 599, 601, and cases cited. Those who can tax the exercise of this***
36 ***religious practice can make its exercise so costly as to deprive it of the resources necessary for its***
37 ***maintenance.** Those who can tax the privilege of engaging in this form of missionary evangelism can close its*
38 *doors to all those who do not have a full purse. Spreading religious beliefs in this ancient and honorable*
39 *manner would thus be denied the needy. Those who can deprive religious groups of their colporteurs can take*
40 *from them a part of the vital power of the press which has survived from the Reformation.*

41 *It is contended, however, that the fact that the license tax can suppress or control this activity is unim- [319*
42 *U.S. 105, 113] portant if it does not do so. But that is to disregard the nature of this tax. **It is a license tax-a***
43 ***flat tax imposed on the exercise of a privilege granted by the Bill of Rights. A state may not impose a charge***
44 ***for the enjoyment of a right granted by the federal constitution.** Thus, it may not exact a license tax for the*
45 *privilege of carrying on interstate commerce (McGoldrick v. Berwind-White Co., [309 U.S. 33](#), 56-58, 60 S.Ct.*
46 *388, 397, 398, 128 A.L.R. 876), although it may tax the property used in, or the income derived from, that*
47 *commerce, so long as those taxes are not discriminatory. Id., 309 U.S. at page 47, 60 S.Ct. at page 392, 128*
48 *A.L.R. 876 and cases cited. A license tax applied to activities guaranteed by the First Amendment would have*
49 *the same destructive effect. It is true that the First Amendment, like the commerce clause, draws no distinction*
50 *between license taxes, fixed sum taxes, and other kinds of taxes. But that is no reason why we should shut our*
51 *eyes to the nature of the tax and its destructive influence. **The power to impose a license tax on the exercise of***
52 ***these freedoms is indeed as potent as the power of censorship which this Court has repeatedly struck down.***

1 Lovell v. Griffin, 303 U.S. 444 , 58 S.Ct. 666; Schneider v. State, supra; Cantwell v. Connecticut, 310 U.S.
2 296, 306 , 60 S.Ct. 900, 904, 128 A.L.R. 1352; Largent v. Texas, 318 U.S. 418 , 63 S.Ct. 667, 87 L.Ed. --;
3 Jamison v. Texas, supra. It was for that reason that the dissenting opinions in Jones v. Opelika, supra, stressed
4 the nature of this type of tax. 316 U.S. at pages 607-609, 620, 623, 62 S.Ct. at pages 1243, 1244, 1250, 1251,
5 141 A.L.R. 514. In that case, as in the present ones, we have something very different from a registration system
6 under which those going from house to house are required to give their names, addresses and other marks of
7 identification to the authorities. In all of these cases the issuance of the permit or license is dependent on the
8 payment of a license tax. And the license tax is fixed in amount and unrelated to the scope of the activities of
9 petitioners or to their realized revenues. It is not a nominal fee [319 U.S. 105, 114] imposed as a regulatory
10 measure to defray the expenses of policing the activities in question. 8 It is in no way apportioned. It is a flat
11 license tax levied and collected as a condition to the pursuit of activities whose enjoyment is guaranteed by
12 the First Amendment. Accordingly, it restrains in advance those constitutional liberties of press and religion
13 and inevitably tends to suppress their exercise. That is almost uniformly recognized as the inherent vice and
14 evil of this flat license tax. As stated by the Supreme Court of Illinois in a case involving this same sect and an
15 ordinance similar to the present one, a person cannot be compelled 'to purchase, through a license fee or a
16 license tax, the privilege freely granted by the constitution.' 9 Blue Island v. Kozul, 379 Ill. 511, 519, 41 N.E.2d.
17 515, 519. So it may not be said that proof is lacking that these license taxes either separately or cumulatively
18 have restricted or are likely to restrict petitioners' religious activities. On their face they are a restriction of the
19 free exercise of those freedoms which are protected by the First Amendment.
20 [Murdock v. Commonwealth of Pennsylvania, 319 U.S. 105, 63 S.Ct. 870 (1943)]

21 The ability to exchange your labor, which has an intrinsic and definable value, for some other valuable commodity is a
22 right guaranteed by the Constitution of the United States of America. This is the reason for the existence of 26 U.S.C. §83
23 and the reason why no part of your own personal labor, including that connected with privileged activities such as a “trade
24 or business”, can be the subject of any tax. There is no such thing as “profit” in the context of your own personal labor,
25 because they can’t tax or regulate the enjoyment of a right guaranteed by the Constitution. The state may tax profits
26 associated with other people you hire in the context of your business⁷, but not your OWN personal labor in the context of
27 your OWN personal income tax return. You have a RIGHT to enjoy property, and you are your own property! Lynch v.
28 Household Finance Corp., 405 U.S. 538 (1972). You own, govern, and control the exclusive and enjoyment of yourself.⁸
29 Anyone who interferes with the enjoyment of that right is instituting involuntary servitude in violation of the Thirteenth
30 Amendment. Please view the fascinating animation on this subject below:

Philosophy of Liberty
<http://famguardian.org/Subjects/Freedom/Articles/PhilosophyOfLiberty.htm>

31 7 Why Labor is Property

32 “Property” is legally defined as follows:

33 “Property. That which is peculiar or proper to any person; that which **belongs exclusively to one. In**
34 **the strict legal sense, an aggregate of rights which are guaranteed and protected by the**
35 **government.** *Fulton Light, Heat & Power Co. v. State, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said*
36 *to extend to every species of valuable right and interest. More specifically, ownership; **the unrestricted***
37 ***and exclusive right to a thing;** the right to dispose of a thing in every legal way, to possess it, to use it,*
38 *and to exclude every one else from interfering with it. That dominion or indefinite right of particular things or*
39 *subjects. The exclusive right of possessing, enjoying, and disposing of a thing. The highest right a man can*
40 *have to anything; being used to refer to that right which one has to lands or tenements, goods or chattels, which*
41 *no way depends on another man’s courtesy.*

42 *The word is also commonly used to denote everything which is the subject of ownership; corporeal or*
43 *incorporeal, tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable*
44 *value or which goes to make up wealth or estate. **It extends to every species of valuable right and interest, and***
45 ***includes real and personal property, easements, franchises, and incorporeal hereditaments, and includes***
46 ***every invasion of one’s property rights by actionable wrong.*** *Labberton v. General Cas. Co. of America, 53*
47 *Wash.2d 180, 332 P.2d. 250, 252, 254.*

⁷ If in fact Congress has expressly extended the authority of the Secretary of the United States Treasury to operate outside the District of Columbia and within the several 50 states of the Union pursuant to 4 U.S.C. §72. As of the time of this writing, no officer of the United States has been able to produce even one statute or law which so extends the authority of the Secretary to the 50 states of the Union pursuant to 4 U.S.C. §72.

⁸ You have an exclusive right to decide whether you go to work today, how much you want to work for, or whether you want to give away your labor for free. You don’t have to ask the government’s permission to make ANY one of these decisions. Therefore, your labor is completely and exclusively your own property, and no one can dictate what one can do with that property or the fruits of that property in a truly free society.

[. . .]

Property within constitutional protection, denotes group of rights inhering in citizen's relation to physical thing, as right to possess, use and dispose of it. Cereghino v. State By and Through State Highway Commission, 230 Or. 439, 370 P.2d. 694, 697."
[Black's Law Dictionary, Sixth Edition, p. 1216]

Note the above admission that ALL RIGHTS are property:

It extends to every species of valuable right and interest, and includes real and personal property, easements, franchises, and incorporeal hereditaments, and includes every invasion of one's property rights by actionable wrong. Labberton v. General Cas. Co. of America, 53 Wash.2d 180, 332 P.2d. 250, 252, 254.
[Black's Law Dictionary, Sixth Edition, p. 1216]

The U.S. Supreme Court admitted that "labor" is a "right", when it said:

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

Another way of saying the above is that YOU OWN YOURSELF. You are your OWN "property". Anyone who steals your labor or the fruits of your labor without your EXPLICIT voluntary consent IN WRITING is stealing your "property".

"Waivers of Constitutional rights not only must be voluntary, but must be knowing, intelligent acts done with sufficient awareness of the relevant circumstances and likely consequences."
[Brady v. U.S., 397 U.S. 742 (1970)]

"The question of a waiver of a federally guaranteed constitutional right is, of course, a federal question controlled by federal law. There is a presumption against the waiver of constitutional rights, see, e.g. Glasser v. United States, 315 U.S. 60, 70-71, 86 L.Ed. 680, 699, 62 S.Ct. 457, and for a waiver to be effective it must be clearly established that there was "an intentional relinquishment or abandonment of a known right or privilege." Johnson v. Zerbst, 304 U.S. 458, 464, 82 L.Ed. 1461, 1466, 58 S.Ct. 1019, 146 A.L.R. 357."
[Brookhart v. Janis, 384 U.S. 1; 86 S.Ct. 1245; 16 L.Ed.2d. 314 (1966)]

The U.S. Supreme Court also explicitly defined "labor" as "property" below, noting again that it is identified as an "inalienable right", which is equivalent to "property":

"Among these unalienable rights, as proclaimed in that great document [the Declaration of Independence] is the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY WHICH EVERY MAN HAS IN HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVIOABLE... to hinder his employing this strength and dexterity in what manner he thinks proper without injury to his neighbor, is a plain violation of this most sacred property."
[Butchers' Union Co. v. Crescent City Co., 111 U.S. 746 (1884), Concurring opinion of Justice Field]

There is ample case law to support the principle of statutory construction which makes the term "any property" all inclusive; meaning that nothing is to be excluded by the word "any". This is confirmed by the following cases where the United States contends successfully that "any property" is all inclusive and means all property (see U.S. v. Monsanto, 491 U.S. 600, 607-611 and (syllabus) (1989); United States v. Alvarez-Sanchez, 511 U.S. 350, 357 (1994); US. v. Gonzales, 520 U.S. 1, 4-6 (1997); Department of Housing and Urban Renewal v. Rucker, 535 U.S. 125, 130-31 (2002) citing Gonzalez and Monsanto). Monsanto is quoted below:

"Heroin manufacturer Monsanto argues that he should be allowed to keep enough money for attorney's fees, but the DOJ argues successfully that "any property" is all inclusive and therefore means the U.S. can seize any and all property unless Monsanto can point to a specific exclusion of attorney's fees under the law. DOJ can seize everything owned by defendant."
[U.S. v. Monsanto, 491 U.S. 600, 607-611]

As used in statutes and regulations, the terms "any" or "any property" are to be construed as all inclusive until Congress "expressly" provides an exception to support the notion that such terms are not all inclusive. Since the 1989 Monsanto

1 decision regarding “any property,” three very recent decisions supra deal directly with the same question as to how to
2 interpret the term “any”; as all inclusive and not subject to derogation.

3 The U.S. Supreme Court has also affirmed the RIGHT of everyone to exchange their labor, which is property, for
4 something of equal value, and that when any third party, including the government, interferes with such an exchange, for
5 instance by involuntarily withholding a portion of that exchange and thereby depriving either party to the contract of liberty
6 and property, then that party is violating rights. Such interference, we might add, also includes levying involuntary taxes
7 upon one’s labor. To wit:

8 “Included in the right of personal liberty and the right of private property-partaking of the nature of each- is
9 the right to make contracts for the acquisition of property. Chief among such contracts is that of personal
10 employment, by which labor and other services are exchanged for money or other forms of property. If this
11 right be struck down or arbitrarily interfered with, there is a substantial impairment of liberty in the long-
12 established constitutional sense. The right is as essential to the laborer as to the capitalist, to the poor as to the
13 rich; for the vast majority of persons have no other honest way to begin to acquire property, save by working
14 for money.

15 An interference with this liberty so serious as that now under consideration, and so disturbing of equality of
16 right, must be deemed to be arbitrary, unless it be supportable as a reasonable exercise of the police power of
17 the state. But, notwithstanding the strong general presumption in favor of the validity of state laws, we do not
18 think the statute in question, as construed and applied in this case, can be sustained as a legitimate exercise of
19 that power. To avoid possible misunderstanding, we should here emphasize, what has been said before, that so
20 far as its title or enacting clause expresses a purpose to deal with coercion, compulsion, duress, or other undue
21 influence, we have no present concern with it, because nothing of that sort is involved in this case. As has [236
22 U.S. 1, 15] been many times stated, this court deals not with moot cases or abstract questions, but with the
23 concrete case before it. California v. San Pablo & T. R. Co. 149 U.S. 308, 314, 37 S. L.Ed. 747, 748, 13
24 Sup.Ct.Rep. 876; Richardson v. McChesney, 218 U.S. 487, 492, 54 S. L.Ed. 1121, 1122, 31 Sup.Ct.Rep. 43;
25 Missouri, K. & T. R. Co. v. Cade, 233 U.S. 642, 648, 58 S. L.Ed. 1135, 1137, 34 Sup.Ct.Rep. 678. We do not
26 mean to say, therefore, that a state may not properly exert its police power to prevent coercion on the part of
27 employers towards employees, or vice versa.

28 [. . .]

29 As to the interest of the employed, it is said by the Kansas supreme court to be a matter of common
30 knowledge that 'employees, as a rule, are not financially able to be as independent in making contracts for
31 the sale of their labor as are employers in making a contract of purchase thereof.' No doubt, wherever the
32 right of private property exists, there must and will be inequalities of fortune; and thus it naturally happens that
33 parties negotiating about a contract are not equally unhampered by circumstances. This applies to all
34 contracts, and not merely to that between employer and employee. Indeed, a little reflection will show that
35 wherever the right of private property and the right of free contract coexist, each party when contracting is
36 inevitably more or less influenced by the question whether he has much property, or little, or none; for the
37 contract is made to the very end that each may gain something that he needs or desires more urgently than that
38 which he proposes to give in exchange. And, since it is self-evident that, unless all things are held in common,
39 some persons must have more property than others, it is from the nature of things impossible to uphold freedom
40 of contract and the right of private property without at the same time recognizing as legitimate those
41 inequalities of fortune that are the necessary result of the exercise of those rights. But the 14th Amendment, in
42 declaring that a state shall not 'deprive any person of life, liberty, or property without due process of law,' gives
43 to each of these an equal sanction; it recognizes 'liberty' and 'property' as coexistent human rights, and debars
44 the states from any unwarranted interference with either.

45 And since a state may not strike them down directly, it is clear that it may not do so indirectly, as by declaring
46 in effect that the public good requires the removal of those [236 U.S. 1, 18] inequalities that are but the
47 normal and inevitable result of their exercise, and then invoking the police power in order to remove the
48 inequalities, without other object in view. The police power is broad, and not easily defined, but it cannot be
49 given the wide scope that is here asserted for it, without in effect nullifying the constitutional guaranty. ”

50 [. . .]

51 In short, an interference with the normal exercise of personal liberty and property rights is the primary
52 object of the statute [or tax], and not an incident to the advancement of the general welfare. But, in our
53 opinion, the 14th Amendment debars the states from striking down personal liberty or property rights, or
54 materially restricting their normal exercise, excepting [236 U.S. 1, 19] so far as may be incidentally necessary
55 for the accomplishment of some other and paramount object, and one that concerns the public welfare. The
56 mere restriction of liberty or of property rights cannot of itself be denominated 'public welfare,' and treated
57 as a legitimate object of the police power; for such restriction is the very thing that is inhibited by the
58 Amendment.”

59 [Coppage v. State of Kansas, 236 U.S. 1 (1915)]

8 Why the Cost of Labor is Deductible from Gross Receipts In Computing Profit

The conversion they are talking about in the previous section is the conversion of "labor" and "capital" into finished goods. The I.R.C. reflects the requirement for "profit" in [26 U.S.C. §83](#), which says that profit in the context of labor is any amount collected in excess of the value of the labor collected. Below is an enumerated analysis of how this works:

1. Labor, and in fact ALL rights, are property:

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

"THE PROPERTY WHICH EVERY MAN HAS IN HIS OWN LABOR, AS IT IS THE ORIGINAL FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND INVOLABLE... to hinder his employing this strength and dexterity in what manner he thinks proper without injury to his neighbor, is a plain violation of this most sacred property."^m
[*Butchers' Union Co. v. Crescent City Co.*, [111 U.S. 746](#) (1884), Concurring opinion of Justice Field]

2. The Supreme Court admitted that the income tax is NOT a tax upon "property". The reason is because then it would be a direct tax" within the meaning of the Constitution that would amount to slavery because it could not be shifted or avoided:

*"As repeatedly pointed out by this court, the Corporation Tax Law of 1909. **imposed an excise or privilege tax, and not in any sense, a tax upon property or upon income merely as income.** It was enacted in view of the decision of *Pollock v. Farmer's Loan & T. Co.*, 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601, 39 L.Ed. 1108, 15 Sup.Ct.Rep. 912, which held the income tax provisions of a previous law to be unconstitutional because amounting in effect to a direct tax upon property within the meaning of the Constitution, and because not apportioned in the manner required by that instrument."*
[*U.S. v. Whiteridge*, [231 U.S. 144](#), 34 S.Sup.Ct. 24 (1913)]

*"We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909 (*Doyle, Collector, v. Mitchell Brothers Co.*, 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad contention submitted on behalf of the government that all receipts—everything that comes in **[COMPENSATION FOR LABOR, for INSTANCE] -are income within the proper definition of the term 'gross income,' and that the entire proceeds of a conversion of capital assets, in whatever form and under whatever circumstances accomplished, should be treated as gross income.** Certainly the term "income" has no broader meaning in the 1913 act than in that of 1909 (see *Stratton's Independence v. Howbert*, 231 U.S. 399, 416, 417 S., 34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its meaning as used in the two acts."*
[*Southern Pacific Co. v. Lowe*, [247 U.S. 330](#), 335, 38 S.Ct. 540 (1918)]

3. Because the right to one's own labor is property and that income tax cannot be a tax upon property, then it is a violation of [26 U.S.C. §§ 83, 212, 1001, 1011, and 1012](#) to report the entirety of "compensation for services" as described in [26 U.S.C. §61\(a\)\(1\)](#) as "**gross income**". Instead, the Fair Market Value of the labor along with all of the other deductions from gross receipts identified later in section 9 later BEFORE we even begin computing "gross income".

4. "compensation for services", which most people wrongfully interpret to mean "all labor", is described in 26 U.S.C. §61(a)(1):

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART 1](#) > § 61
[§ 61. Gross income defined](#)

(a) General definition

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

(1) ***Compensation for services***, including fees, commissions, fringe benefits, and similar items;

5. The phrase "except as otherwise provided in this subtitle" recognizes the authority of [26 U.S.C. §§83, 212, 1001, 1011, and 1012](#) in reducing one's "profit" in the context of exchanges of property by the amount paid or exchanged for it. However, most Americans and tax professionals rarely read and understand the first seven words of [26 U.S.C. §61\(a\)](#); "***Except as otherwise provided in this subtitle.***" This is the subtle clue to let Americans know that there are *other*

1 definitions of or exclusions from “Gross Income” which *supersede* the [26 U.S.C. § 61](#)(a) definition of “[Gross Income](#).”
2 This provision is repeated again in 26 CFR §1.61-1(b), which says:

3 *26 CFR §1.61-1 Gross Income*

4 (b) Cross References

5 *. . . To the extent that an-other section of the Code or of the regulations thereunder, provides specific*
6 *treatment for any item of income, such other provision shall apply notwithstanding section 61 and the*
7 *regulations thereunder. The cross references do not cover all possible items.”*

8 To show how this deduction process operates, take the example full time ministers of the gospel are allowed to **exclude**
9 from “Gross Income” the rental value of a home furnished to them by their church as part of their compensation. [26](#)
10 [U.S.C. §107](#) states:

11 *26 U.S.C. §107. Rental value of parsonages*

12 *In the case of a minister of the gospel, **gross income does not include**—*

13 *(1) the rental value of a home furnished to him as part of his compensation; or*

14 *(2) the rental allowance paid to him as part of his compensation, to the extent used by him to rent or provide a*
15 *home and to the extent such allowance does not exceed the fair rental value of the home, including furnishings*
16 *and appurtenances such as a garage, plus the cost of utilities.*

- 17 6. As one can easily see from [26 U.S.C. §107](#), a minister’s home compensation is **excluded** from “Gross Income” and
18 therefore cannot be taxed under any circumstances. Since [26 U.S.C. §§ 62](#) [adjusted gross income] and [63](#) [taxable
19 income] both start from a value known as “Gross Income,” one cannot possibly have a federal tax liability or be subject
20 to a federal tax without first having some amount of “Gross Income.”
- 21 7. The term “compensation for services” as used in [26 U.S.C. §61](#)(a) above means services rendered in connection with a
22 “[trade or business](#)”, and NOT all of one’s labor. This is also confirmed by the statutes relating to “compensation for
23 labor or personal services” as follows:

24 [26 U.S.C. §861 Income from Sources Within the United States](#)

25 (a)(3) “...Compensation for labor or **personal services** performed in the United States shall not be deemed to be
26 income from sources within the United States if-

27 (C) the compensation for labor or services performed as an **employee** of or under contract with--

28 (i) a **nonresident alien**...not engaged in a **trade or business in the United States**...”

29 This is also confirmed by the definition of “[personal services](#)” in the Treasury Regulations:

30 [26 CFR Sec. §1.469-9 Rules for certain rental real estate activities.](#)

31 (b)(4) **PERSONAL SERVICES.**

32 **Personal services** means any work performed by an individual in connection with a **trade or business**.
33 However, personal services do not include any work performed by an individual in the individual’s capacity as
34 an investor as described in section 1.469-5T(f)(2)(ii).

- 35 8. The method of computing gain or loss (profit) from the EQUAL exchange of one’s labor for its Fair Market Value is
36 found in [26 U.S.C. §1001](#):

37 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter O > PART I > § 1001](#)
38 [§ 1001. Determination of amount of and recognition of gain or loss](#)

39 (a) Computation of gain or loss

40 *The gain from the sale or other disposition of **property** [including LABOR] shall be the excess of the amount*
41 *realized therefrom over the adjusted basis [Fair Market Value] provided in section [1011](#) for determining gain,*
42 *and the loss shall be the excess of the adjusted basis provided in such section for determining loss over the*
43 *amount realized.*

1 9. Moreover, the law and the regulations govern what the Secretary or his alleged Delegates can do with regard to the
2 calculation of “Gross Income” as previously cited in [26 U.S.C. §§83, 212, 1001, 1011, and 1012](#) above.

3 *“The regulations...now govern, and will continue to govern, the abbreviated application process. See Fort*
4 *Stewart Schools v. FLRA, 495 U.S. 641, 654, 110 S.Ct. 2043, 2051, 109 L.Ed.2d. 659 (1990). **No matter what***
5 ***an agency said in the past, or what it did not say, after an agency issues regulations it must abide by them.**”*
6 *[Schering Corp. v. Shalala, 995 F.2d. 1103 (D.C.Cir. 1993)]*

7 10. The plain language of [26 U.S.C. §83](#) states that when compensation is received in [exchange] for services rendered,
8 ONLY the “excess” of the “property” [compensation] over the “amount paid” [labor] in costs is to be included in gross
9 income:

10 [§ 83. Property transferred in connection with performance of services](#)

11 (a) General rule

12 *If, in connection with the performance of services [labor], property is transferred [compensation] to any*
13 *person [employee] other than the person for whom such services are performed [employer], the excess of—*

14 *(1) the fair market value of such property [compensation] (determined without regard to any restriction other*
15 *than a restriction which by its terms will never lapse) at the first time the rights of the person having the*
16 *beneficial interest in such property are transferable or are not subject to a substantial risk of forfeiture,*
17 *whichever occurs earlier, over*

18 *(2) the amount (if any) paid [labor] for such property [compensation], shall be included in the gross income*
19 *of the person who performed such services [employee] in the first taxable year in which the rights of the*
20 *person having the beneficial interest in such property are transferable or are not subject to a substantial risk of*
21 *forfeiture, whichever is applicable. The preceding sentence shall not apply if such person sells or otherwise*
22 *disposes of such property in an arm’s length transaction before his rights in such property become transferable*
23 *or not subject to a substantial risk of forfeiture.*

24 11. Here is the formula for [26 U.S.C. § 83](#):

25 11.1. “Gross Income” = “Excess”; and

26 11.2. “Excess” = (“property”)—(the “amount paid”)... or

27 11.3. “Excess”=(“compensation”)---(value of labor)

28 12. The “amount paid” is defined in [26 CFR §1.83-3\(g\)](#) as: definition of cost:

29 [26 CFR §1.83-3\(g\)](#)

30 (g) Amount paid.

31 *For purposes of section 83 and the regulations thereunder, the term “amount paid” refers to the value of any*
32 *money or property [labor is property.] paid for the transfer of property [compensation] to which section 83*
33 *applies...*

34 13. The value of the “amount paid” [labor] is determined by what the private employer paid for the services [labor]
35 rendered. [26 CFR §1.83-3\(g\)](#) is all inclusive and includes “any money or property.”

36 14. The fair market value (“FMV”) of property (“amount paid” or “labor”) is established through the terms of an
37 “arm’s length transaction.”⁹

38 15. To confirm that this understanding is correct, we can come to the same conclusion by reviewing other sections of the
39 IRC and the regulations thereunder.

40 16. To properly calculate what constitutes “Gross Income”, pursuant to [26 U.S.C. § 83](#), one needs to know “the amount
41 paid” (cost of labor) so it can be deducted from the “property” (compensation) in order to calculate the “excess”
42 [profit] which is to be included in the “Gross Income”. To determine these factors, one must turn to the regulations:

43 *“If property [compensation] to which [1.83-1](#) applies is transferred [from employer to employee] at an arm’s*
44 *length [Blacks law pg. 109], the basis [cost of labor] of the property [compensation] in the hands of the*
45 *transferee [recipient or employee] shall be determined under section 1012 and the regulations thereunder”*
46 *[[26 CFR § 1.83-4\(b\)\(2\)](#)]*

⁹ See 27 CFR §70.150(b); [U.S. v. Cartwright](#), 411 U.S. 546, 552 (1973); [Hicks v. U.S.](#), 335 F.Supp. 474, 481 (Colo.1971); [Pledger v. CIR](#), supra; Black’s Law Dictionary, 6th Ed., “Arm’s length transaction.”

- 1 17. Before one can determine the “excess”, one must identify the “amount paid.”
2 18. As property, labor has a value with regard to the related compensation transaction and [26 U.S.C. §1012](#) will either
3 include or exclude said cost for labor.

4 [§ 1012. Basis of property—cost](#)

5 *The basis of property [labor] shall be the cost [compensation] of such property...*

- 6 19. The regulations confirm the basis of property:

7 [26 CFR §1.1012 -1 Basis of property.](#)

8 (a) *General rule. In general, the basis of property [compensation] is the cost thereof. The cost is the amount
9 paid [labor] for such property [compensation] in cash or other property [labor]...*

- 10 20. Congress has cited what it considers to be a “cost”. The “amount paid for such property in cash or other property”.
11 The Secretary will take note that nothing is excluded from that which is considered by Congress to be a cost. If
12 Congress intended to exclude labor from that which is a cost, [26 U.S.C. §1012](#) would reflect such an exclusion. Since
13 it is not excluded, it is to be considered as a cost in the calculation of the “excess” which is included in “Gross Income”
14 and in the determination as to whether one has enough “gross income” to make it necessary to even file a return.
15 21. The “amount paid” [labor] is the value of the cost [labor] and is also known as the “adjusted basis”. Regulations
16 require that this amount be “withdrawn” from the amount realized in the [payment for services] transaction and that it
17 be “restored to the taxpayer.”

18 [26 CFR §1.1011-1](#) *Adjusted basis.*

19 *The adjusted basis for determining the gain or loss from the sale or other disposition of property is the cost or*
20 *other basis prescribed in section 1012 or other applicable provisions of subtitle A of the code, adjusted to the*
21 *extent provided in sections 1016, 1017, and 1018 or as otherwise specifically provided for under applicable*
22 *provisions of internal revenue laws.*

24 [26 CFR §1.1001-1\(a\)](#)

25 (a) *...from the amount realized upon the sale or exchange there shall be withdrawn a sum sufficient to restore*
26 *the adjusted basis prescribed by section 1011 and the regulations thereunder...The amount which remains*
27 *[excess] after the adjusted basis [cost of labor] has been restored to the taxpayer constitutes the realized gain*
28 *[profit].*

- 29 22. After determining the value of property (labor) that is a cost, as defined by United States law (see [26 CFR §1.1012-1\(a\)](#)
30 , and [26 CFR §1.1001-1\(a\)](#), the value of the “amount paid,” or the “adjusted basis” (labor), must be subtracted from the
31 amount realized (compensation) BEFORE including ONLY the “excess” balance which remains (if any) in “Gross
32 Income”. The Federal 1040 type returns do not accommodate [§83](#) in any way and therefore it is not possible for any
33 American to complete a 1040 return and claim the right as articulated by Congress in [§83](#).
34 23. Again, the conclusion reached by reviewing additional sections of the IRC and the regulations thereunder, as cited
35 above, is the same conclusion articulated by Congress in [26 CFR §1.83-3\(g\)](#) where the “amount paid” is defined as
36 “any money or property” (labor is not excluded):

37 [26 CFR §1.83-3\(g\)](#)

38 (g) *Amount paid. For purposes of section 83 and the regulations thereunder, the term “amount paid” [labor]*
39 *refers to the value of any money or property [labor] paid for the transfer of property [compensation] to which*
40 *section 83 applies...*

- 41 24. The sections of the IRC which embraces intangible personal property as a cost (see [26 U.S.C. § 1012](#)) is calculated as
42 one’s cost when having only sold one’s labor, and [26 CFR §1.83-3\(g\)](#) does the same. In fact, in order to impose
43 amounts which are not to be included in “Gross Income” upon those who may be “taxpayers”, the Secretary must deny
44 even “taxpayers” their rights as identified by Congress in [26 U.S.C. §§ 83, 1011, and 1012](#).
45 25. The law does not exclude any property for which there is no basis from cost. The cost equals the value of any and all
46 property (labor) disposed to obtain other property (compensation), unless it is expressly excluded under [26 U.S.C. §](#)
47 [1012](#).

26. The difference between cost and income is further articulated by Congress in [26 U.S.C. §212](#) as follows:

[26 U.S.C. §212. Expenses for production of income](#)

In the case of an individual, there shall be allowed as a deduction all the ordinary and necessary expenses [cost] paid or incurred during the taxable year—
(1) for the production or collection of income;
(2) for the management, conservation, or maintenance of property held for the production of income; or
(3) in connection with the determination, collection, or refund of any tax.

Since one's own labor is not a commodity or article of commerce (see [15 U.S.C. §17](#)), then the above does not apply to earnings in connection with one's OWN labor on one's OWN tax return.

27. Thus a deduction is mandated (“shall”) but it is not specified how the expenses are to be deducted. Based on 26 U.S.C. §83(a), the deduction [labor] is to be taken [returned to the “taxpayer”] from “such property” [compensation] to create the “excess” which ONLY then is said “excess” included in “Gross Income.” **If there is no “excess” then there is no “Gross Income.”**

28. As used in the cited statutes and regulations, the terms “any” or “any property” are to be construed as all inclusive until Congress “expressly” provides an exception to support the notion that such terms are not all inclusive.

29. There is ample case law to support the principle of statutory construction which makes the term “any property” all inclusive; meaning that nothing is to be excluded by the word “any.” This is confirmed by the following cases where the United States contends successfully that “any property” is all inclusive and means all property (see *U.S. v. Monsanto*, 491 U.S. 600, 607-611 and (syllabus) (1989); *U.S. v. Alvarez-Sanchez*, 511 U.S. 350, 357 (1994) ; *U.S. v. Gonzales*, 520 U.S. 1, 4-6 (1997) ; *Department of Housing and Urban Renewal v. Rucker*, 535 U.S. 125, 130-31 (2002) citing *Gonzalez* and *Monsanto*). Although these cases are not about taxes, the issue of “any property” is argued by the DOJ successfully that “any property is all inclusive and means all property. Cases are quoted below:

30. **1989 - Monsanto (In summary)** - Heroin manufacturer Monsanto argues that he should be allowed to keep enough money for attorney's fees, but the DOJ argues successfully that **"any property"** is all inclusive and therefore means the U.S. can seize any and all property unless Monsanto can point to a specific exclusion of attorney's fees under the law. DOJ can seize everything owned by defendant. Monsanto in detail follows:

“...Monsanto argues that he should be allowed to keep enough money for attorney's fees, but the DOJ argues successfully that “any property” is all inclusive and therefore means the U.S. can seize any and all property unless Monsanto can point to a specific exclusion of attorney's fees under the law. DOJ can seize everything owned by defendant.” U.S. v. Monsanto, 491 U.S. 600, 607-611

Section 853's language is plain and unambiguous. Congress could not have chosen stronger words to express its intent that forfeiture be mandatory than § 853(a)'s language that upon conviction a person “shall forfeit . . . any property” and that the sentencing court “shall order” a forfeiture. Likewise, the statute provides a broad definition of property which does not even hint at the idea that assets used for attorney's fees are not included. Every Court of Appeals that has finally passed on this argument has agreed with this view. Neither the Act's legislative history nor legislators' post-enactment statements support respondent's argument that an exception should be created because the statute does not expressly include property to be used for attorney's fees, or because Congress simply did not consider the prospect that forfeiture [491 U.S. 601] would reach such property. . . . Moreover, respondent's admonition that courts should construe statutes to avoid decision as to their constitutionality is not license for the judiciary to rewrite statutory language. Pg. 606-611.”^{10[5]}

“In determining the scope of a statute, we look first to its language.” United States v. Turkette, 452 U.S. 576, 580 (1981). In the case before us, the language of § 853 is plain and unambiguous: all assets falling within its scope are to be forfeited upon conviction, with no exception existing for the assets used to pay attorney's fees — or anything else, for that matter.

As observed above, § 853(a) provides that a person convicted of the offenses charged in respondent's indictment “shall forfeit . . . any property” that was derived from the commission of these offenses. After setting out this rule, § 853(a) repeats later in its text that upon conviction a sentencing court “shall order” forfeiture of all property described in § 853(a). Congress could not have chosen stronger words to express its intent that forfeiture be mandatory in cases where the statute applied, or broader words to define the scope of what was to be forfeited. Likewise, the statute provides a broad definition of “property” when describing what types of assets are within the section's scope: “real property . . . tangible and intangible personal property, including rights, privileges, interests, claims, and securities.” 21 U.S.C. § 853(b) (1982 ed., Supp.V). Nothing in this all-inclusive listing even hints at the idea that assets to be used to pay an attorney are not “property” within the statute's meaning.

¹⁰ *U.S. v. Monsanto*, 491 U.S. 600 (syllabus) (1989)

Nor are we alone in concluding that the statute is unambiguous in failing to exclude assets that could be used to pay an attorney from its definition of forfeitable property. This argument, advanced by respondent here, see Brief for Respondent 12-19, has been unanimously rejected by every Court of Appeals that has finally passed on it, as it was by the Second Circuit panel below, see 836 F.2d. at 78-80; id. at 85-86 (Oakes, J., dissenting); even the judges who concurred on statutory grounds in the en banc decision did not accept this position, see 852 F.2d. at 1405-1410 (Winter, J., concurring). We note also that the Brief for American Bar Association as Amicus Curiae 6, frankly admits that the statute “on [its] face, broadly coverts] all property derived from alleged criminal activity and contain[s] no specific exemption for property used to pay bona fide attorneys’ fees.”

Respondent urges us, nonetheless, to interpret the statute to exclude such property for several reasons. Principally, respondent contends that we should create such an exemption because the statute does not expressly include property to be used for attorneys’ fees ... In support, respondent observes that the legislative history is “silent” on this question, and that the House and Senate debates fail to discuss this prospect. But this proves nothing[.] The fact that the forfeiture provision reaches assets that could be used to pay attorney’s fees, even though it contains no express provisions to this effect, “does not demonstrate ambiguity” in the statute: “It demonstrates breadth.” Sedima, S.P.R.L. v. Imrex Co., 473 U.S. 479, 499 (1985) (quoting Haroco, Inc. v. American Nat. Bank & Trust Co. of Chicago, 747 F.2d. 384, 398 (CA7 1984)). The statutory provision at issue here is broad and unambiguous, and Congress’ failure to supplement § 853(a)’s comprehensive phrase — “any property” — with an exclamatory “and we even mean assets to be used to pay an attorney” does not lessen the force of the statute’s plain language.”^{11[6]}

“As we have noted before, such post-enactment views “form a hazardous basis for inferring the intent” behind a statute, United States v. Price, 361 U.S. 304, 313 (1960); instead, Congress’ intent is “best determined by [looking to] the statutory language that it chooses,” Sedima, S.P.R.L., supra, at 495, n.13. . . . Finally, respondent urges us, see Brief for Respondent 2029, to invoke a variety of general canons of statutory construction, as well as several prudential doctrines of this Court, to create the statutory exemption he advances; among these doctrines is our admonition that courts should construe statutes to avoid decision as to their constitutionality. See, e.g., Edward J. DeBartolo Corp. v. Florida Gulf Coast Building & Constr. Trades Council, 485 U.S. 568, 575 (1988); NLRB. v. Catholic Bishop of Chicago, 440 U.S. 490, 500 (1979). We respect these canons, and they are quite often useful in close cases, or when statutory language is ambiguous. But we have observed before that such “interpretative canon[s] are] not a license for the judiciary to rewrite language enacted by the legislature.” United States v. Albertini, 472 U.S. 675, 680 (1985). Here, the language is clear and the statute comprehensive; § 853 does not exempt assets to be used for attorney’s fees from its forfeiture provisions.”¹²
[U.S. v. Monsanto, 491 U.S. 600 (syllabus) (1989)]

31. Since the 1989 Monsanto decision regarding “any property,” three very recent decisions deal directly with the same question as to how to interpret the term “any”; is it all inclusive or subject to derogation? The inclusion here of lengthy excerpts is intended to offer appreciable input upon the topic.
32. 2002 - Rucker (citing Monsanto and Gonzales in summary) - U.S. argues successfully that “innocent owner” defense unavailable to co-tenant of low income housing who, although innocent, was subject to the statute’s eviction of an all inclusive “any tenant” of a leased unit where prohibited activity had taken place. U.S. can evict the innocent tenant of low income housing unit which is scene of prohibited behavior.
33. Here, in this unanimous 2002 decision (REHNQUIST, C. J. delivered opinion, BEYER, J. took no part) in the Department of Housing and Urban Renewal v. Rucker, the Supreme Court draws upon Monsanto for guidance in another instance hinged upon interpretation of the term “any,” affirming the claim made herein.

“That this is so seems evident from the plain language of the statute. It provides that –

each public housing authority shall utilize leases which ... provide that ... any drug-related criminal activity on or off such premises, engaged in by a public housing tenant, any member of the tenant’s household, or any guest or other person under the tenant’s control, shall be cause for termination of tenancy.

42 U.S.C. § 1437d(1)(6) (1994 Ed., Supp.V). The en banc Court of Appeals thought the statute did not address “the level of personal knowledge or fault that is required for eviction.” 237 F.3d at 1120. Yet Congress’ decision not to impose any qualification in the statute, combined with its use of the term “any” to modify “drug-related criminal activity,” precludes any knowledge requirement. See United States v. Monsanto, 491 U.S. 600, 609 (1989). As we have explained, “the word ‘any’ has an expansive meaning, that is, ‘one or some indiscriminately of whatever kind.’” United States v. Gonzales, 520 U.S. 1, 5 (1997). Thus, drug-related activity engaged in by the specified persons is grounds for termination, not just drug-related activity that the tenant knew or should have known about.”¹³

¹¹ Monsanto, Id, at 607-09.

¹² Monsanto, Id, at 610-11

¹³ Department of Housing and Urban Renewal v. Rucker, 535 U.S. 125, 130-31 (2002)

[Department of Housing and Urban Renewal v. Rucker, 535 U.S. 125, 130-31 (2002)]

34. **1997 - Gonzales (In summary) - U.S. argues successfully that “any” in sentencing laws is all inclusive and therefore prevents the defendants from serving federal time concurrently with other sentences, argues for more jail time and gets it. More jail time for convict. Below is an excerpt from U.S. v. Gonzales, 520 U.S. 1, 4-6 (1997) just cited in Dept. of Housing & Urban Renewal v. Rucker, Id.**

“Our analysis begins, as always, with the statutory text. Section 924(c)(1) provides:

Whoever, during and in relation to any...drug trafficking crime...for which he may be prosecuted in a court of the United States, uses or carries a firearm, shall, in addition to the punishment provided for such crime..., be sentenced to imprisonment for five years... Notwithstanding any other provision of law, the court shall not place on probation or suspend the sentence of any person convicted of a violation of this subsection, nor shall the term of imprisonment imposed under this subsection run concurrently with any other term of imprisonment including that imposed for the...drug trafficking crime in which the firearm was used or carried.

18 U.S.C. § 924(c)(1) (emphasis added). The question we face is whether the phrase “any other term of imprisonment” “means what it says, or whether it should be limited to some subset” of prison sentences, *Maine v. Thiboutot*, 448 U.S. 1, 4 (1980) -- namely, only federal sentences. **Read naturally, the word “any” has an expansive meaning, that is, “one or some indiscriminately of whatever kind.”** Webster’s Third New International Dictionary 97 (1976). Congress did not add any language limiting the breadth of that word, and so we must read § 924(c) as referring to all “term[s] of imprisonment,” including those imposed by state courts. Cf. *United States v. Alvarez-Sanchez*, 511 U.S. 350, 358 (1994) (noting that statute referring to “any law enforcement officer?” includes “federal, state, or local” officers); *Collector v. Hubbard*, 12 Wall. 1, 15 (1871) (stating “it is quite clear” that a statute prohibiting the filing of suit “in any court” “includes the State courts as well as the Federal courts,” because “there is not a word in the [statute] tending to show that the words ‘in any court’ are not used in their ordinary sense”). There is no basis in the text for limiting § 924(c) to federal sentences.

In his dissenting opinion, JUSTICE STEVENS suggests that the word “any” as used in the first sentence of § 924(c) “unquestionably has the meaning ‘any federal.’” Post at 14. In that first sentence, however, Congress explicitly limited the scope of the phrase “any crime of violence or drug trafficking crime” to those “for which [a defendant] may be prosecuted in a court of the United States.” Given that Congress expressly limited the phrase “any crime” to only federal crimes, we find it significant that no similar restriction modifies the phrase “any other term of imprisonment,” which appears only two sentences later and is at issue in this case. See *Russello v. United States*, 464 U.S. 16, 23 (1983) (“Where Congress includes particular language in one section of a statute but omits it in another section of the same Act, it is generally presumed that Congress acts intentionally and purposely in the disparate inclusion or exclusion”).

The Court of Appeals also found ambiguity in Congress’ decision, in drafting § 924(c), to prohibit concurrent sentences instead of simply mandating consecutive sentences. 65 F.3d at 820. Unlike the lower court, however, we see nothing remarkable (much less ambiguous) about Congress’ choice of words. Because consecutive and concurrent sentences are exact opposites, Congress implicitly required one when it prohibited the other. This “ambiguity” is, in any event, beside the point, because this phraseology has no bearing on whether Congress meant § 924(c) sentences to run consecutively only to other federal terms of imprisonment.

Given the straightforward statutory command, there is no reason to resort to legislative history. *Connecticut Nat. Bank v. Germain*, 503 U.S. 249, 254 (1992). Indeed, far from clarifying the statute, the legislative history only muddies the waters. The excerpt from the Senate Report accompanying the 1984 amendment to § 924(c), relied upon by the Court of Appeals, reads:

[T]he Committee intends that the mandatory sentence under the revised subsection 924(c) be served prior to the start of the sentence for the underlying or any other offense.

S.Rep. at 313-314. This snippet of legislative history injects into § 924(c) an entirely new idea -- that a defendant must serve the five-year prison term for his firearms conviction before any other sentences. **This added requirement, however, is “in no way anchored in the text of the statute.”** *Shannon v. United States*, 512 U.S. 573, 583 (1994).¹⁴

[U.S. v. Gonzales, 520 U.S. 1, 4-6 (1997)]

35. **1994 – Alvarez (In summary) - U.S. argues successfully that, because statute expressly provides for an exception to “any,” that it is not all inclusive, that a “delay” should not preclude a criminal defendant's confession or statement to state police from being used as evidence in federal case commenced thereafter. DOJ can use confession sought to be suppressed by criminal defendant.**

¹⁴ U.S. v. Gonzales, 520 U.S. 1, 4-6 (1997)

1 “Respondent contends that he was under “arrest or other detention” for purposes of § 3501(c) during the
2 interview at the Sheriff’s Department, and that his statement to the Secret Service agents constituted a
3 confession governed by this subsection. **In respondent’s view, it is irrelevant that he was in the custody of the
4 local authorities, rather than that of the federal agents, when he made the statement. Because the statute
5 applies to persons in the custody of “any” law enforcement officer or law enforcement agency, respondent
6 suggests that the § 3501(c) 6-hour time period begins to run whenever a person is arrested by local, state, or
7 federal officers.**

8 **We believe respondent errs in placing dispositive weight on the broad statutory reference to “any” law
9 enforcement officer or agency without considering the rest of the statute.”**¹⁵
10 [*U.S. v. Alvarez-Sanchez*, 511 U.S. 350, 357 (1994)]

- 11 36. Thus it can be seen that any rendition of the term “any property” which does not include ALL PROPERTY is
12 inconsistent with the four cases cited above wherein the DOJ argued successfully that “any property” means all
13 inclusively, ALL PROPERTY. There is no basis in law or statutory construction which allows the Secretary to exclude
14 the value of labor from the term “any property” when Congress has not done so. The Secretary, in the Treasury
15 Regulations, makes it clear that the cost is the value of “any money or property” and the Secretary by said regulations
16 makes it clear that the value of labor cannot be excluded.
- 17 37. It is certain that [26 U.S.C. § 83](#)(a) applies to the calculation of an individual’s compensation for labor the “excess” of
18 which is to be included in “Gross Income”, as can be seen from the following Court rulings:

19 *Montelepre Systemed, Inc. v. C.I.R.*, 956 F.2d. 496, 498 at [1] (CA5 1992): “**Section 83(a) explains how
20 property received in exchange for services is taxed.**”

21 *MacNaughton v. C.I.R.*, 888 F.2d. 418, 421 (CA6 1989): “**The Alves court stated that the plain language of
22 section 83 belied this argument because the “statute applied to all property transferred in connection with the
23 performance of services” and because no reference is made to the term “compensation.”** *Id.* The court further
24 concluded in Alves that “if Congress had intended section 83(a) to apply solely to restricted stock used to
25 compensate employees, it could have used much narrower language.” *Id.* at 481-82. **Upon consideration, we
26 agree with the interpretation advanced by the Alves court and, therefore, join the Ninth Circuit in holding
27 that section 83 is not limited to stock transfers which are compensatory in nature.**”

28 *Pledger v. C.I.R.*, 641 F.2d. 287, 293 (CA5 1981): “**The taxing scheme imposed by Congress more accurately
29 reflects what taxpayer received as compensation than a scheme that taxes the taxpayer on merely a portion of
30 the compensation.**”

31 *Alves v. C.I.R.*, 734 F.2d. 478, 481 (CA9 1984): “**The plain language of section 83(a) belies Alve’s argument.
32 Section 83(a) applies to all property transferred in connection with the performance of services. No reference
33 is made to the term “compensation.” Nor is there any statutory requirement that property have a fair market
34 value in excess of the amount paid at the time of transfer. Indeed, if Congress had intended section 83(a) to
35 apply solely to restricted stock used to compensate its employees, it could have used much narrower
36 language. Indeed, Congress made section 83(a) applicable to all restricted “property,” not just stock; to
37 property transferred to “any person,” not just to employees; and to property transferred “in connection with . .
38 . services,” not just compensation for employment. See *Cohn v. Commissioner*, 73 U.S.T.C. 443, 446-47
39 (1979).**”

40 *Klingler Electric Co. v. C.I.R.*, 776 F.Supp. 1158, 1164 at [1] (S.D.Miss. 1991): “**Section 83(a) applies to all
41 property transferred in connection with the performance of services.**”

42 *Robinson v. C.I.R.*, 82 U.S.T.C. 444, 459 (1984); **The legislative history of section 83 does not require the
43 conclusion that the statute should be applied to tax-avoidance techniques only. To the contrary, the House and
44 Senate reports specifically delineate transactions and transfers to which section 83 was not to apply and do not
45 exclude from its purview contractual provisions that were not tax motivated.**”

46 *Cohn v. C.I.R.*, 73 U.S.T.C. 443, 446 (1979): “**Petitioners rest their entire case on the proposition that Elovich
47 and Cohn and/or Mega were “independent contractors” and not employees of the Integrated and that,
48 therefore, section 83 does not apply to the acquisition of the shares from Integrated. They rely on the legislative
49 history surrounding the statute to support their proposition that section 83 was intended to apply only to
50 restricted stock transferred to employees. Respondent contends that the words “any person” in section 83(a)
51 encompass independent contractors as well as employees. We agree with Respondent. . . . We reject
52 petitioner’s argument. While restricted stock plans involving employers and employees may have been the
53 primary impetus behind the enactment of section 83, the language of the section covers the transfer of any
54 property transferred in connection with the performance of services “to any person other than the person for
55 whom the services are performed.” (Emphasis added.) The legislative history makes clear that Congress was
56 aware that the statute’s coverage extended beyond restricted stock plans for employees. H.Rept. 91-413 (Part**

¹⁵ *U.S. v. Alvarez-Sanchez*, 511 U.S. 350, 357 (1994)

1) (1969), 1969-3 C.B. 200, 255; S.Rept. 91-552 (1969), 1969-3 C.B. 423, 501. The regulations state that that section 83 applies to employees and independent contractors (sec. 1.83-1(a), Income Tax Regs.). There is no question but that, under the foregoing circumstances, **these regulations are not “unreasonably and plainly inconsistent with the revenue statutes.” Consequently, they are sustained.** (cites omitted)”

Concurring with Cohn, Alves, see *Centel Communications Co. v. CIR*, 920 F.2d. 1335, 1342 (CA7 1990).
Annotations / Public Law

38. No Federal and/or STATE 1040 type returns, forms, schedules or worksheets accommodate § 83(a) in any way and therefore it is not possible for any Citizen or Tax Professional to complete a Federal and/or STATE 1040 type return and claim the rightful deductions for the value of one’s labor as articulated by Congress in § 83(a). There are no federal and/or STATE returns, forms, schedules or worksheets which will assist any Citizen or Tax Professional to determine the amount of the “excess” which is the ONLY amount to be include in “Gross Income,” pursuant to [26 U.S.C. § 83\(a\)](#). All returns, forms, schedules and worksheets incorrectly assume that all compensation is included in “Gross Income” which is contrary to law and a violation of the Citizen’s rights as articulated by Congress in § 83(a).
39. The Secretary has a duty to notice that a deduction is mandated (“shall”) but it is not specified from where or what the expenses are to be deducted. Based on [26 U.S.C. § 83](#), the deduction (labor) is to be taken from “such property” (compensation) to create the “excess” which then is included in “Gross Income”.
40. The Secretary is hereby put on notice that to deny the rights of Sovereign Americans simply for the purpose of converting them into a “taxpayer” status or to exact amounts from them in excess of that which is provided by law is criminal conversion and United States law mandates filing of a criminal complaint, pursuant to [18 U.S.C. § 4](#), against the Secretary and his subordinates pursuant for any violation of United States law or denial of rights.
41. The IRS and the State exclude from cost one’s services merely upon the fact that it is property within which one has no basis, but such exclusion is unauthorized under provisions which embrace ALL property as a cost. The IRS and the State must violate §§ 83, 212, 1001, 1011, and 1012 by not restoring the “adjusted basis” and allowing only the amount that remains (“excess”) thereafter to be taxed as “realized gain,” as required under 26 CFR §1.1001-1(a). To report as gross income the value of personal services the Petitioner must enter a false statement on a 1040 type return in violation of [18 U.S.C. §1001](#).

In conclusion, if you run into either a public servant or a judge who tries to argue with you about whether there is a cost to produce labor that the laborer should be compensated for, indirectly, they are:

1. Admitting that their labor is worth *nothing*.
2. Receiving unjust compensation or enrichment. Anyone who paid anything for something that worth nothing has benefited from unjust enrichment.

Unjust enrichment doctrine. General principle that one person should not be permitted unjustly to enrich himself at expense of another, but should be required to make restitution of or for property or benefits received, retained or appropriated, where it is just and equitable that such restitution be made, and where such action involves no violation or frustration of law or opposition to public policy, either directly or indirectly. Tulalip Shores, Inc. v. Mortland, 9 Wash.App. 271, 511 P.2d. 1402, 1404. Unjust enrichment of a person occurs when he has and retains money or benefits which in justice and equity belong to another. L & A Drywall, Inc. v. Whitmore Cons. Co., Inc., Utah, 608 P.2d. 626, 630.

Three elements must be established in order to sustain a claim based on unjust enrichment: A benefit conferred upon the defendant by the plaintiff; and appreciation or knowledge by the defendant of the benefit; and the acceptance or retention by the defendant of the benefit under such circumstances as to make it inequitable for the defendant to retain the benefit without the payment of its value. Everhart v. Miles, 47 Md.App. 131, 136, 422 A.2d 28. See also Quantum meruit.

Unjust enrichment. Retention of a benefit conferred by another without offering compensation in circumstances where compensation is reasonably expected. A benefit obtained from another not intended as a gift and not legally justifiable for which the beneficiary must make restitution or recompense. The area of law dealing with unjustifiable benefits of this kind.

[Black’s Law Dictionary, Seventh Edition, p. 1536]

3. Asking for a pay cut and are admitting they are paid too much.
4. Admitting the corporations, which routinely deduct the cost of labor from their earnings in computing corporate profits, are being given favored status and that you are not entitled to the same equal protection. This violates the requirement for equal protection of the law mandated in Fourteenth Amendment Section 1.

1 Therefore, tell them their labor isn't worth anything and that the government pays them too much and that they should
2 refund all their pay and benefits. After all, if it isn't an equal exchange of value, any amount of money accepted for it
3 amounts to STEALING from the government. For any public servant or judge who tries to contradict the contents of this
4 section, ask them the following questions:

- 5 1. Since § 83(a) is applicable to amounts now sought to be included in gross income, it is clear that someone is in
6 violation of the law, but silence abounds. Does it apply, and, if so, how does it operate and how is the one to comply
7 with § 83(a) in the future?
- 8 2. Where, under §§ 83 and 1012, and 26 CFR §1.83-3(g) , does it provide that only property within which one has a basis
9 is to be recognized as a cost or, that intangible personal property is excluded from that which is cost?
- 10 3. If such exclusions alluded to in ¶ Where, under §§ 83 and 1012, and 26 CFR §1.83-3(g) , does it provide that only
11 property within which one has a basis is to be recognized as a cost or, that intangible personal property is excluded
12 from that which is cost? above do not exist, can “income tax” approach such property’s FMV, as contemplated under
13 §83(a) and the regulations thereunder?
- 14 4. In consideration of these provisions, is the FMV of labor (contract value) appropriately termed “gain derived from
15 labor”?
- 16 5. Is the FMV of labor excluded from gross income by law? (See § 83, 212, 1001, 1012; 26 CFR §1.83-3(g)). If so, by
17 what authority?
- 18 6. Can a Court order the exclusion from cost of property within which one has no basis when such exception to cost
19 cannot be found in statute or in regulation, especially when it constitutes the difference between paying a tax and not
20 even being subject to it?
- 21 7. Can the United States claim in one case that “any property” means all property and in another case argue that “any
22 property” lawfully excludes certain things not recorded, mentioned, or manifest in law?
- 23 8. Would such accounting offend the holdings in *Monsanto*, *Gonzales*, *Alvarez*, and *Rucker*? If not, upon what basis in
24 law can it not be so offended?

25 **9 How much can we deduct and how do we take the deduction?**

26 Pursuant to [26 U.S.C. §83](#) and the regulations thereunder, we can lawfully deduct the Fair Market Value of our labor from
27 “gross income” on our personal tax return. The fair market value of your labor is whatever anyone is willing to pay for it in
28 the context of an “arms length transaction”.¹⁶ For instance, if you work for a private employer and they are willing to pay
29 you \$20 per hour in exchange for your labor, then it is worth \$20 to that employer. If you want to see how the IRS
30 regulates and tracks the various market segments, see:

Audit Techniques Guides (ATGs)

<http://www.irs.gov/businesses/small/article/0,,id=108149,00.html>

31 How do we perform this deduction for our personal, private labor that is not connected to a business that we run?:

- 32 4. There is no place on Schedule C for this deduction of PRIVATE, PERSONAL labor, so we can't put it there. Only
33 labor from the people we hire in the context of a federal instrumentality and “public office” belongs there.
- 34 5. The amount to deduct belongs directly on the IRS Form 1040NR, but IRS CONVENTIENTLY and DECEPTIVELY
35 puts no place for this.
- 36 6. The amount is deducted from “gross income” BEFORE we write it on line 8 of IRS Form 1040NR as “wages”, tips,
37 and other compensation”. See:
38 <http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1040nr-Amended.pdf>
- 39 7. The amount deducted, unlike every other type of deduction on a tax return, is NOT a “trade or business” deduction. It
40 is a deduction relating to the exercise of *rights*, which cannot lawfully be made into “privilege”. The deduction would
41 therefore *not* go in the Adjusted Gross Income section because everything there is related to [26 U.S.C. §162](#) “trade or
42 business” deductions, which a nonresident alien not engaged in a “trade or business” cannot lawfully take. A “trade or
43 business” is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public office”. See:

The “Trade or Business” Scam, Form #05.001

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

¹⁶ See 27 CFR §70.150(b); *U.S. v. Cartwright*, 411 U.S. 546, 552 (1973); *Hicks v. U.S.*, 335 F.Supp. 474, 481 (Colo.1971); *Pledger v. CIR*, supra; Black's Law Dictionary, 6th Ed., “Arm's length transaction.”

1 8. Therefore, the deduction must come directly from “wages” appearing on the W-2’s and then the resulting computation
2 would be entered in block 8 of the 1040NR form. This will likely cause the IRS to try to indicate that there is a “math
3 error” if you don’t explain why you did this, which is why it is a good idea to put an asterisk next to the “wages” block
4 8 and attach a note of explanation to the tax return such as this document.

5 The above technique is very similar to the way church ministers record their “gross income” and file tax returns:

- 6 1. [26 U.S.C. §3401](#)(a)(9) specifically EXCLUDES all the earnings of ministers from “gross income” and “wages” that
7 are reportable on an IRS Form W-2.
- 8 2. Typically, churches INCORRECTLY report the full amount of the ministers earnings on a W-2 and he must reduce
9 this to ZERO based on [26 U.S.C. §3401](#)(a)(9).
- 10 3. There is no way to indicate this deduction of the full amount of “wages” on the 1040 or 1040NR form, so what church
11 ministers typically must do is put ZERO there and then attach a note of explanation why this is the case. IRS doesn’t
12 put it on the form because it doesn’t want to “advertise” that ministers don’t owe tax. This type of “omission” is how
13 they deceive many ministers into unlawfully paying tax on the full amount of their earnings. This technique, by the
14 way, isn’t even mentioned in IRS Publication 1828 or IRS Publication 517, because they DON’T WANT MINISTERS
15 KNOWING ABOUT IT. THIEVES!
- 16 4. In order for ministers to even learn about this scam, they must do one of the following:
 - 17 4.1. Call up the IRS and prod them about this before the IRS will finally, if EVER, tell them the truth on this subject.
18 Even then, many very deliberately are never told the truth by the IRS. Scumbags.
 - 19 4.2. To hear about it from another minister.
 - 20 4.3. To read the Internal Revenue Code himself, which few do. Sometimes they do read the code and tell their elder
21 board or church about this so that they can correct the W-2 form to read ZERO. Even after being shown the law,
22 some churches out of fear STILL incorrectly report “wages” of the minister on the W-2, even when they do not
23 have a W-4 on file. This, by the way, is a violation of rights and subjects the person filling out the false W-2 to a
24 civil tort under [26 U.S.C. §7434](#).
 - 25 4.4. To read the publications of the Ministers and Missionaries Benefit Board: Tax Guide for Ministers Filing Returns
26 <http://www.mmbb.org>

27 And WHAT form should this deduction appear on?

- 28 1. The IRS Form 1040 would be an inappropriate form to take this deduction on because:
 - 29 1.1. The IRS Published Products Catalog, Document 7130, says the IRS Form 1040 is for “citizens and residents” of
30 the United States. Persons domiciled in states of the Union are NOT “citizens and residents”, but nonresident
31 aliens. See:
 - 32 1.1.1. *IRS Document 7130*: <http://famguardian.org/TaxFreedom/Forms/IRS/IRSDoc7130.pdf>
 - 33 1.1.2. *Why you are a “national” or a “state national” and NOT a “U.S. citizen”*, Form #05.006
34 <http://sedm.org/Forms/MemLaw/WhyANational.pdf>
 - 35 1.2. Everything that goes on an IRS Form 1040 is related to a “trade or business” (public office) in the United States
36 (District of Columbia). No one domiciled in a state of the Union not engaged in a “trade or business” is within
37 the “United States” as legally defined. The only deductions indicated on the IRS 1040form are those in
38 connection with a “trade or business” pursuant to [26 U.S.C. §162](#), and those not engaged in a “trade or business”
39 cannot take such deductions. See:

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

- 40 2. The IRS Form 1040NR is used by nonresident aliens such as those domiciled in states of the Union.
 - 41 2.1. It includes an area for earnings not connected with a “trade or business”, but . . .
 - 42 2.2. Nonresident aliens cannot take “trade or business” deductions against earnings not connected with a “trade or
43 business” and the form does not allow for deductions of any kind for nonresident aliens.
- 44 3. Because there is no place to take this NON “trade or business” deduction on the IRS Forms 1040 or 1040NR, you must
45 do one of the following:
 - 46 3.1. Create and submit your own SUBSTITUTE IRS Form 1040NR.
 - 47 3.2. Create and submit your own worksheet showing how you computed “gross income” and attach it to your return.

48 Let us now graphically illustrate the computation process to arrive at “gross income” that would be entered directly on a tax
49 return. Below is a table that illustrates the process:

50

Table 2: Calculating net "gross income" to put on Line 8 of an IRS Form 1040NR

#	Description	Value	Authorities
1	Gross revenues/receipts	\$	
2	Deductions from gross income	NA	
2.1	Gross earnings of ministers of the gospel	\$	26 U.S.C. §107, 3401(a)(9) , and 3121(a)(8)(A)
2.3	Fair Market Value (FMV) of all goods sold (also called Cost of Goods Sold)	\$	26 U.S.C. §§83, 1001
2.4	Fair Market Value of all labor provided under contract to third parties	\$	26 U.S.C. §§83, 1001
2.5	Gifts received	\$	26 U.S.C. §2503(b)
2.6	Value of stocks exchanged for other stocks of EQUAL value	\$	26 U.S.C. §1032
2.7	Value of insurance policies exchanged for other insurance policies of EQUAL value	\$	26 U.S.C. §1035
2.8	Value of real property exchanged for other real property of EQUAL value	\$	26 U.S.C. §1038
2.9	Property and money received in divorce settlements	\$	26 U.S.C. §1041
3	TOTAL DEDUCTIONS	\$	Add lines 2.1 through 2.9. NOTE: These are NOT "trade or business" deductions pursuant to 26U.S.C. §162 and therefore do not make the person into a "public officer". See: The "Trade or Business" Scam , Form #05.001 http://sedm.org/Forms/MemLaw/TradeOrBusScam.pdf
4	NET " GROSS INCOME " ON TAX RETURN	\$	Deduct item 3 from item 1. This is the value of "gross income" identified in 26 U.S.C. §61 and is placed on line 7 of the IRS Form 1040.

It is to be noted that most of the deductions from gross revenue above appearing in items 2.1 through 2.9 relate to PROPERTY, of one kind or another. The only exception is item 2.1, because ministers are specifically exempted from taxation because of the First Amendment, Constitutional requirement for "separation of church and state".

The mixing of government and religion can be a threat to free government, even if no one is forced to participate. When the government puts its imprimatur on a particular religion, it conveys a message of exclusion to all those who do not adhere to the favored beliefs.[9] A government cannot [505 U.S. 607] be premised on the belief that all persons are created equal when it asserts that God prefers some. Only "[a]nguish, hardship and bitter strife" result "when zealous religious groups struggl[e] with one another to obtain the Government's stamp of approval." Engel, 370 U.S. at 429; see also Lemon, 403 U.S. at 622-623; Aguilar v. Felton, 473 U.S. 402, 416 (1985) (Powell, J., concurring).[10] Such a struggle can "strain a political system to the breaking point." Walz v. Tax Commission, 397 U.S. 664, 694 (1970) (opinion of Harlan, J.).

When the government arrogates to itself a role in religious affairs, it abandons its obligation as guarantor of democracy. Democracy requires the nourishment of dialogue and dissent, while religious faith puts its trust in an ultimate divine authority above all human deliberation. When the government appropriates religious truth, it "transforms rational debate into theological decree." Nuechterlein, Note, The Free Exercise Boundaries of Permissible Accommodation Under the Establishment Clause, 99 Yale L.J. 1127, 1131 (1990). Those who disagree no longer are questioning the policy judgment of the elected but the rules of a higher authority who is beyond reproach. [505 U.S. 608]

Madison warned that government officials who would use religious authority to pursue secular ends

exceed the commission from which they derive their authority, and are Tyrants. The People who submit to it are governed by laws made neither by themselves nor by an authority derived from them, and are slaves.

Memorial and Remonstrance against Religious Assessments (1785) in The Complete Madison 300 (S. Padover, ed.1953). Democratic government will not last long when proclamation replaces persuasion as the medium of political exchange.

Likewise, we have recognized that "[r]eligion flourishes in greater purity, without than with the aid of Government".[11] Id. at 309. To "make room for as wide a variety of beliefs and creeds as the spiritual needs of man deem necessary," Zorach v. Clauson, 343 U.S. 306, 313 (1952), the government must not align itself with any one of them. **When the government favors a particular religion or sect, the disadvantage to all others is obvious, but even the favored religion may fear being "tainted" . . . with a corrosive secularism."** Grand Rapids School Dist. v. Ball, 473 U.S. 373, 385 (1985). **The favored religion may be compromised as political figures reshape the religion's beliefs for their own purposes; it may be reformed as government largesse brings government regulation.**[12] Keeping religion in the hands of private groups minimizes state intrusion

1 on religious choice, and best enables each religion to "flourish according to the [505 U.S. 609] zeal of its
2 adherents and the appeal of its dogma." *Zorach*, 343 U.S. at 313.

3 *It is these understandings and fears that underlie our Establishment Clause jurisprudence. We have believed
4 that religious freedom cannot exist in the absence of a free democratic government, and that such a
5 government cannot endure when there is fusion between religion and the political regime. We have believed
6 that religious freedom cannot thrive in the absence of a vibrant religious community, and that such a
7 community cannot prosper when it is bound to the secular. And we have believed that these were the animating
8 principles behind the adoption of the Establishment Clause. To that end, our cases have prohibited government
9 endorsement of religion, its sponsorship, and active involvement in religion, whether or not citizens were
10 coerced to conform.
11 [*Lee v. Weisman*, 505 U.S. 577 (1992)]*

12 All we are doing in this section in arriving at "gross income" is applying the same exclusionary rules to LABOR as
13 property that apply to all other forms of PROPERTY, whether they be real estate, stocks, bonds, etc. The reason for doing
14 this, once again, is that the income tax is NOT a direct tax upon "property", according to the U.S. Supreme Court. It is
15 instead a tax on profits in connection with the exercise of corporate privileges, of which a "trade or business" (a "public
16 office" as defined in 26 U.S.C. §7701(a)(26)) is one type of "corporate privilege":

17 "*As repeatedly pointed out by this court, the Corporation Tax Law of 1909. imposed an excise or privilege tax,
18 and not in any sense, a tax upon property or upon income merely as income. It was enacted in view of the
19 decision of *Pollock v. Farmer's Loan & T. Co.*, 157 U.S. 429, 29 L.Ed. 759, 15 Sup.St.Rep. 673, 158 U.S. 601,
20 39 L.Ed. 1108, 15 Sup.Ct.Rep. 912, which held the income tax provisions of a previous law to be
21 unconstitutional because amounting in effect to a direct tax upon property within the meaning of the
22 Constitution, and because not apportioned in the manner required by that instrument."
23 [*U.S. v. Whiteridge*, 231 U.S. 144, 34 S.Sup.Ct. 24 (1913)]*

24 "*We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of*
25 *1909 (Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad*
26 *contention submitted on behalf of the government that all receipts—everything that comes in*
27 *[COMPENSATION FOR LABOR, for INSTANCE] -are income within the proper definition of the term*
28 *'gross income,' and that the entire proceeds of a conversion of capital assets, in whatever form and under*
29 *whatever circumstances accomplished, should be treated as gross income.* Certainly the term "income" has
30 no broader meaning in the 1913 act than in that of 1909 (see *Stratton's Independence v. Howbert*, 231 U.S.
31 399, 416, 417 S., 34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its meaning
32 as used in the two acts."
33 [*Southern Pacific Co. v. Lowe*, 247 U.S. 330, 335, 38 S.Ct. 540 (1918)]

34 10 Taxes on One's Own Labor are Slavery¹⁷

35 The Thirteenth Amendment to the United States Constitution prohibits involuntary servitude and slavery of all kinds.
36 Below is the text of that amendment.

37 U.S. Constitution
38 Thirteenth Amendment

39 Section 1. Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall
40 have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.

41 Section 2. Congress shall have power to enforce this article by appropriate legislation.

42 Involuntary servitude means any kind of service or labor that is either compelled or involuntary.

43 "You were bought at a price; do not become slaves of men [and government is
44 made up of men]."
45 [1 Cor. 7:23, Bible, NKJV]

46 "Stand fast therefore in liberty by which Christ has made us free, and do not be entangled again with a yoke of
47 bondage [to the IRS or the government]."
48 [Gal. 5:1, Bible, NKJV]

¹⁷ Adapted from Great IRS Hoax, section 5.4.9.

1 "Masters [tyrants in Washington, D.C. who are public servants that vainly think themselves to be masters], give
2 your servants what is just and fair, knowing that you also have a Master in heaven."
3 [Colossians 4:1, Bible, NKJV]

4 Slavery, we are reminded incessantly these days, was a terrible thing. In today's politically correct society, some blacks are
5 demanding reparations for slavery because their remote ancestors were slaves. Slavery is routinely used to bash the South,
6 although the slave trade began in the North, and slavery was once practiced in every state in the Union. Today's historians
7 assure us that the War for Southern Independence was fought primarily if not exclusively over slavery, and that by winning
8 that war, the North put an end to the peculiar institution once and for all.

9 Whoa! Time out! Shouldn't we back up and ask: what is slavery? It has been a while since those ranting on the subject
10 have offered us a working definition of it. They will all claim that we know good and well what it is; why play games with
11 the word? But given the adage that those who can control language can control policy, it surely can't hurt to revisit the
12 definition of slavery. There are good reasons to suspect the motives of those who won't allow their basic terms to be
13 defined or scrutinized. Here is a definition, one that will make sense of the instincts telling us that slavery is indeed an
14 abomination:

15 *Slavery is non-ownership of one's Person and Labor.*

16 Slavery is the opposite of "liberty" or the absence of liberty. There is an excellent animation on the following website that
17 very clearly and simply defines what liberty is, which helps us understand what slavery is at the address below:

[Philosophy of Liberty](http://famguardian.org/Subjects/Freedom/Articles/PhilosophyOfLiberty-english.swf)
<http://famguardian.org/Subjects/Freedom/Articles/PhilosophyOfLiberty-english.swf>

18 Slavery, therefore, is *involuntary servitude*. When a slave is working to pay off a debt, he is called a "peon". A slave must
19 work under a whip, real or figurative, wielded by other persons, his owners, with no say in how (or even if) his labors are
20 compensated. His is a one-way contract he cannot opt out of. A slave is tied to his master (and to the land where he
21 labors). He cannot simply quit if he doesn't like it. Moreover, a slave can be bought and sold like any other commodity.
22 Justice Brewer of the U.S. Supreme Court helped us to understand *exactly* what slavery is in the case of *Clyatt v. U.S.*, 197
23 U.S. 207 (1905):

24 *"The constitutionality and scope of sections 1990 and 5526 present the first questions for our consideration.*
25 *They prohibit peonage. What is peonage? It may be defined as a state or condition of compulsory service,*
26 *based upon the indebtedness of the peon to the master. The basal fact is indebtedness. As said by Judge*
27 *Benedict, delivering the opinion in Jaramillo v. Romero, 1 N.Mex. 190, 194: 'One fact existed universally; all*
28 *were indebted to their masters. This was the cord by which they seemed bound to their masters' service.'*
29 *Upon this is based a condition of compulsory service. Peonage is sometimes classified as voluntary or*
30 *involuntary, but this implies simply a difference in the mode of origin, but not in the character of the*
31 *servitude. The one exists where the debtor voluntarily contracts to enter the service of his creditor. The other*
32 *is forced upon the debtor by some provision of law. But peonage, however created, is compulsory service,*
33 *involuntary servitude. The peon can release himself therefrom, it is true, by the payment of the debt, but*
34 *otherwise the service is enforced. A clear distinction exists between peonage and the voluntary performance of*
35 *labor or rendering of services in payment of a debt. In the latter case the debtor, though contracting to pay his*
36 *indebtedness by labor or service, and subject like any other contractor to an action for damages for breach of*
37 *that contract, can elect at any time to break it, and no law or force compels performance or continuance of the*
38 *service."*
39 [Clyatt v. U.S., 197 U.S. 207 (1905)]

40 Here's another example of what slavery means, again from the U.S. Supreme Court in *Plessy v. Ferguson*, 163 U.S. 537,
41 542 (1896):

42 *"That it does not conflict with the Thirteenth Amendment, which abolished slavery and involuntary servitude,*
43 *except as a punishment for crime, is too clear for argument. Slavery implies involuntary servitude—a state of*
44 *bondage; the ownership of mankind as a chattel, or at least the control of the labor and services of one man for*
45 *the benefit of another, and the absence of a legal right to the disposal of his own person, property, and services*
46 *[in their entirety]. This amendment was said in the Slaughter House Cases, 16 Wall, 36, to have been intended*
47 *primarily to abolish slavery, as it had been previously known in this country, and that it equally forbade*
48 *Mexican peonage or the Chinese coolie trade, when they amounted to slavery or involuntary servitude and that*
49 *the use of the word 'servitude' was intended to prohibit the use of all forms of involuntary slavery, of*
50 *whatever class or name."*
51 [Plessy v. Ferguson, 163 U.S. 537, 542 (1896)]

1 When the IRS fabricates a bogus tax liability without the authority of enacted positive law creating a “liability”, if they lie
2 to you about what the tax Code says, or if they try to enforce an excise tax against activities that that you aren’t involved in
3 and which you have informed them under penalty of perjury that you aren’t involved in, then they effectively are recruiting
4 or returning you into debt slavery and “peonage” and their activities are a federal offense in violation of 42 U.S.C. §1994
5 and 18 U.S.C. §1581. These two statutes, incidentally, unlike most other federal legislation and statutes, **DO** apply within
6 states of the union according to the U.S. Supreme Court in the above mentioned case. 18 U.S.C. §1593 also mandates
7 restitution for all those persons who have been recruited into slavery or involuntary servitude by their slave masters, which
8 means that we must be compensated fairly for the labor of ours that was in effect stolen from us. Why hasn’t the Supreme
9 Court attempted to prevent the unconstitutional implementation of an otherwise constitutional tax law that only operates (as
10 written) within the District of Columbia and other federal territories? Because they are bought and paid for with money
11 they are STEALING from you! By acquiescing to the illegal enforcement of the Internal Revenue Code, which is
12 otherwise constitutional, you are bribing them to maintain the status quo, friends!

13 In the case of the way the corrupt IRS and an even more corrupted federal judiciary mis-enforces our laws or pretends that
14 there is a positive law federal taxing statute when in fact there isn’t one, the very real slavery that results is at odds with
15 libertarian social ethics, in which all human beings have a natural right to ownership of Person and Labor. According to
16 libertarian social ethics, contracts should be voluntary and not coerced. This is sufficient for us to oppose slavery with all
17 our might. However, notice that this clear definition of slavery is a double-edged sword. There is no reference to race in
18 the above definition. That whites enslaved blacks early in our history is an historical accident; there is nothing inherently
19 racial about slavery. Many people’s have been enslaved in the past, including whites. The South, too, has no intrinsic
20 connection with slavery, given how we already noted that it was practiced in the North as well. No slaves were brought
21 into the Confederacy during its brief, five-year existence, and it is very likely that the practice would have died out in a
22 generation or two had the Confederacy won the war. The Emancipation Proclamation, in fact, freed all the slaves over
23 which Lincoln had NOT JURISDICTION.

24 It is instructive at this point to compare the status of being a “negro slave” to that of being a “taxpayer” to show you just
25 how similar they are, in fact. We have prepared a table comparing each of these two statuses to show you that they are
26 indeed synonymous:
27

1 **Table 3: "Negro Slave" v. "Taxpayer"**

<i>Characteristic</i>	<i>"Negro slave"</i>	<i>"Taxpayer"</i>
<i>Slave master</i>	Person who paid for the slave	Federal judiciary/legal profession
<i>How recruited into slavery</i>	Kidnapped from Africa or born of a slave father and mother.	Legal domicile is kidnapped and moved to the District of Columbia. Name is replaced with all caps "straw man" name and association with a federal employment license number called a "Social Security Number". Educated in "public" and not "private" or "Christian" schools and believing controlled media.
<i>Slave plantation</i>	Farm owned by slave master	District of Columbia (see 26 U.S.C. §7701(a)(39) and 26 U.S.C. §7408(c)).
<i>Badge of slavery</i>	Being black	Having a Social Security Number (SSN)
<i>Result of slavery</i>	100% ownership of person and labor	<ol style="list-style-type: none"> 1. 50% ownership of labor through taxation. 2. Political control of spending habits through tax deduction policy. 3. No personal or financial privacy.
<i>Slavery maintained by</i>	<ol style="list-style-type: none"> 1. Denying citizenship for slaves. 2. Denying education to slaves. 3. Denying voting rights for slaves. 4. Denying jury service for slaves. 	<ol style="list-style-type: none"> 1. Fear, ignorance, and insecurity of "taxpayers". 2. Not allowing "taxpayers" to be educated about what the laws say in the public schools or the courtroom. 3. Threat of being either not hired or fired by employer for refusing to withhold taxes. 4. Bribery of voters and jurists with public welfare programs. 5. Bribery of politicians and judges with illegal income tax revenues. 6. False media propaganda by government. 7. Lies or deceptions in IRS publications and by government servants. 8. Punishing and persecuting those who expose the truth about income taxes. 9. Turning banks and employers into "snitches" against their employees and customers. 10. Operating outside of legal jurisdiction. 11. Going after the spouse of those who drop out of the tax system and thereby use peer pressure and marriage licenses to keep people from dropping out. 12. Illegally interfering with people's property rights with liens and levies, in violation of the Fifth Amendment.
<i>Slavery is</i>	<p><u>Physical.</u> You must live on the master's plantation.</p> <p><u>Sexual.</u> Many male slave owners had sex with their female black slaves.</p>	<p><u>Virtual.</u> You are not restrained physically, but your life is nevertheless controlled by your slave master. You must live your life with the scraps your Master hands you after he takes whatever he wants from your income.</p> <p><u>Psychological.</u> You live in a mental prison designed to keep you unaware of the abuse you are suffering. This is done through lies, propaganda, and deceit by the government.</p>

Characteristic	“Negro slave”	“Taxpayer”
Political result of slavery	<ol style="list-style-type: none"> 1. Civil war. 2. Jury nullification of slavery by northern states. 3. Harboring escaped slaves by northern states. 	<ol style="list-style-type: none"> 1. Rebellion by “tax protesters”. 2. Political and legal activism to eliminate income taxes. 3. Tax avoidance. 4. Moving assets offshore to avoid taxes. 5. Prosecution of judges and lawyers who illegally enforce income taxes. 6. Expatriation to avoid tax. 7. Jury nullification of income taxes. 8. Underground economy. 9. Cash transactions. 10. Cooking the corporate books (Enron!).
Result of escaping slavery/refusing to pay income taxes	<ol style="list-style-type: none"> 1. Beatings on the back. 2. Being starved by slave master. 3. Being separated from family and children by being sold to another slave master. 	<ol style="list-style-type: none"> 1. Imprisonment for “tax evasion” under 26 U.S.C. §7201 2. Imprisonment for “willful failure to file” under 26 U.S.C. §7203. 3. Excessive legal fees. 4. Harassing and threatening letters from the IRS. 5. Liens on real property. 6. Levies on pay and bank accounts. 7. Abuse and “extortion under the color of law” by IRS and federal judiciary. 8. Peer pressure from spouses or destroyed families.
Reason slavery was wrong	Immoral	<ol style="list-style-type: none"> 1. Immoral. 2. Illegal. 3. Violates the Bible.
Reason slave masters engage in slavery	Economic reward	<ol style="list-style-type: none"> 1. Greed 2. Lust for power. 3. Lust for control over others.
Slavery made obsolete by	<ol style="list-style-type: none"> 1. Civil war 2. Mechanization of farming. 3. International trade 	<ol style="list-style-type: none"> 1. Citizenry that: 2. Is legally educated. 3. Is actively involved in politics, elections, and jury service. 4. Questions authority. 5. Litigates frequently to defend rights. 6. Is educated in “private” schools. 7. Goes to church and puts God first. 8. Has strong and stable families that help each other and don’t like big government. 9. Honors God’s model for the family, where the male is the sovereign within the family. 10. Aren’t willing to trade their freedom for a government hand-out paid for with stolen loot.

1 Finally, it is clear that when most people talk about slavery, they are referring to *chattel* slavery, the overt practice of
2 buying, selling and owning people like farm animals or beasts of burden. Are there other forms of slavery besides chattel
3 slavery?

4 Before answering, let’s review our definition above and contrast slavery with sovereignty, in the sense of sovereignty over
5 one’s life. Slavery, we said, is non-ownership of Person and Labor. In that case, *sovereignty is ownership of Person and*
6 *Labor*. The basic contrast, then, is between slavery and sovereignty, and the issue is ownership. And there are two basic

1 things one can own: one's Person (one's life), and one's Labor (the fruits of one's labors, including personal wealth
2 resulting from productive labors).

3 Let us quantify the situation. A plantation slave owned neither himself nor the fruits of his labors. That is, he owned 0% of
4 Person and 0% of Labor. In an ideal libertarian order, ownership of Person and Labor would be just the opposite: 100% of
5 both. In this case, we have a method allowing us to describe other forms of slavery by ascribing different percentages of
6 ownership to Person and Labor. For example, we might say that a prison inmate owns 5% of Person and 50% of Labor.
7 Inmates are highly confined in person yet they are allowed to own wealth both inside the prison and outside. Some,
8 moreover, are allowed to work at jobs for which they are paid. When slavery was abolished, ownership of Person and Labor
9 was transferred to the slave, and he became mostly free. So let us define the following categories in terms of individual
10 percentage ownership:

11 **Table 4: Percent Ownership of Person and Labor**

#	Category	Characteristics	Equivalent political system
1	Perfect Liberty	100% ownership of Person and Labor	Pure Capitalism/Republic
2	Partial Slavery	Some % ownership of Person and Labor	Socialism/democracy
3	Chattel Slavery	0% ownership of Person and Labor	Communism/dictatorship

12 With this in mind, here is an intriguing question for our readers:

13 *How much ownership do you have in your person and your labor?*

14 Are you really free? Or are you a partial slave or peon? We are not, of course, talking about arrangements that cede a
15 portion of ownership of Person and Labor to others through voluntary contract.

16 We submit that forcible taxation on your personal income makes you a partial slave and makes the government a socialist
17 government. For if you are legally bound to hand a certain percentage of your income (the fruits of your labors) over to
18 federal, state and local governments, then from the legal standpoint you only have "some % ownership" of your person and
19 labor. The pivotal point is whether or not ownership is ceded through voluntary contract. Have you any recollection of any
20 deals you signed with the IRS promising them payment of part of your income? If not, then if 30% of your income is paid
21 in income taxes, then you have only 70% ownership of Labor. You are a slave from January through April – a very
22 conservative estimate at best, today!

23 If one wants to stand on the U.S. Constitution as one's foundation, then the 13th Amendment to the U.S. Constitution can be
24 used as an ironclad argument against a forcible direct tax on the labor of a human being. The 13th Amendment says:

25 *"Neither slavery nor involuntary servitude, except as a punishment for a crime whereof the party shall have*
26 *been duly convicted, shall exist within the United States, or any place subject to their jurisdiction. Congress*
27 *shall have the power to enforce this article by appropriate legislation."*

28 The 13th Amendment makes it very clear that we cannot legally or Constitutionally be forced into involuntary servitude. It
29 doesn't make any distinction between whether the slavery is physical or financial, but says that any kind of involuntary
30 servitude is prohibited.

31 As such, we maintain that a human being has an inalienable right to own 100 % of Person and 100% of Labor, including
32 control over how the fruits of his actions are dispensed. A human being has an inalienable right to control the compensation
33 for his labor while in the act of any service in the marketplace – e.g., digging ditches, flipping burgers, word-processing
34 documents for a company, programming computers, preparing court cases, performing surgery, preaching sermons, or
35 writing novels.

36 A forcible direct tax on the labor of a human being is in violation of this right as stated in the 13th Amendment. If we work
37 40 hours a week, and another entity forcibly conscripts 25 % of our compensation, then we argue that we have been forced
38 into involuntary servitude – slavery – for 10 of those 40 hours, and we were free for the other 30. If we could freely choose

1 to work just the 30 hours and decline to work the 10 hours, then our wills would not be violated and the 13th Amendment
2 would be honored.

3 However, Congress and the IRS claim that their Internal Revenue Code (IRC) lay direct claim to those ten hours (or some
4 stated percentage) without our consent.

5 In other words, in a free and just society, a society in which there is no slavery of any form:

- 6 • Human beings are not forced to work for free, in whole or in part.
- 7 • Human beings are not slaves to anything or anyone.
- 8 • Anyone who attempts to force us to work for free, without compensation, has violated our rights under the 13th
9 Amendment.

10 This, of course, is not the state of affairs in the United States of America at the turn of the millennium, in which:

- 11 • We labor involuntarily for at least four months out of every year for the government.
- 12 • We are, therefore, slaves for that period of time.
- 13 • The government, having forced us to work for free, without compensation, has violated the 13th Amendment.

14 Of course, what follows from all this discussion is that there is an issue about slavery. But it is not the issue politically
15 correct historians and activists are raising. As for reparations, we suspect many of us might be willing to let bygones be
16 bygones if we never had to pay out another dime to the IRS. We often read about how great the economy is supposedly
17 doing. Just imagine how it would flourish if human beings owned 100% of Person and Labor, and could voluntarily invest
18 the capital we currently pay to the government in our businesses, our homes, our schools, and our communities!

19 For those of you who believe that the 16th Amendment repealed, replaced, modified, appended, amended or superseded the
20 13th Amendment, you are mistaken. For an Amendment to be changed, in any way, there must be an Amendment that
21 emphatically declares this action. There is absolutely nothing in the Constitution that alters the efficacy of the 13th
22 Amendment in even the slightest way. The 16th merely allowed the government to enter the "National Social Benefits"
23 business where it finances the system with the mandatory contributions of voluntary participants. While all Americans
24 certainly understand the concept of mandatory contributions, they fail to understand the concept of voluntary participation,
25 largely due to a very effective marketing campaign on the part of our central government for several generations now since
26 the Great Depression. The 16th gave the government the power to legally enter a contractual relationship with its citizens
27 wherein the citizen voluntarily contributes a portion of his labor in exchange for social benefits. In order for both
28 Amendments to peacefully coexist, the contractual relationships in the system created by the 16th cannot be forced upon the
29 citizens. For to do so would be to contradict the 13th completely.

30 Two final questions, and a few final thoughts. Can we really take seriously the carpings of politically correct historians
31 about an arrangement (chattel slavery) that hasn't existed for 140 years when they completely ignore the structurally similar
32 arrangements (tax slavery) that have existed right under their noses during most of the years since. And does a
33 governmental system which systematically violates its own founding documents, and then oversees the imprisoning of
34 those who refuse to recognize the legitimacy of the violations, really have a claim on the loyalty of those who would be
35 loyal to the ideals represented in those founding documents?

36 Eventually, we have to make a decision. How long are we going to continue to put up with the present hypocritical
37 arrangements? In the Declaration of Independence is found these remarks:

38 *"... [a]nd accordingly all Experience hath shewn, that Mankind are more disposed to suffer, while Evils are
39 sufferable, than to right themselves by abolishing the Forms to which they are accustomed."*

40 We are accustomed to the income tax. Most people take it for granted, and don't look at fundamental issues. Yet some
41 have indeed opted out of the tax system. It is necessary, at present, to become self-employed and hire oneself out based on
42 a negotiated contract in which you determine your hourly rate and then bill for your time. Then you send your client an
43 invoice, they write a check directly to you in response, and you take the check and deposit it in your bank account; you may
44 wish to open a bank account with a name like John Smith Enterprises DBA (DBA stands for 'Doing Business As'). If the
45 bank asks for a tax-ID number, you may give your social security number. This is perfectly legal since you are not a

1 corporation nor are you required to be. Nor does the use of a government issued number contractually obligate you to
2 participate in their system.

3 We should specify here that we are discussing taxes on income resulting from personal labor, to be carefully distinguished
4 from taxes for the sale of material items, or excise taxes, both of which are usually indirect taxes on artificial entities like
5 corporations. These are an entirely separate, and *voluntary* matter, because if you don't want to pay the tax, you either don't
6 buy the good or don't register as a corporation that sells the good.

7 By advocating opting out of the income tax slavery system, we are not advocating anything illegal here; that is the most
8 surprising thing of all. The Treasury Department nailed Al Capone not because of failure to pay taxes on his personal labor
9 but for his failure to pay the excise tax on the sale of alcoholic beverages. So a plan to be self-employed that includes profit
10 from the sale of material goods should include a plan to pay all the excise taxes; you risk a prison sentence if you don't. But
11 the 13th Amendment directly prohibits anything or anyone from conscripting your person or the fruits of your physical or
12 cognitive labors; to do so is make a slave of you. You may, of course, voluntarily participate in the SSA-W2 system by free
13 choice. In this case you are required to submit to the rules as outlined in the Internal Revenue Code (IRC). And this means
14 that you will contribute a significant fraction of your labor to pay for the group benefits of the system in which you are
15 voluntarily participating.

16 Your relationship with the system technically begins with the assignment of a Social Security Number (Personal Tax ID
17 Number). This government-issued number, however, does not contractually obligate you to anything. The government
18 cannot conscript its citizens simply by assigning a number to them. Assigning the number is perfectly fine. But conscripting
19 them in the process is a serious no-no. Some people that feel strongly about the last chapters of the book of Revelation
20 might view this as pure – evil.

21 The critical point in the relationship begins when a citizen accepts a job with an IRS registered corporation. Accepting the
22 government owned SSA-W2 job marries you to the system. The payroll department has the employee fill out a W4. This
23 W4 officially notifies the employee that the job in question is officially part of the SSA-W2 system and that all job-income
24 is subject first to the rules and regulations of the IRC and then secondly to the employee. When you sign that W4 you are at
25 that point very, very married to the system.

26 So why not just decline to sign the W4?

27 You can decline to sign a W4 but this does not accomplish much nor does it un-marry you from the system. Your payroll
28 office will merely use the IRC defaults already present in the payroll software and all deductions will be based on those
29 parameters.

30 Okay, you might say, fine, I'll sign a W4 but I'll direct my payroll department to withhold zero. (You can do this for federal
31 withholding but not for social security tax.) This still does not un-marry you from the system. Your payroll department still
32 reports the gross income and deductions for your SSA-W2 job to the IRS each and every quarter. And at the end of the
33 year you will probably end up being asked to write a large check to the IRS for the group contributions you declined to pay
34 during the year. With skill and the resources in this book, you may escape this assumed but nonexistent liability.

35 You then might say, Okay, then I'll just direct my payroll office to decline to report income to the IRS.

36 Reply: they cannot legally decline to report your SSA-W2 income because of their contractual obligations under the IRC
37 that were agreed to when they established their official IRS registered corporation. The corporation can get into deep
38 trouble by violating their contract.

39 Okay, you reply in turn, I'll just get the corporation to create a non-SSA-W2 job for me.

40 Response this time: the corporation cannot do this either; their contract under the IRC requires every single employee-job in
41 that corporation to be an SSA-W2 job. This is similar to labor union practices of insisting that all jobs in a plant be union
42 jobs.

43 You retort: isn't this a government monopoly on every corporate job in America???

44 The short answer is YES.

1 So how can I legally decline to work for free?

2 The answer is to decline to be an 'employee' of an official IRS registered corporation.

3 How is that possible?

4 The answer is simple. You become an independent contractor. The Supreme Court upholds the sovereignty of the
5 individual and has declared that your "...power to contract is unlimited." Corporations hire the labors of non-employees
6 each and every day.

7 If there is an infestation of cockroaches near the employee break-room, the corporation doesn't create an SSA-W2
8 employee exterminator job. They hire a contract exterminator to kill the bugs. When the bug-man arrives they don't hand
9 him a W4 and ask him to declare his allowances, they lead him straight to the big-fat-ugly roaches and implore him to
10 vanquish the vermin immediately. When the bug-man finishes the job he hands them an invoice for his services. And the
11 company sends him a check to pay the invoice. And nowhere on that check will you find a federal, state, county or city
12 withholding deduction or a social security deduction or a medical or dental deduction or a garnishment or an "I'll-be-
13 needing-an-accountant-to-figure-all-this-out" deduction or a "Tuesday-Save-The-Turnips-Tax" deduction. On the contrary,
14 the bug-man receives full remuneration for his service. This simple arrangement is completely legal and the IRC has zero
15 contractual claim to any part of this check (assuming the bug-man has made no contract under the IRC). And anyone or
16 anything that attempts to forcibly conscript any part of that check is violating the bug-man's rights under the 13th
17 Amendment.

18 **11 Government interference with your employment agreement is a criminal** 19 **trespass**

20 Because labor is property, people use their right to contract as a means of protecting their right to it. The most frequent
21 method for protecting their right over their own labor is employment agreements between them and third parties who want
22 to procure their labor as the valuable commodity that it is. This section will prove that the government has no constitutional
23 or lawful right to trespass upon a private contract between you and your private employer unless they are expressly made a
24 party to said contract. It will also prove that the IRS Form W-4, while identified within the regulations as an "agreement",
25 cannot lawfully confer any rights to the government, because the government didn't sign the form and the terms of the
26 agreement were not fully disclosed on the form.

27 The United States Constitution protects your right to contract from intrusion by the state governments, by saying the
28 following:

29 *U.S. Constitution*
30 [Article I, Section 10](#)

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

35 No provision within the U.S. Constitution imposes the same obligation upon the federal government in relations to
36 contracts, but the U.S. Supreme Court has said that it applies equally to the federal government as well, when it said:

37 ***"Independent of these views, there are many considerations which lead to the conclusion that the power to***
38 ***impair contracts [either the Constitution or the Holy Bible], by direct action to that end, does not exist with***
39 ***the general [federal] government. In the first place, one of the objects of the Constitution, expressed in its***
40 ***preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was***
41 ***justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture.** As he observes, at the
42 ***time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was***
43 ***engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of***
44 ***compact were established between the people of the original States and the people of the Territory, for the***
45 ***purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty,***
46 ***upon which the States, their laws and constitutions, were erected. By that ordinance it was declared, that, in***
47 ***the just preservation of rights and property, 'no law ought ever to be made, or have force in the said***
48 ***Territory, that shall, in any manner, interfere with or affect private contracts or engagements bona fide and***
49 ***without fraud previously formed.'** The same provision, adds the Chief Justice, found more condensed**

1 *expression in the prohibition upon the States [in Article I, Section 10 of the Constitution] against impairing the*
2 *obligation of contracts, which has ever been recognized as an efficient safeguard against injustice; and though*
3 *the prohibition is not applied in terms to the government of the United States, he expressed the opinion,*
4 *speaking for himself and the majority of the court at the time, that it was clear 'that those who framed and*
5 *those who adopted the Constitution intended that the spirit of this prohibition should pervade the entire body*
6 *of legislation, and that the justice which the Constitution was ordained to establish was not thought by them*
7 *to be compatible with legislation [or judicial precedent] of an opposite tendency.' 8 Wall. 623. [99 U.S. 700,*
8 *765] Similar views are found expressed in the opinions of other judges of this court."*
9 [*\[Sinking Fund Cases, 99 U.S. 700 \(1878\)\]*](#)

10 Consequently, neither the state nor federal governments may lawfully impair the obligations of any private contracts, and if
11 they do, they become liable for an actionable tort and criminal trespass. If you sign an employment agreement with a
12 private employer which governs the rules regulating the exchange of labor as property for money or other valuable goods or
13 considerations:

- 14 1. No third party may lawfully assert any authority over that equal exchange.
- 15 2. No third party may lawfully modify the terms of that agreement after it was signed, without the mutual consent of both
16 parties to the agreement.
- 17 3. No third party incurs or accumulates any rights over that exchange who was not made an explicit party to the
18 agreement and manifested his consent to it by his signature.
- 19 4. So long as the exchange of labor for other property does not harm the parties to the agreement or any third party, the
20 government maintains no lawful authority to regulate the transaction or to tax it in order to pay the costs of such
21 regulation.
- 22 5. The government may not assert any kind of implied or implicit "equity interest" in the exchange, and if it does, it is
23 involved in THEFT and trespass
- 24 6. The above requirements are just as applicable to verbal agreements as they are to written agreements.
- 25 7. The restrictions upon the government above are just as applicable to any third party as they are to the government.
26 This is a requirement of equal protection of the law.

27 So where does the government acquire an equity interest in the compensation for your labor which is your exclusive
28 property? Some people believe that it finds its origin in the submission and signing of the IRS Form W-4. This form is
29 identified in the regulations identify as an "agreement". If in fact it is an agreement that is binding upon all the parties and
30 the United States government, then it must be entered into voluntarily. This is the essence of the nature of the voluntary
31 withholding agreement mentioned in the regulation below:

32 [26 CFR §31.3402\(p\)-1](#)
33 Title 26
34 CHAPTER I
35 SUBCHAPTER C
36 PART 31
37 Subpart E

38 *Sec. 31.3402(p)-1 Voluntary withholding agreements.*

39
40 *(a) In general.*

41 *An employee and his employer may enter into an agreement under section 3402(b) to provide for the*
42 *withholding of income tax upon payments of amounts described in paragraph (b)(1) of Sec. 31.3401(a)-3, made*
43 *after December 31, 1970. An agreement may be entered into under this section only with respect to amounts*
44 *which are includible in the gross income of the employee under section 61, and must be applicable to all*
45 *such amounts paid by the employer to the employee. The amount to be withheld pursuant to an agreement*
46 *under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations*
47 *thereunder. (b) Form and duration of agreement. (1)(i) Except as provided in subdivision (ii) of this*
48 *subparagraph, an employee who desires to enter into an agreement under section 3402(p) shall furnish his*
49 *employer with Form W-4 (withholding exemption certificate) executed in accordance with the provisions of*
50 *section 3402(f) and the regulations thereunder. The furnishing of such Form W-4 shall constitute a request for*
51 *withholding.*

52 Note that the above regulation:

- 53 1. Is NOT "law" because the statute upon which is based in 26 U.S.C. §3402(p) does not contain the language above
54 stating that EVERYTHING that is made is "gross income" under 26 U.S.C. §61. The Secretary cannot MAKE law, he

1 can only IMPLEMENT. Therefore, anything that is in the regulation that is not ALSO found in the statute it
2 implements does not prescribe any lawful requirement.

3 “When enacting §7206(1) Congress undoubtedly knew that the Secretary of the Treasury is empowered to
4 prescribe all needed rules and regulations for the enforcement of the internal revenue laws, so long as they
5 carry into effect the will of Congress as expressed by the statutes. Such regulations have the force of law. **The**
6 **Secretary, however, does not have the power to make law.**¹⁸”
7 [*United States v. Levy*, 533 F.2d. 969 (1976)]

8
9 Finally, the Government points to the fact that the Treasury Regulations relating to the statute purport to
10 include the pick-up man among those subject to the s 3290 tax,^{FNI} and argues (a) that this constitutes an
11 administrative interpretation to which we should give weight in construing the statute, particularly because (b)
12 section 3290 was carried over in haec verba into s 4411 of the Internal Revenue Code of 1954, 26 U.S.C.A. s
13 **4411. We find neither argument persuasive. In light of the above discussion, *359 we cannot but regard this**
14 **Treasury Regulation as no more than an attempted addition to the statute of something which is not there.**
15 ^{FNI2} **As such the regulation can furnish no sustenance to the statute. *Koshland v. Helvering*, 298 U.S. 441,**
16 **446-447, 56 S.Ct. 767, 769-770, 80 L.Ed. 1268.**
17 [*U.S. v. Calamaro*, 354 U.S. 351, 77 S.Ct. 1138 (U.S. 1957)]

- 18 2. Identifies the W-4 as an “agreement” between the “employer” and the “employee”, and does NOT identify the
19 government as a party to said agreement. Therefore, the government is not a party to the agreement and therefore
20 incurs no contractual rights over any of the property of the parties to the agreement.
21 3. The employer does *not* sign the agreement, and therefore incurs NO RIGHTS to it. He must sign it to incur any rights
22 over the property of the “employee”.
23 4. The IRS Form W-4 does not fully or completely disclose the terms of the agreement, and therefore the agreement fails
24 to give “reasonable notice” to all the parties concerned all of the rights to property they are acquiring or surrendering
25 by virtue of consenting to the contract or agreement. Since there was not full disclosure of the terms of the contract,
26 then it confers no rights to anyone.

27 “Waivers of Constitutional rights not only must be voluntary, but must be knowing, intelligent acts done with
28 sufficient awareness of the relevant circumstances and likely consequences.”
29 [*Brady v. U.S.*, 397 U.S. 742 (1970)]

30 “The question of a waiver of a federally guaranteed constitutional right is, of course, a federal question
31 controlled by federal law. There is a presumption against the waiver of constitutional rights, see, e.g. *Glasser*
32 *v. United States*, 315 U.S. 60, 70-71, 86 L.Ed. 680, 699, 62 S.Ct. 457, and for a waiver to be effective it must be
33 clearly established that there was “an intentional relinquishment or abandonment of a known right or
34 privilege.” *Johnson v. Zerbst*, 304 U.S. 458, 464, 82 L.Ed. 1461, 1466, 58 S.Ct. 1019, 146 A.L.R. 357.”
35 [*Brookhart v. Janis*, 384 U.S. 1; 86 S.Ct. 1245; 16 L.Ed.2d. 314 (1966)]

36 “Where rights secured by the Constitution there can be no rule making or legislation [or government forms]
37 which would abrogate them.”
38 [*Miranda v. Arizona*, 384 U.S. 436, 491 (1966)]

39 “Where administrative action may result in loss of both property and life, or of all that makes life worth living,
40 any doubt as to the extent of power delegated to administrative officials is to be resolved in citizen's favor, and
41 court must be especially sensitive to the citizen's rights where proceeding is non-judicial.”
42 [*United States v. Minker*, 350 U.S. 179, 76 S.Ct. 281 (1956)]

- 43 5. Even if the government were a party and wished to sign such a contract, the only entity within the federal government
44 who can consent to a contract and obligate the United States by law is the Legislative Branch of the government, and
45 no one within the Executive Branch, employee or otherwise, has the authority to obligate the government to such a
46 contract:

47 “There is an element of fiction in the presumption that every citizen is charged with a responsibility to know
48 what the law is. But the array of government executives, judges, and legislators who have been accused, and
49 convicted, of mail fraud under the well-settled construction of the statute that the Court renounces today are
50 people who unquestionably knew that their conduct was unlawful. Cf. *Nash v. United States*, 229 U.S. 373, 377
51 (1913).”

¹⁸ *Dixon v. United States*, 1965, 381 U.S. 68, 85 S.Ct. 1301, 14 L.Ed.2d. 223; *Werner v. United States*, 7 Cir., 1959, 264 F.2d. 489; *Whirlwind Manufacturing Company v. United States*, 5 Cir., 1965, 344 F.2d. 153.

1 [\[McNally v. United States, 483 U.S. 350 \(1987\)\]](#)

- 2 6. The fact that the terms of the contract might be documented in the regulation itself does not satisfy the constitutional
3 requirement for “reasonable notice “ of the terms and conditions of the contract. To wit:

4 “But the short answer to this contention is that since no official of the government could have rendered it liable
5 for this work by an express contract, none can by his acts or omissions create a valid contract implied in fact.
6 The limitation upon the authority to impose contract obligations upon the United States is as applicable to
7 contracts by implication as it is to those expressly made.”
8 [Sutton v. U.S., [256 U.S. 575](#) (1921)]

- 9 7. The courts have said that you cannot believe anything that a member of the Executive Branch says, and that the only
10 basis for reasonable belief is what the law actually says. Therefore, even if you were able to persuade a member of the
11 Executive Branch to personally sign such an agreement, there would be no basis to believe that his signature
12 communicated or conveyed the requisite consent, even if he claimed that it did.

13 “The Government may carry on its operations through conventional executive agencies or through corporate
14 forms especially created for defined ends. See *Keifer & Keifer v. Reconstruction Finance Corp.*, [306 U.S. 381](#),
15 [390](#), 518. Whatever the form in which the Government functions, anyone entering into an arrangement
16 with the Government takes the risk of having accurately ascertained that he who purports to act for the
17 Government stays within the bounds of his authority. The scope of this authority may be explicitly defined by
18 Congress or be limited by delegated legislation, properly exercised through the rule-making power. And this
19 is so even though, as here, the agent himself may have been unaware of the limitations upon his authority. See,
20 e.g., *Utah Power & Light Co. v. United States*, [243 U.S. 389, 409](#), 391; *United States v. Stewart*, [311 U.S. 60](#),
21 [70](#), 108, and see, generally, *In re Floyd Acceptances*, 7 Wall. 666.”
22 [Federal Crop Ins. v. Merrill, 332 U.S. 380 (1947)]

23
24 Justice Holmes wrote: “Men must turn square corners when they deal with the Government.” *Rock Island, A. &*
25 *L. R. Co. v. United States*, [254 U.S. 141, 143](#) (1920). This observation has its greatest force when a private
26 party seeks to spend the Government’s money. Protection of the public fisc requires that those who seek public
27 funds act with scrupulous regard for the requirements of law; respondent could expect no less than to be held to
28 the most demanding standards in its quest for public funds. This is consistent with the general rule that those
29 who deal with the Government are expected to know the law and may not rely on the conduct of Government
30 agents contrary to law. [17](#) [467 U.S. 51, 64]

31 [. . .]

32 The appropriateness of respondent’s reliance is further undermined because the advice it received from
33 Travelers was oral. It is not merely the possibility of fraud that undermines our confidence in the reliability of
34 official action that is not confirmed or evidenced by a written instrument. Written advice, like a written judicial
35 opinion, requires its author to reflect about the nature of the advice that is given to the citizen, and subjects that
36 advice to the possibility of review, criticism, and reexamination. The necessity for ensuring that governmental
37 agents stay within the lawful scope of their authority, and that those who seek public funds act with scrupulous
38 exactitude, argues strongly for the conclusion that an estoppel cannot be erected on the basis of the oral advice
39 that underlay respondent’s cost reports. That is especially true when a complex program such as Medicare is
40 involved, in which the need for written records is manifest.
41 [Heckler v. Comm Health Svc, 467 U.S. 51 (1984)]

42
43 In their answers some of the defendants assert that when the forest reservations were created an understanding
44 and agreement was had between the defendants, or their predecessors, and some unmentioned officers or
45 agents of the United States, to the effect that the reservations would not be an obstacle to the construction or
46 operation of the works in question; that all rights essential thereto would be allowed and granted under the act
47 of 1905; that, consistently with this understanding and agreement, and relying thereon, the defendants, or their
48 predecessors, completed the works and proceeded with the generation and distribution of electric energy, and
49 that, in consequence, the United States is estopped to question the right of the defendants to maintain and
50 operate the works. Of this it is enough to say that the United States is neither bound nor estopped by acts of
51 its officers or agents in entering into an arrangement or agreement to do or cause to be done what the law
52 does not sanction or permit. *Lee v. Munroe*, 7 Cranch, 366, 3 L.Ed. 373; *Filor v. United States*, 9 Wall. 45,
53 [49](#), 19 L.Ed. 549, 551; *Hart v. United States*, [95 U.S. 316](#), 24 L.Ed. 479; *Pine River Logging Co. v. United*
54 *States*, [186 U.S. 279, 291](#), 46 S. L.Ed. 1164, 1170, 22 Sup.Ct.Rep. 920.
55 [Utah Power and Light v. U.S., 243 U.S. 389 (1917)]

56
57 “It is contended that since the contract provided that the government ‘inspectors will keep a record of the work
58 done,’ since their estimates were relied upon by the contractor, and since by reason of the inspector’s mistake
59 the contractor was led to do work in excess of the appropriation, the United States is liable as upon an implied

1 contract for the fair value of the work performed. **But the short answer to this contention is that since no**
2 **official of the government could have rendered it liable for this work by an express contract, none can by his**
3 **acts or omissions create a valid contract implied in fact. The limitation upon the authority to impose contract**
4 **obligations upon the United States is as applicable to contracts by implication as it is to those expressly**
5 **made.**

6 [Sutton v. U.S., 256 U.S. 575 (1921)]
7

8 **Undoubtedly, the general rule is that the United States are neither bound nor estopped by the acts of their**
9 **officers and agents in entering into an agreement or arrangement to do or cause to be done what the law**
10 **does not sanction or permit. Also, those dealing with an agent of the United [294 U.S. 120, 124] States**
11 **must be held to have had notice of the limitation of his authority. Utah Power & Light Co. v. United States,**
12 **243 U.S. 389, 409, 37 S.Ct. 387; Sutton v. United States, 256 U.S. 575, 579, 41 S.Ct. 563, 19 A.L.R. 403.**

13 *How far, if at all, these general rules are subject to modification where the United States enter into transactions*
14 *commercial in nature (Cooke v. United States, 91 U.S. 389, 399; White v. United States, 270 U.S. 175, 180, 46*
15 *S.Ct. 274) we need not now inquire. The circumstances presented by this record do not show that the assured*
16 *was deceived or misled to his detriment, or that he had adequate reason to suppose his contract would not be*
17 *enforced or that the forfeiture provided for by the policy could be waived. New York Life Insurance Co. v.*
18 *Eggleston, 96 U.S. 572; Phoenix Mut. Life Insurance Co. v. Doster, 106 U.S. 30, 1 S.Ct. 18. The grounds upon*
19 *which estoppel or waiver are ordinarily predicated are not shown to exist.*
20 [Wilbur Natl Bank v. U.S., 294 U.S. 120 (1935)]

21 Absent the above IRS Form W-4 withholding agreement voluntarily submitted to an “employer” by the “employee”
22 without any threat of termination or refusal to hire, there is no lawful basis to withhold. In support of this fact, consider
23 that:

- 24 1. You cannot call the W-4 an “agreement” without voluntary consent.
25 2. Agreements entered into in the presence of threats, duress, or coercion of any kind are voidable at option of the party
26 coerced:

27 *“An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not*
28 *exercising his free will, and the test is not so much the means by which the party is compelled to execute the*
29 *agreement as the state of mind induced.¹⁹ Duress, like fraud, rarely becomes material, except where a contract*
30 *or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract*
31 *or conveyance voidable, not void, at the option of the person coerced,²⁰ and it is susceptible of ratification.*
32 *Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. ²¹ However,*
33 *duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no*
34 *intention of doing so, is generally deemed to render the resulting purported contract void. ²²⁴¹”*
35 [American Jurisprudence 2d, Duress, Section 21]

- 36 3. The definition for “wages” found in [26 U.S.C. §3401\(a\)](#), which are the main thing reported on IRS Form W-2, does not
37 include earnings of “public officials” and yet the only thing reported on the form is “trade or business” earnings of a
38 “public official” pursuant to [26 U.S.C. §6041](#).

39 [TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III > Subpart B > § 6041](#)
40 [§ 6041. Information at source](#)

41 (a) Payments of \$600 or more

42 *All persons engaged in a trade or business and making payment in the course of such trade or business to*
43 *another person, of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments, or*

¹⁹ Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

²⁰ Barnette v. Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v. Fetty, 121 W Va 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

²¹ Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v. Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

²² Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

1 other fixed or determinable gains, profits, and income (other than payments to which section 6042 (a)(1), 6044
2 (a)(1), 6047 (e), 6049 (a), or 6050N (a) applies, and other than payments with respect to which a statement is
3 required under the authority of section 6042 (a)(2), 6044 (a)(2), or 6045), of \$600 or more in any taxable year,
4 or, in the case of such payments made by the United States, the officers or employees of the United States
5 having information as to such payments and required to make returns in regard thereto by the regulations
6 hereinafter provided for, shall render a true and accurate return to the Secretary, under such regulations and in
7 such form and manner and to such extent as may be prescribed by the Secretary, setting forth the amount of
8 such gains, profits, and income, and the name and address of the recipient of such payment.

9 26 U.S.C. §7701(a)(26) defines a “trade or business” as “the functions of a public office”. Therefore, the only way to
10 earn reportable “wages” on an IRS Form W-2 is to consent voluntarily to be treated as a “public official”. There is NO
11 OTHER WAY to have reportable earnings or to have a nonzero amount on an IRS Form W-2.

12 Even if the above agreement were signed by the government or a representative, it still would not confer any rights if that
13 person were not from the Legislative Branch. No one in the Executive Branch has been delegated the authority to bind the
14 United States in a contractual agreement and if they were, it would violate the separation of powers doctrine that is the
15 foundation of the Constitution. Law is the only way to give “reasonable notice” to the public of the rights they are
16 surrendering to the government. Consequently, there is no basis to believe that the government has any authority
17 whatsoever to invade private contracts between you as a private American and the private employer you work for. If the
18 government asserts such a right, you should ask them the questions indicated later in section 18. Their answers will reveal
19 that there is no way they can prove with the law that they have such authority.

20 Based on the foregoing, we can safely conclude the following:

- 21 1. If a private employer, after having agreed to pay you a fixed sum for your services, diverts any portion of that
22 compensation to a third party who is not a party to the contract, then he is in breach of said contract.
- 23 2. If the government comes in and tries instruct either party to the contract to divert your compensation to them, then they
24 are encouraging the private employer to breach the contract and engaging in a criminal trespass upon the contract.
- 25 3. If a private employer compels the use of the IRS Form W-4 for new or existing hires and threatens to wither not hire or
26 fire them for failure to submit the completed and signed form, then that agreement is no longer a voluntary agreement
27 and falls under the auspices of threat, duress, and coercion. As such, it is void and voidable by the injured party and
28 none of the provisions of the contract can be lawfully be enforced against any party.

29 *“An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not*
30 *exercising his free will, and the test is not so much the means by which the party is compelled to execute the*
31 *agreement as the state of mind induced.²³ Duress, like fraud, rarely becomes material, except where a contract*
32 *or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract*
33 *or conveyance voidable, not void, at the option of the person coerced,²⁴ and it is susceptible of ratification.*
34 *Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. ²⁵ However,*
35 *duress in the form of physical compulsion, in which a party is caused to appear to assent when he has no*
36 *intention of doing so, is generally deemed to render the resulting purported contract void. ²⁶”*
37 *[American Jurisprudence 2d, Duress, Section 21]*

38 **12 How IRS Forms and Publications Hide or Disguise the deductibility of labor**

39 **12.1 IRS publications “conveniently” do not mention it.**

40 The most pertinent publication relating to the deductibility of labor from “gross income” is IRS Publication 334:

²³ Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

²⁴ Barnette v. Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v. Fetty, 121 W Va 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

²⁵ Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v. Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

²⁶ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

The pertinent sections in that document are:

1. Section 5: Business Income
2. Section 6: How to Figure Cost of Goods Sold
3. Section 7: Figuring Cost of Goods Sold
4. Section 8: Business Expenses

Section 8 in IRS Publication 334 says the following on p. 30 the following:

8. Business Expenses

Introduction

You can deduct the costs of running your business. These costs are known as business expenses. These are costs you do not have to capitalize or include in the cost of goods sold.

To be deductible, a business expense must be both ordinary and necessary. An ordinary expense is one that is common and accepted in your field of business. A necessary expense is one that is helpful and appropriate for your business. An expense does not have to be indispensable to be considered necessary.

*For more information about the general rules for deducting business expenses, see chapter 1 in Publication 535, Business Expenses.
[IRS Publication 334, Section 8, p. 30]*

In the above section, they go on to identify “Employee’s Pay” as a “business expense”:

Employees’ Pay

You can generally deduct on Schedule C the pay you give your employees for the services they perform for your business. The pay may be in cash, property, or services.

To be deductible, your employees’ pay must be an ordinary and necessary expense and you must pay or incur it in the tax year. In addition the pay must meet both of the following tests.

- *The pay must be reasonable.*
- *The pay must be for services performed.*

Chapter 2 in Publication 535 explains and defines these requirements.

*You cannot deduct your own salary or any personal withdrawals you make from your business. You are not an employee of the business.
[IRS Publication 334, Chapt. 8, p. 33]*

The above publication does not deny the opportunity or right to take a personal deduction pursuant to 26 U.S.C. §83. It allows business deductions for labor on Schedule C, but if it is a personal deduction, it is deducted before “gross income” is entered on the 1040 form. See IRS Publication 17 entitled Federal Income Tax for Individuals, first page.

Cost basis.

The basis of property you buy is usually its cost. The cost if the amount you pay in cash, debt obligations, other property, or services. Your cost also includes amounts you pay for the following items:

- *Sales tax (less any applicable sales tax claimed on Schedule A (Form 1040))*
- *Freight*
- *Installation and testing.*
- *Excise taxes*
- *Legal and accounting fees (when they must be capitalized)*
- *Revenue stamps*
- *Recording fees, and*

- Real estate taxes (if you assume liability for the seller)

In addition, the basis of real estate and business assets may include other items.
[IRS Publication 17, Year 2005, p. 89]

Note that the cost of labor is not mentioned above, even though cannot lawfully exclude it. This is a deception. Note also that Federal Reserve Notes (money) are debt obligations of the U.S. government.

The purpose for deducting employees' pay above, of course, is to ensure that "profit" is accurately calculated so as to consider all the expenses incurred in producing it. The questions in our mind after reading the above are the following:

1. What is the amount of the Fair Market Value (FMV) of your labor?

ANSWER: Whatever someone is willing to pay it. Take a look at your paycheck. The gross amount of your paycheck is the value of your labor.

2. Where on the IRS Form 1040 or the supporting schedules is this cost (FMV or value of your labor) to be entered and deducted from line 7, gross income?

ANSWER: There is no place to do this. Only if you are a business, you can deduct the cost of everyone else's labor on Schedule C, but not form 1040.

3. Can the IRS exclude labor from the term "any property" in the context of 26 U.S.C. §83 when neither Congress nor the Secretary have expressly excluded labor as property from the section 83 deduction?

ANSWER: No.

4. If neither Congress in U.S. law nor the Secretary in the Treasury regulations thereunder have expressly excluded labor as a type of property which may not be deducted pursuant to 26 U.S.C. §83, by what authority does the IRS unilaterally exclude said labor.

ANSWER: They have no legislatively delegated authority to do so. All of their statements on this point are simply propaganda and agency policy written in such a way as to intentionally deceive citizens into parting with their Constitutionally protected property.

IRS publications 334 and 535 mentioned above "conveniently omit" discussion of answers to any of the above questions, because quite frankly, the government would destroy nearly all of its revenues derived from the unlawful enforcement of [L.R.C. Subtitle A](#) income taxes if they did. It is precisely because of the danger to their illegal revenues that the IRS won't admit that your labor is your property, exclusively your property, and that they have no right to it without your consent.

12.2 There is nothing on Schedule C that specifically mentions labor

Examine IRS Schedule C for yourself, and see if you can find the cost of labor listed there. It AIN'T THERE!:

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1040sc.pdf>

12.3 There is no space to write it on the IRS Forms 1040 or 1040NR

Examine IRS Form 1040 for yourself, and see if you can find the cost of labor listed there as a deduction. It AIN'T THERE!:

<http://famguardian.org/TaxFreedom/Forms/IRS/IRSForm1040.pdf>

12.4 The Internal Revenue Code does not define the term "personal services" as used in the phrase "compensation for services" within 26 U.S.C. §61(a)(1), which defines "gross income"

The only "services" mentioned in the Internal Revenue Code itself are "compensation for services" mentioned in 26 U.S.C. §61(a)(1). To wit:

[TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART 1](#) > § 61
[§ 61. Gross income defined](#)

(a) General definition

1 *Except as otherwise provided in this subtitle [such as I.R.C. Section 83], gross income means all income from*
2 *whatever source derived, including (but not limited to) the following items:*

3 (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;

4 The term “services” is then not defined anywhere in the Internal Revenue Code. However, the implications are clear:

- 5 1. The only thing that a W-2 can document is “trade or business” earnings, as corroborated by 26 U.S.C. §6041.
- 6 2. The W-2 therefore does not document earnings from “labor”, but earnings in the conduct of a privileged, excise taxable
7 activity called a “trade or business”, which is then defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public
8 office”.
- 9 3. There is no provision anywhere in the Internal Revenue Code which would expand the definition of “trade or business”
10 to include anything OTHER than “the functions of a public office”. Therefore, the definition is restrictive.

11 *“Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one*
12 *thing is the exclusion of another. Burgin v. Forbes, 293 Ky. 456, 169 S.W.2d 321, 325; Newblock v. Bowles,*
13 *170 Okl. 487, 40 P.2d. 1097, 1100. Mention of one thing implies exclusion of another. When certain persons*
14 *or things are specified in a law, contract, or will, an intention to exclude all others from its operation may be*
15 *inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the effects*
16 *of a certain provision, other exceptions or effects are excluded.”*
17 *[Black’s Law Dictionary, Sixth Edition, p. 581]*

18 *“It is axiomatic that the statutory definition of the term excludes unstated meanings of that term. Colautti v.*
19 *Franklin, 439 U.S. 379, 392, and n. 10 (1979). Congress’ use of the term “propaganda” in this statute, as indeed*
20 *in other legislation, has no pejorative connotation. As judges, it is our duty to [481 U.S. 485] construe*
21 *legislation as it is written, not as it might be read by a layman, or as it might be understood by someone who*
22 *has not even read it.”*
23 *[Meese v. Keene, 481 U.S. 465, 484 (1987)]*

24 *“As a rule, a definition which declares what a term “means” . . . excludes any meaning that is not stated”*
25 *[Colautti v. Franklin, 439 U.S. 379 (1979), n. 10]*

26 *“When a statute includes an explicit definition, we must follow that definition, even if it varies from that*
27 *term’s ordinary meaning. Meese v. Keene, 481 U.S. 465, 484-485 (1987) (“It is axiomatic that the statutory*
28 *definition of the term excludes unstated meanings of that term”); Colautti v. Franklin, 439 U.S. at 392-393, n.*
29 *10 (“As a rule, a definition which declares what a term “means” . . . excludes any meaning that is not stated”);*
30 *Western Union Telegraph Co. v. Lenroot, 323 U.S. 490, 502 (1945); Fox v. Standard Oil Co. of N.J., 294 U.S.*
31 *87, 95-96 (1935) (Cardozo, J.); see also 2A N. Singer, Sutherland on Statutes and Statutory Construction §*
32 *47.07, p. 152, and n. 10 (5th ed. 1992) (collecting cases). That is to say, the statute, read “as a whole,” post at*
33 *998 [530 U.S. 943] (THOMAS, J., dissenting), leads the reader to a definition. That definition does not include*
34 *the Attorney General’s restriction -- “the child up to the head.” Its words, “substantial portion,” indicate the*
35 *contrary.”*
36 *[Stenberg v. Carhart, 530 U.S. 914 (2000)]*

37 For a thorough analysis of the above cases and the meaning of the word “includes”, see and rebut:

38 Meaning of the Words “includes” and “including”, Form #05.014 http://sedm.org/Forms/FormIndex.htm

- 39 4. The I.R.C. Subtitle A income tax is therefore an indirect excise tax upon an “activity”, and not directly upon labor.
- 40 5. There is an implicit assumption that any source of “gross income” mentioned in [26 U.S.C. §61](#) is associated with a
41 “trade or business” and that a source that is not so associated does not qualify as “gross income”.
42 5.1. This includes the term “services”.
43 5.2. The only exceptions to this are found in [26 U.S.C. §871\(a\)](#) in the case of a nonresident alien.
- 44 6. I.R.C. Subtitle A therefore describes an indirect excise tax upon “profits” from “labor” connected with a “trade or
45 business” and a “public office”.
- 46 7. Those who are not engaged in a “trade or business” and a “public office” and who receive compensation for their
47 services in connection with their personal labor therefore cannot earn “gross income”.
- 48 8. The IRS Form W-2 should indicate “zero” for “wages, tips, and other compensation” in the case of persons who are not
49 engaged in a “trade or business” or a “public office”, regardless of the amount they earned in connection with their
50 labor.

1 Knowing the above, and knowing that there was no definition of “compensation for services” anywhere in the Internal
2 Revenue Code, as it is used in [26 U.S.C. §61\(a\)\(1\)](#), we then searched the I.R.C. and Treasury Regulations for phrases that
3 use the word “services”. The I.R.C. deliberately does not define the word “compensation for services” and the reason they
4 don’t, is that they don’t want you to know that it has to be connected with a “trade or business” in order to be considered
5 “gross income” pursuant to the I.R.C. We therefore had to search the regulations before we found the proper and necessary
6 association between “compensation for services” and the activity actually being taxed, which is a “trade or business”.

7 [26 CFR Sec. 1.469-9 Rules for certain rental real estate activities.](#)

8 (b)(4) **PERSONAL SERVICES.**

9 **Personal services means any work performed by an individual in connection with a trade or business.**
10 *However, personal services do not include any work performed by an individual in the individual's capacity as*
11 *an investor as described in section 1.469-5T(f)(2)(ii).*

12 We also found that labor not connected with a “trade or business” is expressly excluded from the definition of “gross
13 income”:

14 [26 U.S.C. §861 Income from Sources Within the United States](#)

15 (a)(3) "...Compensation for labor or **personal services** performed in the United States shall not be deemed to be
16 income from sources within the United States if-

17 (C) the compensation for labor or services performed as an **employee** of or under contract with--

18 (i) a **nonresident alien**.not engaged in a **trade or business in the United States**..."

19 The above legal authorities confirm our earlier conclusions, and also confirm the reason why the only thing you can take
20 deductions for within the I.R.C. are ALL connected with a “trade or business”:

21 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART VI > Sec. 162.](#)
22 [Sec. 162. - Trade or business expenses](#)

23 (a) *In general*

24 *There shall be allowed as a deduction all the ordinary and necessary expenses paid or incurred during the*
25 *taxable year in carrying on any trade or business, including -*

26 (1) *a reasonable allowance for salaries or other compensation for **personal services** actually rendered;*

27 Noteworthy in the above is that you don’t need deductions if you are not engaged in a “trade or business” because you
28 cannot earn “gross income”. Even if you are in fact engaged in a “trade or business” and a “public office”, you are allowed
29 pursuant to the above to deduct the expenses associated with carrying on that “public office”.

30 **12.5 There is no pointer in 26 U.S.C. §61 which references deductions for labor, as indicated in**
31 **26 U.S.C. §83 so they don’t receive “reasonable notice” of the deductibility of labor within**
32 **the code itself.**

33 The I.R.C. tries to hide the relationship between the deductibility of the market value of labor from “gross income”. For
34 instance, 26 U.S.C. §61(a), which defines “gross income”, *obtusely mentions* it, but does not directly tell you *where* to look
35 in the hopes that you don’t find it:

36 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART I > § 61](#)
37 [§ 61. Gross income defined](#)

38 (a) *General definition*

39 *Except as otherwise provided in this subtitle [such as I.R.C. Section 83], gross income means all income from*
40 *whatever source derived, including (but not limited to) the following items:*

1 The purpose of law is to give “reasonable notice” of the conduct that is expected. A law that does not point you to all the
2 relevant information necessarily to easily and properly comply with it is vague and undermines its own enforceability. This
3 was confirmed by the U.S. Supreme Court when it said:

4 *It never has been doubted by this court, or any other, so far as we know, that notice and hearing are*
5 *preliminary steps essential to the passing of an enforceable judgment,* and that they, together with a legally
6 competent tribunal having jurisdiction of the case, constitute basic elements of the constitutional requirement of
7 due process of law. The words of Webster, so often quoted, that, by “the law of the land” is intended “a law
8 which hears before it condemns” have been repeated in varying forms of expression in a multitude of decisions.
9 In *Holden v. Hardy*, 169 U.S. 366, 389, the necessity of due notice and an opportunity of being heard is
10 described as among the “immutable principles of justice which inhere in the very idea of free government which
11 no member of the Union may disregard.” And Mr. Justice Field, in an earlier case, *Galpin v. Page*, 18 Wall.
12 350, 368-369, said that the rule that no one shall be personally bound until he has had his day in court was as
13 old as the law, and it meant that he must be cited to appear and afforded an opportunity to be heard.

14 *Judgment without such citation and opportunity wants all the attributes of a judicial*
15 *determination; it is judicial usurpation and oppression, and never can be upheld where*
16 *justice is justly administered.”*

17 [*Powell v. Alabama*, 287 U.S. 45 (1932)]

18 How can you know what they are referring to in [26 U.S.C. §61\(a\)\(1\)](#) with the phrase “Except as otherwise provided in this
19 subtitle” and why do they make it so hard to figure this out? The reason is that they don’t want to make it easy for you to
20 reduce your tax liability by taking the proper deductions, including deductions for labor. They would rather promote and
21 exploit and profit from your legal ignorance than help you protect your property by making it easy to lessen the control they
22 have over it. They are “predators” rather than “protectors”, and in that sense, they have strayed from the purposes of their
23 creation as a government:

24 *“Property. That which is peculiar or proper to any person; that which belongs exclusively to one. In the strict*
25 *legal sense, an aggregate of rights which are guaranteed and protected by the government.* *Fulton Light,*
26 *Heat & Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to extend to every species of
27 valuable right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the
28 right to dispose of a thing in every legal way, to possess it, to use it, and to exclude every one else from
29 interfering with it. That dominion or indefinite right of particular things or subjects. The exclusive right of
30 possessing, enjoying, and disposing of a thing. The highest right a man can have to anything; being used to
31 refer to that right which one has to lands or tenements, goods or chattels, which no way depends on another
32 man’s courtesy.

33 *The word is also commonly used to denote everything which is the subject of ownership; corporeal or*
34 *incorporeal, tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable*
35 *value or which goes to make up wealth or estate. It extends to every species of valuable right and interest, and*
36 *includes real and personal property, easements, franchises, and incorporeal hereditaments, and includes every*
37 *invasion of one’s property rights by actionable wrong.* *Labberton v. General Cas. Co. of America*, 53 Wash.2d
38 180, 332 P.2d. 250, 252, 254.

39 [. . .]

40 *Property within constitutional protection, denotes group of rights inhering in citizen’s relation to physical*
41 *thing, as right to possess, use and dispose of it.* *Cereghino v. State By and Through State Highway*
42 *Commission*, 230 Or. 439, 370 P.2d. 694, 697.”
43 [*Black’s Law Dictionary, Sixth Edition, p. 1216*]

44 If you would like to learn more about the constitutional requirement for “reasonable notice” and how the IRS abuses this
45 requirement for their own advantage, see the following:

[Requirement for Reasonable Notice, Form #05.022](http://sedm.org/Forms/FormIndex.htm)
<http://sedm.org/Forms/FormIndex.htm>

1 **12.6 The Internal Revenue Code does not talk about the implications of the Constitution, such**
2 **as the Thirteenth Amendment, upon what can be classified as “gross income”.**

3 Earlier versions of the Treasury Regulations mentioned the requirements of what was called “fundamental law” upon the
4 Internal Revenue Code. Many of these early statutes were described by Larken Rose in his analysis of the now defunct 861
5 Position. His analysis of the 861 Position is discussed in the Great IRS Hoax, Form #11.302, Sections 5.7.5 through
6 5.7.5.11.10. Below are a few:

7 *Regulations for 1939 Internal Revenue Code*
8 *Section 29.21-1*

9 *“Sec. 29.21-1. Meaning of net income. The tax imposed by chapter 1 is upon income. Neither income*
10 *exempted by statute or fundamental law... enter into the computation of net income as defined by section 21.”*

11 The early founding fathers, however, recognized the implication of “fundamental law” upon statutory law when they said in
12 the Federalist Papers the following:

13 *“No legislative act [including a statutory presumption] contrary to the Constitution can be valid. To deny this*
14 *would be to affirm that the deputy (agent) is greater than his principal; that the servant is above the master;*
15 *that the representatives of the people are superior to the people; that men, acting by virtue of powers may do*
16 *not only what their powers do not authorize, but what they forbid...[text omitted]. It is not otherwise to be*
17 *supposed, that the Constitution could intend to enable the representatives of the people to substitute their*
18 *WILL to that of their constituents. It is far more rational to suppose, that the courts were designed to be an*
19 *intermediate body between the people and the legislature, in order, among other things, to keep the latter within*
20 *the limits assigned to their authority. The interpretation of the laws is the proper and peculiar province of the*
21 *courts. A constitution is, in fact, and must be regarded by the judges, as a fundamental law. It therefore*
22 *belongs to them to ascertain its meaning, as well as the meaning of any particular act proceeding from the*
23 *legislative body. If there should happen to be an irreconcilable variance between the two, that which has the*
24 *superior obligation and validity ought, of course, to be preferred; or, in other words, the Constitution ought to*
25 *be preferred to the statute, the intention of the people to the intention of their agents.”*
26 *[Alexander Hamilton, Federalist Paper # 78]*

27 Current versions of the Treasury Regulations “conveniently” no longer give “reasonable notice” to the public of the
28 limitations imposed by “fundamental law”, meaning the Constitution, upon the Internal Revenue Code and their conduct as
29 “public servants”. Instead, they simply refer to these limitations as “law”, so that people will not know what they are trying
30 to imply:

31 *26 CFR §1.61-1*

32 *“Sec. 1.61-1 Gross income. (a) General definition. Gross income means all income from whatever source*
33 *derived, unless excluded by law.”*
34 *[26 CFR §1.61-1]*

35 What they are trying to do by removing discussions of “fundamental law” from the Internal Revenue Code and Treasury
36 Regulations is:

- 37 1. Prevent you from looking in the Constitution for any kind of deduction or exemption, and thereby ignore or worst yet
38 undermine the enforcement of the Constitution by the government.
- 39 2. Remove mention of Constitutional exemptions from the Internal Revenue Code and Treasury Regulations.
- 40 3. Force you to look ONLY in the Internal Revenue Code for a specific deduction or exemption. When you look there
41 and don't find deductions for the value of your labor, to conclude that there is none. Nontaxpayers aren't mentioned in
42 the I.R.C., and so they could not and would not find exemptions relating to them in the I.R.C.
- 43 4. Capitalize on the ignorance of most Americans about the Constitution. Most public schools no longer teach the
44 Constitution. Only those who enter the law profession now even learn about it.
- 45 5. Ignore the implications of the Thirteenth Amendment, which says that involuntary servitude is prohibited. If it is
46 prohibited directly, then it is also prohibited directly by, for instance, imposing an involuntary tax upon labor directly.
47 This very fact is the main reason why the income tax described by Subtitle A of the Internal Revenue Code can never
48 be anything but an indirect excise tax upon voluntary, avoidable privileged activities, such as a “trade or business”:
49 Because if it was upon labor rather than the activity, then it could not be shifted, would be unavoidable, and therefore
50 constitute slavery in violation of the Thirteenth Amendment.

1 By removing reasonable notice from the statutes about the limitations imposed by “fundamental law”, IRS and the courts
2 who aid and abet their illegal enforcement activities are engaging in the following criminal activities:

- 3 1. Slavery in violation of the [Thirteenth Amendment](#).
- 4 2. Enticement into slavery in violation of [42 U.S.C. §1994](#).
- 5 3. Slavery in violation of [18 U.S.C. §1589](#).

6 If you would like to learn why, in fact, taxes on labor as property and not upon avoidable, excise taxable activities amount
7 to slavery, we refer you to section 10 earlier.

8 **12.7 The nature of the Internal Revenue Code as an excise tax upon “profit” and not “gross** 9 **receipts” is carefully hidden from the public within IRS publications.**

10 The most pertinent publication relating to the nature of “income” derived from labor is IRS Publication 334:

Tax Guide for Small Businesses, IRS Publication 334
<http://famguardian.org/TaxFreedom/Forms/IRS/IRSPub334.pdf>

11 The pertinent section in that document is Section 5 entitled “Business Income”. This section twice tries to create the *false*
12 *impression* that ALL EARNINGS of the business are “income”, when it says:

13 **5. Business Income**

14 **Introduction**

15 *If there is any connection between any income you receive and your business, the income is business income. A*
16 *connection exists if it is clear that the payment of income would not have been made if you did not have the*
17 *business.*

18 *[IRS Publication 334, Chapt 5, p. 21]*

20 **Kinds of Income**

21 *“You must report on your tax return all income you receive from your business unless it is excluded by law. In*
22 *most cases, your business income will be in the form of cash, checks, and credit card charges. But business*
23 *income can be in other forms, such as property or services.”*

24 *[IRS Publication 334, Chapt 5, p. 22]*

25 **13 The REAL Reason the Government Hides the Deductibility of Labor**

26 Efforts to conceal the deductibility of labor from one’s earnings from gross income originate from the following
27 motivations:

- 28 1. The income tax is an excise or franchise tax upon “public offices” within the U.S. government. Within the I.R.C., the
29 activity subject to the excise tax upon this franchise is called a “trade or business”, which is defined as follows:

30 [26 U.S.C. §7701\(a\)\(26\)](#)

31 *“The term ‘trade or business’ includes [is limited to] the performance of the functions of a [public office](#).”*

32 For further details on the above, see:

The “Trade or Business” Scam, Form #05.001

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

- 33 2. All “taxpayers” within the I.R.C. are public offices within the government. See the following for exhaustive evidence
34 of this fact:

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>

- 1 3. The real party performing the labor and services is the public office, not the private person. This legal “person”:
2 3.1. Is a federal business trust created by the Social Security SS-5 Application. See:

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

- 3 3.2. Is created by the government, and therefore the exclusive property of the government. The government can only
4 tax what it creates and it didn’t create you, but rather God did.

5 “What is a Constitution? It is the form of government, delineated by the mighty hand of the people, in which
6 certain first principles of fundamental laws are established. The Constitution is certain and fixed; it contains
7 the permanent will of the people, and is the supreme law of the land; it is paramount to the power of the
8 Legislature, and can be revoked or altered only by the authority that made it. The life-giving principle and the
9 death-doing stroke must proceed from the same hand.”
10 [VanHorne’s Lessee v. Dorrance, 2 U.S. 304 (1795)]

11 “The great principle is this: because the constitution will not permit a state to destroy, it will not permit a law
12 [including a tax law] involving the power to destroy.”
13 [Providence Bank v. Billings, 29 U.S. 514 (1830)]

- 14 3.3. Is what most freedom lovers commonly call the “straw man”. See:

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

- 15 3.4. Is also called a “franchisee”.

- 16 4. The government knows that the IRS 1040 Form is REALLY a profit and loss statement for the “public office” that is a
17 federal business trust. That trust is the real legal “person” who is performing the services for Uncle Sam under the
18 terms of the I.R.C. Subtitle A “trade or business” franchise/contract agreement.

19 4.1. Since they created the trust, they get to define what constitutes “profit”. Common law doesn’t apply to
20 computing “profit” because you aren’t the “taxpayer”, but rather the trust is.

21 4.2. The “corpus” of the trust is all your private property that you donated to a public use by connecting it with the
22 trustee license number, which is the Social Security Number or Taxpayer Identification Number.

23 4.3. The trustee is you, who is a public officer. The essence of what it means to be a “public officer” is someone who
24 manages “public property”:

25 “Public office. The right, authority, and duty created and conferred by law, by which for a given period, either
26 fixed by law or enduring at the pleasure of the creating power, an individual is invested with some portion of
27 the sovereign functions of government for the benefit of the public. Walker v. Rich, 79 Cal.App. 139, 249 P. 56,
28 58. An agency for the state, the duties of which involve in their performance the exercise of some portion of the
29 sovereign power, either great or small. Yaselli v. Goff, C.C.A., 12 F.2d. 396, 403, 56 A.L.R. 1239; Lacey v.
30 State, 13 Ala.App. 212, 68 So. 706, 710; Curtin v. State, 61 Cal.App. 377, 214 P. 1030, 1035; Shelmadine v.
31 City of Elkhart, 75 Ind.App. 493, 129 N.E. 878. State ex rel. Colorado River Commission v. Frohmiller, 46 Ariz.
32 413, 52 P.2d. 483, 486. Where, by virtue of law, a person is clothed, not as an incidental or transient
33 authority, but for such time as de- notes duration and continuance, with Independent power to control the
34 property of the public, or with public functions to be exercised in the supposed interest of the people, the
35 service to be compensated by a stated yearly salary, and the occupant having a designation or title, the position
36 so created is a public office. State v. Brennan, 49 Ohio.St. 33, 29 N.E. 593.
37 [Black’s Law Dictionary, Fourth Edition, p. 1235]

38 4.4. The trust is a “public office” within the U.S. government.

39 4.5. The “beneficiary” is the government, not you. They LIE to you on the Social Security 800 number by calling you
40 a “beneficiary”. Social Security is a public trust and a charitable trust. The only way you can receive a defined
41 benefit under such a trust is as a trustee, because EVERYONE gets an equal benefit within the public of a true
42 charitable trust, including those who never even signed up:

43 “A charitable trust has been broadly defined as one for the benefit of an indefinite class of persons constituting
44 some portion or class of the public²⁷ or as one limiting property to some public use. ²⁸ A charitable trust has

²⁷ Hoeffler v. Clogan, 171 Ill. 462, 49 N.E. 527; Re Estate of Freshour, 185 Kan 434, 345 P.2d. 689, 81 A.L.R.2d. 806; Voelker v. St. Louis Mercantile Library Asso. (Mo) 359 S.W.2d. 689; Newton v. Newton Burial Park, 326 Mo 901, 34 S.W.2d. 118; Noice v. Schnell, 101 N.J.Eq. 252,137 A. 582, 52 A.L.R. 965, cert den 276 U.S. 625, 72 L.Ed. 738, 48 S.Ct. 304; Mercantile Banking & Trust Co. v. Showacre, 102 W Va 260, 135 S.E. 9, 48 ALR 1138.

²⁸ Ould v. Washington Hospital for Foundlings, 95 U.S. 303, 24 L.Ed. 450; Newton v. Newton Burial Park, 326 Mo 901, 34 S.W.2d. 118; Webster v. Wiggan, 19 R.I. 73, 31 A. 824. A charitable trust is a trust implying public utility in its purpose, and if the purpose to be attained is personal, private, or selfish, it is not charitable; but where the purpose accomplished is that of public usefulness unstained by personal, private, or selfish consideration, its charitable character insures its validity. Re MacDowell’s Will, 217 N.Y. 454, 112 N.E. 177.

1 similarly been defined as a gift in trust for the benefit of the public²⁹ or for the establishment or support of an
2 institution dedicated to the welfare of the public or to a class or part thereof.³⁰ **Another statement is that a**
3 **trust is charitable if it is made for a charitable purpose and the ultimate recipients constitute either the**
4 **community as a whole or an indefinite portion thereof.**³¹ Actually, the purpose for which property or funds
5 is given and dedicated by the donor is the touchstone,³² and no wholly satisfactory definition of a charitable
6 trust exists or can be drawn without including the elements of benefit to more than a very few people³³ in
7 some recognized field of charity. In the light of all the decisions, a simple and acceptable, though not entirely
8 complete, definition of a charitable trust is a gift in some manner dedicated to the ultimate benefit or betterment
9 of the public, or some significant portion thereof, not necessarily involving illegal activities or a use contrary to
10 public policy, for promotion of something within a recognized field of general welfare.³⁴
11 [American Jurisprudence 2d, Charities, §6, Definition of Charitable Trust]

12 4.6. The compensation of the trustee is whatever is left over after deductions are taken.

13 4.7. The “grantor” of the trust is the original authors of the Internal Revenue Code, which was first enacted in 1939.

14 4.8. The Internal Revenue Code doesn’t need to be positive law because it activates upon your consent. Anything you
15 consent to is “law” in your case. All franchises, including the “trade or business” franchise, are “contracts”:

16 As a rule, **franchises spring from contracts between the sovereign power and private citizens**, made upon
17 valuable considerations, for purposes of individual advantage as well as public benefit,³⁵ and thus a franchise
18 partakes of a double nature and character. **So far as it affects or concerns the public, it is publici juris and is**
19 **subject to governmental control. The legislature may prescribe the manner of granting it, to whom it may be**
20 **granted, the conditions and terms upon which it may be held, and the duty of the grantee to the public in**
21 **exercising it, and may also provide for its forfeiture upon the failure of the grantee to perform that duty. But**
22 **when granted, it becomes the property of the grantee, and is a private right, subject only to the governmental**
23 **control growing out of its other nature as publici juris.**³⁶
24 [Am.Jur.2d, Franchises, §4: Generally]

25 *Consensus facit legem.*

26 *Consent makes the law. A contract is a law between the parties, which can acquire force only by consent.*

27 [Bouvier’s Maxims of Law, 1856;

28 SOURCE: <http://fanguardian.org/Publications/BouvierMaximsOfLaw/BouvierMaxims.htm>]

29 5. The income tax can be described as “voluntary” only for those who are not “taxpayers” as statutorily defined at 26
30 U.S.C. §7701(a)(14). Once you volunteer to attach your private property to the “trade or business” franchise using the
31 de-facto license number, which is the “Taxpayer Identification Number” or “Social Security Number”, payment of the
32 tax upon the proceeds, at least the courts will tell you, is no longer “voluntary”, but enforced.

33 We must remember that if the government acknowledged the above truths and pattern of deception:

34 1. The government would have a LOT of explaining to do.

35 2. The government would have to explain who the REAL “taxpayer” and HOW you volunteered to become one. Most
36 people would then realize that they aren’t the proper subject, submit the corrected withholding paperwork, and stop
37 withholding and reporting. See:

Federal and State Withholding Options for Private Employers, Form #09.001

²⁹ Estate of Schloss, 56 Cal 2d 248, 14 Cal Rptr 643, 363 P.2d. 875; Re Estate of Sutro, 155 Cal 727, 102 P 920.

³⁰ Estate of Schloss, 56 Cal 2d 248, 14 Cal Rptr 643, 363 P.2d. 875; Re Estate of Sutro, 155 Cal 727, 102 P 920.

³¹ Estate of McKenzie, 227 Cal App 2d 167, 38 Cal Rptr 496, 7 A.L.R.3d. 1275. A charitable trust or a charity is a donation in trust for promoting the welfare of mankind at large, or of a community, or of some class forming a part of it, indefinite as to numbers or individuals. People ex rel. Ellert v. Cogswell, 113 Cal 129, 45 P 270.

³² §§ 33 et seq., §§ §§ 118 et seq., infra.

³³ § 73, infra.

³⁴ And see, in this respect, State ex rel. Emmert v. Union Trust Co., 227 Ind. 571, 86 N.E.2d. 450, 12 A.L.R.2d. 836, defining a charitable trust as a gift for the benefit of persons, either by bringing their hearts and minds under the influence of education or religion, by relieving their bodies of disease, suffering, or constraint, by assisting to establish them for life, by erecting or maintaining public buildings, or in other ways lessening the burdens or making better the condition of the general public, or some class of the general public, indefinite as to names and numbers, or, in short, a gift to a general public use.

³⁵ Georgia R. & Power Co. v. Atlanta, 154 Ga 731, 115 S.E. 263; Lippencott v. Allander, 27 Iowa 460; State ex rel. Hutton v. Baton Rouge, 217 La. 857, 47 So.2d. 665; Tower v. Tower & S. Street R. Co., 68 Minn. 500, 71 N.W. 691.

³⁶ Georgia R. & Power Co. v. Atlanta, 154 Ga 731, 115 S.E. 263; Lippencott v. Allander, 27 Iowa 460; State ex rel. Hutton v. Baton Rouge, 217 La. 857, 47 So.2d. 665; Tower v. Tower & S. Street R. Co., 68 Minn. 500, 71 N.W. 691.

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

3. Americans would start asking rather pointed questions about how they can lawfully occupy a public office, since:
 - 3.1. They don't work in the District of Columbia and 4 U.S.C. §72 says all such offices may ONLY be exercised there.
 - 3.2. They don't work in an internal revenue district, which 26 U.S.C. §7601 says is the only place the IRS can enforce. The only remaining internal revenue district is the District of Columbia pursuant to Treasury Order 150-02. After we pointed this out, the Dept. of the Treasury removed this order from their website to cover up the truth!
 - 3.3. They don't live in the "United States", which is defined as the District of Columbia in 26 U.S.C. §7701(a)(9) and (a)(10), 26 U.S.C. §7408(d), and 26 U.S.C. §7701(a)(39) and no part of any state of the Union.
 - 3.4. There is no statute that includes states of the Union within any part of the Internal Revenue Code, and that which is not expressly identified is presumed to be purposefully excluded according to the rules of statutory construction, regardless of whether the word "includes" appears in a definition or not:

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

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

4. People would start filing criminal complaints against those who file information returns against them pursuant to 18 U.S.C. §912. Those who file information returns against those not actually engaged in a "trade or business" and a "public office" as required by 26 U.S.C. §6041(a) are guilty of impersonating a public officer within the government in criminal violation of 18 U.S.C. §912. See:

Correcting Erroneous Information Returns, Form #04.001

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

5. Once the government started prosecuting a few of the filers of these false information returns:
 - 5.1. The flow of plunder would stop nationally.
 - 5.2. There would be no need to deduct labor from gross income because most people would no longer earn "gross income".
 - 5.3. Government revenues would significantly decrease because nearly all of them are a product of criminal activity and money laundering on the part of private employers, withholding agents, and banks who have no lawful way they can function as a public office and therefore effectively are acting as money launderers for the government.
 - 5.4. Many in the tax profession, such as tax return preparers and tax lawyers would have to find other, more productive work.
 - 5.5. Payroll withholding would be grossly simplified, leading to layoffs in the payroll industry, because there would be far less withholding.
6. The government would lose the ability to regulate the supply of fiat currency. The main purpose of the income tax, in fact, is to retire excess fiat currency from circulation that was created by the Federal Reserve counterfeiting franchise. This would FORCE them to go back to the REAL money mandated by our Constitution and force the President to withdraw the state of national emergency that keeps us running on a fraudulent fiat currency system. See:

The Money Scam, Form #05.041

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

7. Many different judges and IRS agents would be in very deep yogurt because there would then be precedent that could be used to prosecute them for violation of rights.

1 Consequently, because of the social dislocation that would occur and the far-ranging economic and political effects, effects,
2 federal judges and IRS agents are under extreme pressure to protect the lies, fraud, and deceit from exposure that is at the
3 heart of the current de facto fraudulent tax system. The problem is not the law, but:

- 4 1. How it is administered dishonestly.
- 5 2. How it is misrepresented to the American public.
- 6 3. How the judiciary is used to protect the wrongdoers who are violating the law in administering it.
- 7 4. How those who expose the truths such as those found here become the target of unwarranted persecution.

8 Like a drug addict who has to protect their ability to get their next “fix”, they have to perpetuate lies about the stealing they
9 are doing to pay for their drug habit. The “drug”, in this case, metaphorically speaking, is “other people’s money”. Money,
10 we should remember is the mother’s milk of politics, the source of most political power, and the love of it is the root of all
11 evil, according to the Bible:

12 *“For the love of money is the root of all evil: which while some coveted after, they have erred from the faith,
13 and pierced themselves through with many sorrows.*

14 *But thou, O man of God, flee these things; and follow after righteousness, godliness, faith, love, patience,
15 meekness.*

16 *Fight the good fight of faith, lay hold on eternal life, whereunto thou art also called, and hast professed a
17 good profession before many witnesses.”
18 *[1 Timothy 6:5-12, Bible, NKJV]**

19 The beauty of those who lie is that eventually, you can catch them because something they will say eventually will be
20 inconsistent with itself. Those who have read this document will be able to quickly pinpoint exactly where the lie is.
21 Deceivers in the IRS and the judiciary eventually are then caught in the web of their own making. Consequently, omission,
22 cover-up, and silence coerced by law are the easiest approach to prolong the stealing to perpetuate the drug habit.
23 Government cover-up of the scam therefore takes the following more common deceptive forms:

- 24 1. Refusing to tell you how to un-volunteer.
- 25 2. Hiding methods to quit Social Security from their website.
- 26 3. Denying that you have the right to quit Social Security even after you send them all the correct paperwork.
- 27 4. Refusing to define exactly what the subject of the tax is, which is the “trade or business” activity.
- 28 5. Refusing to acknowledge that I.R.C. Subtitle A is, in fact, an excise or franchise tax upon the “trade or business”
29 activity, even though the law plainly proves this.
- 30 6. Refusing to correct false information returns connecting you to the “trade or business” franchise.
- 31 7. Trying to divert attention away from the truth by fraudulently claiming that the I.R.C. Subtitle A is a “direct,
32 unapportioned tax”.
- 33 8. Asserting the Declaratory Judgments Act, 28 U.S.C. §2201(a) as an excuse for why they don’t have to admit any of the
34 above by saying they aren’t allowed to make declaratory judgments and therefore can’t declare your status. Then if
35 you give them an affidavit making all the above a fact, they will contradict their own statement that they can’t make a
36 declaratory judgment by telling you that you are wrong! The snake that is a de facto government speaketh with forked
37 tongue, folks!

38 **14 Rebutted Arguments Against the Conclusions In This Pamphlet**

39 This section rebuts arguments made by federal courts against the content of this pamphlet. It will show that the conclusions
40 of this pamphlet are consistent with the most common findings and yet still permit refunds of earnings from labor. What all
41 the plaintiffs have in common are the following:

- 42 1. All of the litigants were described as “taxpayers” and none of them apparently disputed this determination. They acted
43 like “taxpayers” by using only IRS approved forms that indicated they were “taxpayers”. This made them the proper
44 subject for penalties and the “person” defined in 26 U.S.C. §6671(b) who is the proper subject of penalties, because
45 they were “public officers” engaged in a “trade or business”. To prevent this problem, all of our members:
 - 46 1.1. Can only be “nontaxpayers”.
 - 47 1.2. Must dispute the “taxpayer” determination and emphasize that the courts may not lawfully make a “nontaxpayer”
48 into a “taxpayer”.

- 1 1.3. May not use any IRS approved form, but must use substitute forms that correctly represent their status and
 2 prevent the false presumption that they are “taxpayers”.
- 3 2. All of them took deductions on their tax returns using schedule C.
- 4 2.1. Schedule C is not the point at which “gross income” from labor is reduced. It is reduced BEFORE it is entered on
 5 a tax return. See section 9 for details.
- 6 2.2. Only those engaged in the “trade or business” excise taxable franchise can take any kind of “deduction” from
 7 gross income appearing on a tax return. This is confirmed by 26 U.S.C. §162 and IRS publications.
- 8 3. The litigants in error used the word “refund” to describe what they were doing.
- 9 3.1. They can’t use any word found in the I.R.C. or cite any provision of the I.R.C. in their defense, because then they
 10 would betray themselves as “taxpayers”.

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

- 17 3.2. If they use a word that could be confused with one found in the I.R.C., they must redefine it on every form they
 18 submit using the following attachment to every submission to prevent the kind of presumptions that the court
 19 obviously made about their status as “taxpayers”:

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

- 20 4. The litigants did not properly argue the subject of labor being property as described earlier in section 7 nor did they
 21 pose controversies that would put the court in the corner on this subject, such as:
- 22 4.1. The Supreme Court said that all labor is property.
- 23 4.2. All property has value, which is why people are willing to pay for it.
- 24 4.3. If the court wishes to impute no value to it, then please answer why people are willing to pay for it.
- 25 4.4. If the court determines that labor has no value, then any amount paid for it is a “gift”, and receipt of all gifts are
 26 not taxable.
- 27 4.5. The labor was not accomplished in connection with any franchise, including a “trade or business”, that might
 28 cause a surrender of rights in relation to it. Therefore, the government may not take it without just compensation.
- 29 5. They all filed IRS Form 1040’s, which are only for use by “taxpayers” domiciled within the “United States”.
- 30 5.1. The persons who use the arguments in this pamphlet cannot file IRS Form 1040’s as Members, and must instead
 31 file a Federal Nonresident Tax Statement because they are nonresident aliens not engaged in the “trade or
 32 business” franchise as defined in 26 CFR §1.871-1(b)(i). When you use IRS approved forms, you are presumed
 33 to be a “taxpayer”, which is confirmed by the perjury statement on each form.
- 34 5.2. Nonresident persons such as members of this ministry cannot lawfully be penalized. Only those with a domicile
 35 in the forum who are “U.S. persons” can therefore be the subject of penalties. The only “taxpayer” subject to
 36 penalties in the case of nonresident aliens is the withholding agent for the nonresident alien pursuant to 26 U.S.C.
 37 §1461.
- 38 6. All of the Petitioners had received IRS Form W-2’s. The only way you can receive an IRS Form W-2 is to file an IRS
 39 Form W-4, and none of them argued that they either never submitted this form or that if it was submitted, it was done
 40 under duress and therefore did not constitute an enforceable “agreement” that would have lawfully connected their
 41 labor to the “trade or business” franchise or a “public use”:

42 *“Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;’*
 43 *and to ‘secure,’ not grant or create, these rights, governments are instituted. That property [or income] which a*
 44 *man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use*
 45 *it to his neighbor's injury, and that does not mean that he must use it for his neighbor's benefit; second,*
 46 *that if he devotes it to a public use [a “public office” or a “trade or*
 47 *business”, in this case] he gives to the public a right to control that use*
 48 *[through the mechanism of the Internal Revenue Code]; and third, that*
 49 *whenever the public needs require, the public may take it upon payment of due compensation.*
 50 *[Budd v. People of State of New York, 143 U.S. 517 (1892)]*

51 A person who is not engaged in a “trade or business” and who does not voluntarily submit IRS Form W-4 cannot
 52 lawfully have an IRS Form W-2 filed against them and cannot earn reportable “wages”. Hence, there was a valid
 53 presumption in the regulations binding each of the mistaken litigants that everything they earned in the context of the

W-4 agreement in place was both “gross income” and “wages” connected with the “trade or business” excise taxable franchise.

[§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.

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

(a) In general.

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

(b) Remuneration for services.

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

7. None of the litigants correctly challenged the original IRS Form W-2’s:

7.1. They never explained why the IRS Form W-2’s submitted were false, illegal in violation of [26 U.S.C. §7434](#), and in error because they were not engaged in a “trade or business”, which is the real excise taxable activity that is the subject of I.R.C. Subtitle A. See:

[Correcting Erroneous IRS Form W-2’s, Form #04.006](#)
<http://sedm.org/Forms/Tax/FormW2/CorrectingIRSFormW2.htm>

7.2. Many of them included the original IRS Form W-2’s, which is a mistake because they were false. You never give your opponent ammunition to discredit you. They should have submitted corrected AMENDED information returns that are NOT W-2’s ONLY and not included the original forms. This would remove them from a connection with federal agency or employment.

7.3. By including the original IRS Form W-2’s attached to a 1040 tax return signed under penalty of perjury, they attested to the accuracy of the original form W-2’s, which was REALLY dumb.

8. The IRS lawfully penalized all the participants for submitting “frivolous returns” because they never rebutted the fact that they were engaged in a “public office” and a “trade or business” as defined in [26 U.S.C. §7701\(a\)\(26\)](#). The I.R.C. Subtitle A is an excise tax upon this activity and they never rebutted the presumption established by the W-2 that they were engaged in this activity. As such, they remained the proper “person” who is subject of penalties as defined in [26 U.S.C. §6671\(b\)](#), since they were an officer of the United States federal corporation. A “public officer” within the United States fits the following description of “person”:

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

(b) Person defined

The term “person”, as used in this subchapter, includes an **officer or employee of a corporation** [the United States government, in this case, which 28 U.S.C. §3002(15)(A) defines as a federal corporation], or a member

1 or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in
2 respect of which the violation occurs.

3 If you would like a way to present the issue described in this pamphlet that has not been controverted in court that we are
4 aware and which will avoid the failures described in the following subsections, refer to section 13 later.

5 **14.1 Hyslep v. U.S., 765 F.2d. 1083 (1985)**

6 Appellant/taxpayer Hyslep filed a 1982 tax return form (Form 1040) on which he stated he received \$44,232.64
7 in wages. He deducted, as an adjustment to income, the full amount of wages received, claiming that he was a
8 "source-exchanger" and that therefore his wages were "non-taxable." Accordingly, he sought a refund of all
9 income taxes withheld from wages.

10 Hyslep was assessed a \$500 civil penalty under I.R.C. (26 U.S.C.) § 6702 ^{FNI} for filing a frivolous return. He
11 then filed this suit under I.R.C. §6703(c) for a refund of the penalty assessed. The district court granted
12 summary judgment in favor of the government. We affirm.

13 On appeal, Hyslep asserts arguments long held to be frivolous. See, e.g., Davis v. United States, 742 F.2d. 171,
14 172 (5th Cir.1984); Lonsdale v. Commissioner, 661 F.2d. 71, 72 (5th Cir.1981). He argues that the Secretary
15 of Treasury did not sustain his burden of proving a private individual is liable for tax; that the government does
16 not have subject matter jurisdiction to tax him on all receipts; that he is not an individual subject to tax; that he
17 did not derive any taxable profits (because wages received in compensation for labor are not taxable income);
18 that he did not file a return; and that he was entitled to a jury trial.

19 The Constitution grants Congress the power to tax "incomes, from whatever source derived, without
20 apportionment among the several states." U.S. Const. amend. XVI. "Exercising this power, Congress has
21 defined income as including compensation for services. 26 U.S.C. §61(a)(1)." Lonsdale, 661 F.2d. at 72. There
22 is no provision in the Internal Revenue Code permitting an individual wage earner to adjust his gross income
23 by deducting a charge for the "value of labor." Thus, the argument that individual wage earners are not subject
24 to income tax is completely frivolous and without merit. See, e.g., Simanonok v. Commissioner, 731 F.2d. 743,
25 744 (11th Cir.1984); Lonsdale, 661 F.2d. at 72.

26 Taxpayer's 1982 return plainly falls within the scope of section 6702, justifying the \$500 penalty. The completed
27 and signed Form 1040, filed in order to obtain a refund of taxes withheld from wages, is a "purported return"
28 for section 6702 purposes. See Madison v. United States, 752 F.2d. 607, 609 (11th Cir.1985). The return
29 contains information on its face indicating that the self-assessment was substantially incorrect and that
30 taxpayer's conduct was based on a position which is frivolous. Id.; Davis v. United States, 742 F.2d. 171 (5th
31 Cir.1984); Holker v. United States, 737 F.2d. 751 (8th Cir.1984). Therefore, the district court properly granted
32 summary judgment in favor of the government.
33 [Hyslep v. U.S., 765 F.2d. 1083 (1985)]

34 **14.2 Davis v. U.S., 742 F.2d. 171 (1984)**

35 In April 1983, taxpayers Melvin and Maria Davis filed a Form 1040 (individual income tax return) for their
36 1982 taxable year. Taxpayers claimed four exemptions and itemized deductions of \$6,946. They reported no
37 income, however, from "wages, salaries, [or] tips," nor any other "gross income," even though the four Forms
38 W-2 from their employers in 1982 that were attached to the return indicated they had received in excess of
39 \$60,000 in wages or other compensation for that year.

40 Instead, taxpayers claimed a business loss of \$3,551. They calculated this loss by reducing the amount of gross
41 receipts by the "cost of labor" (an amount equal to the amounts of wages and other compensation shown on the
42 Forms W-2) and by the costs of "materials and supplies" (in amounts ranging up to \$40). In addition,
43 taxpayers claimed deductions for "car and truck expenses" and "laundry and cleaning."

44 The IRS determined that the return fell within the "frivolous return" penalty provisions of 26 U.S.C. §6702 and
45 accordingly assessed the \$500 penalty provided by the statute. Pursuant to 26 U.S.C. § 6703(c), taxpayers paid
46 15% of the assessed penalty and filed a claim for refund. After their claim was denied, they timely filed a suit
47 for refund, additionally seeking a refund of \$33,444 in taxes paid by them from 1979 through 1982 and
48 \$50,000,000 in damages for "mental and physical suffering." The district court granted the government's
49 motion for summary judgment. From this judgment taxpayers appeal.

50 The IRS may impose a \$500 penalty on any individual who files "what purports to be" a tax return when such
51 return (1) contains information that on its face indicates that the self-assessment is substantially incorrect, and
52 (2) is based on a frivolous position. 26 U.S.C. §6702. The return filed here by taxpayers clearly constitutes a
53 return falling within these provisions.

1 First, taxpayers' Form 1040, on its face, indicates that the self-assessment is substantially incorrect. The
2 attached Forms W-2 demonstrate that taxpayers earned over \$60,000 in wages during 1982. The return,
3 however, failed to include any of the wages in gross income.

4 Second, taxpayers' reasons for failing to include the income are clearly frivolous and have been rejected by us
5 time and time again. For example, taxpayers contend that the income tax is an excise tax applicable only
6 against special privileges and not assessable against income in general; "[a]t this late date, it seems incredible
7 that we would again be required to hold that the Constitution, as amended, empowers the Congress to levy an
8 income tax against any source of income, without the need ... to classify it as an excise tax applicable to specific
9 categories of activities." [Parker v. CIR, 724 F.2d. 469, 471 \(5th Cir.1984\)](#). Taxpayers also argue that an
10 individual receives no taxable gain from the exchange of labor for money because the wages received are offset
11 by an equal amount of "costs of labor." We held this contention meritless in [Lonsdale v. CIR, 661 F.2d. 71, 72](#)
12 [\(5th Cir.1981\)](#). We also reject taxpayers' claim that the Fifth Amendment entitles them to refuse to file adequate
13 returns; they have not demonstrated any "real danger" of self-incrimination, nor is such danger readily
14 apparent. [Steinbrecher v. CIR, 712 F.2d. 195, 197-98 \(5th Cir.1983\)](#). Taxpayers' remaining justifications for
15 filing an inadequate return are equally frivolous and without merit. ^{FNI}

16 Taxpayers argue that [§ 6702](#) does not apply to them in that the Form 1040 that they filed was not a "purported
17 return." While taxpayers did write on the forms the words "not a tax return," the form was undeniably filed to
18 obtain a refund of the taxes withheld from their wages for which the filing of a return is necessary. [26 CFR](#)
19 [§301.6402-3\(a\)\(1\) \(1983\)](#). As stated a district court that recently faced this same situation:

20 Since the plaintiffs' stated purpose was to obtain a refund, the documents submitted must be deemed to be
21 purported tax returns for purposes of [Section 6702](#). It is true that the plaintiffs wrote on the forms that they
22 were not returns, but this disclaimer has no effect in light of the plaintiffs' stated purpose to have the documents
23 treated as returns. If such a disclaimer were sufficient to avoid liability under [Section 6702](#), tax protesters could
24 flood the IRS with frivolous tax returns bearing similar disclaimers without penalty."

25 [Nichols v. United States, 575 F.Supp. 320, 322 \(D.Minn.1983\)](#). Thus, the Form 1040 was a purported return,
26 and the district court correctly granted summary judgment on the issue of the penalty under [§ 6702](#).
27 [*Davis v. U.S.*, 742 F.2d. 171 (1984)]

28 **14.3 Olson v. U.S., 760 F.2d. 1003 (1985)**

29 Lloyd R. Olson filed an unsigned Form 1040 (individual income tax return) for 1982 on which he listed his
30 wages as zero and cautioned that it was not a return. Attached to the Form 1040 was a W-2 form showing that
31 [Olson had been paid \\$53,417.69 in wages in 1982](#) (which Olson had marked "Incorrect"), a Schedule C profit
32 or loss statement in which Olson offset the wages he received by a greater amount of "cost of labor" and other
33 deductions purportedly incurred in earning his wages, and a letter stating that he had studied the tax laws and
34 determined that he owed no taxes because he had not obtained any privilege from a governmental agency in
35 1982. He asserted that he filed the Form 1040 only to obtain a refund and not with the intent to file a return.

36 The Internal Revenue Service ("INS") attempted to have Olson sign the Form 1040 and complete a proper
37 return. Olson refused. The IRS then assessed a \$500 civil penalty against Olson pursuant to [section 6702 of](#)
38 [Title 26 of the United States Code](#). Olson paid fifteen percent of the assessment (\$75) and demanded abatement
39 of the penalty, but the IRS disallowed his refund claim.

40 *1005 Olson then filed a complaint for a refund in the district court. The government moved for judgment on
41 the pleadings and the district court dismissed the action with prejudice. Olson appeals to this court.

42 [Section 6702](#) authorizes the imposition of a \$500 civil penalty on any individual who, from a frivolous position
43 or a desire (which appears on the face of the purported return) to delay or impede the administration of the tax
44 laws, files what purports to be a tax return which either does not contain sufficient information to judge the
45 substantial correctness of the self-assessment or contains information that indicates on its face that the self-
46 assessment is substantially incorrect. Olson contends that he did not file "what purports to be a [tax] return"
47 and that his filing was not frivolous. These arguments are without merit.

48 Although Olson wrote the words "not a return" on the Form 1040 he filed, he acknowledges that he filed the
49 form to obtain a refund of the taxes withheld from his wages in 1982. Because a taxpayer may not obtain a
50 refund without first filing a return, [26 CFR §301.6402-3\(a\)\(1\)](#), the form filed by Olson should be construed to
51 be a "purported" return. [Davis v. United States, 742 F.2d. 171, 173 \(5th Cir.1984\)](#); [Holker v. United States,](#)
52 [737 F.2d. 751, 752 \(8th Cir.1984\)](#).

53 The form also contained information that on its face showed that Olson's self-assessment was substantially
54 incorrect. Olson listed his wages, salaries, and tips as zero, yet his W-2 form indicated that he had received in
55 excess of \$50,000 in wages. He made no attempt to explain this discrepancy beyond writing the word
56 "incorrect" on the W-2 form. Thus, the IRS also could not judge the substantial correctness of the return.

1 Further, Olson's attempts to escape tax by deducting his wages as "cost of labor" and by claiming that he had
2 obtained no privilege from a governmental agency illustrate the frivolous nature of his position. This court has
3 repeatedly rejected the argument that wages are not income as frivolous, see, e.g., [Gattuso v. Pecorella, 733](#)
4 [F.2d. 709, 710 \(9th Cir.1984\)](#); [United States v. Romero, 640 F.2d. 1014, 1016 \(9th Cir.1981\)](#), and has also
5 rejected the idea that a person is liable for tax only if he benefits from a governmental privilege. See [United](#)
6 [States v. Buras, 633 F.2d. 1356, 1361 \(9th Cir.1980\)](#). Therefore, the district court properly found that Olson
7 was liable under [section 6702](#) for filing a frivolous tax return. See [Davis v. United States, 742 F.2d. 171 \(5th](#)
8 [Cir.1984\)](#); [Holker v. United States, 737 F.2d. 751 \(8th Cir.1984\)](#).

9 The remaining issues are easily resolved and likewise meritless. The IRS clearly had jurisdiction to assess the
10 penalty against Olson, see U.S. Const. art. I, § 8; [26 U.S.C. §6201](#). The district court properly denied Olson a
11 jury trial because there were no material facts in dispute but only issues of law. See Ex parte [Peterson, 253 U.S.](#)
12 [300, 310, 40 S.Ct. 543, 546, 64 L.Ed. 919 \(1920\)](#); [Davis v. United States, 742 F.2d. at 173](#); [Holker v. United](#)
13 [States, 737 F.2d. at 752](#).

14 The judgment of the district court is therefore affirmed. Because Olson has raised totally meritless arguments,
15 we characterize this appeal as frivolous. It is within our discretion to impose double costs and attorney fees for
16 such frivolous appeals. [Fed.R.App.P. 38](#); [Hatch v. Reliance Insurance Co., 758 F.2d. 409, 416 \(9th Cir.1985\)](#);
17 [Davis v. United States, 742 F.2d. at 173](#). We therefore impose attorney fees in the sum of \$1,000 and double
18 costs on Olson.
19 [[Olson v. U.S., 760 F.2d. 1003 \(1985\)](#)]

20 **15 Conclusions**

21 In law, the labor of a human being is property because all rights are property. The exchange of labor as property for
22 another type of property, being money, is an *equal* exchange which renders no "profit" and therefore no "income". If this is
23 true for businesses and if the Declaration of Independence makes all men or "persons" equal, then it must also be true for
24 human beings. To suggest otherwise is to establish a title of nobility in violation of Article 1, Section 9, Clause 8 of the
25 United States Constitution, whereby all "persons" are not equal or where businesses are more equal than human beings.

26 State and federal tax authorities are operating under conflicting and hypocritical rules which in effect create a title of
27 nobility for businesses that human beings or individuals do not enjoy:

- 28 1. **Businesses:** Can deduct the cost of labor from gross revenues when computing profit and therefore "gross income".
- 29 2. **Individuals:** Cannot deduct the value of labor from gross income:
 - 30 2.1. When computing "gross income" pursuant to [26 U.S.C. §61](#), the government insists that "all property" received is
31 subject to the tax, including labor of a human being.
 - 32 2.2. On the other hand, when computing profit, they insist that the labor has no value or cost, that labor is NOT
33 therefore "property", and therefore that the entire amount received as compensation for the labor is "gross
34 income". Hence, the entire amount indicated on the W-2 constitutes "profit" and is entered directly on the 1040
35 form as profit.

36 The government can't have it both ways. If labor is property in the context of computing profit and gross income for
37 businesses, then it must also be property for human beings individuals in computing "profit" on a 1040 return. The
38 government would explain away this contradiction by saying that the standard deduction one takes for oneself accounts for
39 the cost of producing the labor, but we disagree. The amount deducted from gross receipts in computing gross income must
40 be the VALUE of the labor, not the cost of producing the labor. The value of the labor, in turn, is what people are willing
41 to pay for it.

42 To assign a value of zero to the labor one contributes essentially means or implies one or more of the following:

- 43 1. Labor is not property and therefore has no value.. .OR
- 44 2. The labor of the human being was donated to a public use or a public office FOR FREE before it was rendered and
45 therefore constitutes profit in its entirety.

46 The above seeming contradiction is no accident, but simply evidence of a violation of equal protection, injustice, and
47 hypocrisy that results from the love for YOUR money by greedy public servants.

48 "For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their
49 greediness, and pierced themselves through with many sorrows."
50 [[1 Tim. 6:10](#), Bible, NKJV]

1 The reason behind the contradiction and hypocrisy is also explained by the following:

- 2 1. The nature of the income tax as an excise or franchise tax upon a “trade or business”, which is defined in 26 U.S.C.
3 §7701(a)(26) as “the functions of a public office” in the U.S. government. See:

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

- 4 2. The fact that all “taxpayers” are public offices” in the government and that the human being is not the “taxpayer”, but
5 surety for the “taxpayer”.
6 3. The fact that income tax returns essentially amount to “profit and loss statements” for federal business trusts created
7 under the authority of the Social Security Act. See:

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

- 8 4. The fact that the tax or refund due at the bottom of a tax return computes how much “kickback” must be returned to the
9 mother corporation that is the beneficiary of the Social Security trust, which is the “United States” federal corporation.
10 See:

Great IRS Hoax, Form #11.302, Section 5.6.10
<http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>

- 11 5. The fact that you don’t become a “taxpayer” and therefore a “public officer” without your consent.
12 5.1. You must first voluntarily select a domicile or residence on federal territory called the “United States” before you
13 can be a person subject to federal statutory law. This is typically done by committing fraud on the Social Security
14 SS-5 application. See:

Why Domicile and Becoming a “Taxpayer” Require Your Consent, Form #05.002
<http://sedm.org/Forms/FormIndex.htm>

- 15 5.2. You must then sign a *contract* or agreement called a W-4 in order to create a “public office” to serve within. This
16 agreement is the method by which you voluntarily donate your formerly private property labor to a “public use”,
17 “public office”, and “public purpose” and thereby become the equivalent of a “Kelly Girl” for your new
18 employer, Uncle Sam, who then loans you out to private companies as their whore.

19 *“Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;’*
20 *and to ‘secure,’ not grant or create, these rights, governments are instituted. **That property [or income] which a***
21 ***man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use***
22 ***it to his neighbor's injury, and that does not mean that he must use it for his***
23 ***neighbor's benefit [e.g. SOCIAL SECURITY, Medicare, and every other***
24 ***public “benefit”]; second, that if he devotes it to a public use, he gives to the public a right to***
25 ***control that use; and third, that whenever the public needs require, the public may take it upon payment of***
26 ***due compensation.”***

27 [*Budd v. People of State of New York*, [143 U.S. 517](http://www.uscourts.gov/uscrt/143) (1892)]

- 28 5.3. The W-4 mechanism is the method to convert earnings from private labor into “wages” as legally defined, which
29 are revenues connected with the public office instead of your own private earnings. See 26 CFR §31.3401(a)-
30 3(a), 26 CFR §31.3402(p)-1.

- 31 6. The fact that the government and the IRS have taken great pains to hide the nature of the tax as a voluntary excise or
32 franchise tax upon a “trade or business” so that the process of donating your private property to a public use, public
33 purpose, and public office is invisible but lawful. They do this because:

- 34 6.1. They don’t want to admit to Americans that income taxes are voluntary and the precise method by which they
35 volunteer, because if they knew, most people would unvolunteer.

- 36 6.2. They don’t want to talk about the fact that Americans in states of the Union cannot lawfully participate in the
37 “trade or business” franchise.

- 38 6.3. They want to deceive the public into believing that income taxes are direct, unapportioned tax applicable to states
39 of the Union so that Americans would falsely believe that it is mandatory and unavoidable and would not look for
40 ways to unvolunteer.

16 How to submit a claim for return of unlawfully withheld earnings derived from labor based on the content of this pamphlet that is likely to survive government scrutiny

The following procedure describes how “nontaxpayers” may reflect the cost of producing their labor when filing a claim for refund of taxes illegally or wrongfully withheld. Procedures are similar for “taxpayers”, but we cannot address them because our materials are only available to “nontaxpayers”.

WARNING: You cannot use this procedure if you voluntarily submitted an IRS Form W-4 to your private employer. 26 CFR §31.3402(p)-1 says that all earnings in connection with such an agreement are “gross income” and therefore may not be reduced using the techniques documented in this pamphlet. The ONLY way you can use this procedure is to comply fully with our Member Agreement and to use the withholding forms described therein, which include:

1. About IRS Form W-8BEN, Form #04.202
<http://sedm.org/Forms/FormIndex.htm>.
2. Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001.
<http://sedm.org/Forms/FormIndex.htm>

16.1 Instructions for using obtaining refund

The following instructions pertain to filing a claim for return of unlawfully withheld earnings of a nonresident alien nontaxpayer not engaged in a “trade or business” as described in 26 CFR §1.871-1(b)(i) based on the arguments described in this pamphlet.

1. You should be very careful about what forms you submit:
 - 1.1. You should use forms off our website at the address below, Section 15 entitled Remedies and Non-Statutory Claims for Violation of Rights, to avoid false presumptions in obtaining a refund of unlawfully withheld earnings.
<http://sedm.org/Forms/FormIndex.htm>
 - 1.2. You should avoid using STANDARD IRS Forms off the IRS website, because they contain false presumptions.
 - 1.3. If you do use STANDARD IRS Forms off the IRS website, you must at least attaching the following form in order to prevent false presumptions about your status that will prejudice your rights by connecting you to the “trade or business” franchise:

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

2. You should emphasize that you never voluntarily submitted an IRS Form W-4 to anyone, and that:
 - 2.1. All withholdings were accomplished under protest and against your will. This is also emphasized in section 8.3 of the following form you mandatorily must submit as a Member:

Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States, Form #10.001
<http://sedm.org/Forms/FormIndex.htm>

- 2.2. You do not consent to participate in the “trade or business” or connect your private property to either a “public office” or “public use”, and that any attempts to do so are fraudulent and constitute THEFT. The ONLY person who can donate your labor, which is private property, to a “public use” and connect it with a “public office” is you. Indicate that you notified your private employer and in spite of this, they acted contrary to law and against your will and became a money launderer for the government in the process engaged in racketeering because they believed what clearly are LIES by the government. See:

Federal Courts and the IRS' Own IRM Say IRS is NOT RESPONSIBLE for Its Actions or its Words or For Following Its Own Written Procedures

<http://fanguardian.org/Subjects/Taxes/Articles/IRSNotResponsible.htm>

- 2.3. That any agreements or obligations arising from or inferred from the submission of IRS Forms W-2 or W-4 are void because instituted under duress:

“An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not exercising his free will, and the test is not so much the means by which the party is compelled to execute the agreement as the state of mind induced.”³⁷ Duress, like fraud, rarely becomes material, except where a contract

³⁷ Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

1 or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract
2 or conveyance voidable, not void, at the option of the person coerced,³⁸ and it is susceptible of ratification.
3 Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it.³⁹ However, duress
4 in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of
5 doing so, is generally deemed to render the resulting purported contract void.⁴⁰
6 [American Jurisprudence 2d, Duress, Section 21]

7 2.4. Any IRS Form W-2 the government may have received therefore could not lawfully have been filed against a
8 nonresident alien not engaged in a “trade or business” because it is a product of fraud and unlawful activity.

9 2.5. You earned no “wages” or “gross income” pursuant to the following:

10 [§31.3402\(p\)-1 Voluntary withholding agreements.](#)

11 (a) In general.

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

20 2.6. That only “trade or business” earnings connected with a “public office” in the government may lawfully be listed
21 on IRS Form W-2 as “wages, tips, and other compensation” pursuant to [26 U.S.C. §6041](#), and that you are *not*
22 engaged in a “trade or business” and never consented or volunteered to be treated as though out do. See:

The” Trade or Business” Scam, Form #05.001

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

23 3. You should emphasize:

24 3.1. That your submission constitutes a “claim for refund” as described in [26 U.S.C. §6402](#)(a) as a nonresident alien
25 nontaxpayer not engaged in a “trade or business” with no “gross income” or “taxable income” pursuant to 26
26 CFR §1.872-2(f).

27 3.2. That the refund authorized by [26 U.S.C. §6402](#)(a) is not limited to “taxpayers”, but all those subject to an
28 overpayment, and that “overpayment” includes any amount withheld in the case of a person who was “not liable”
29 because a nonresident alien not engaged in a “trade or business” pursuant to [26 U.S.C. §6401](#)(c).

30 3.3. That the action is being brought under [26 U.S.C. §7422](#), Civil Actions for refund.

31 3.4. That the IRS does not publish forms for use by anything other than “taxpayers”., which means that IRS Forms
32 1040 and 1040NR are not intended for obtaining returns of unlawfully withheld earnings.

33 3.5. That the basis instead for the refund of unlawfully withheld earnings is:

34 3.5.1. Undertaken under equity and not statute or law because there is no remedy provided for nonresident alien
35 nontaxpayers not engaged in a “trade or business” who have had unlawful and false information returns filed
36 against them and/or withholding done against them against their will.

37 3.5.2. Undertaken in the spirit of the following:

38 *A claim against the United States is a right to demand money from the United States.⁴¹ Such claims are*
39 *sometimes spoken of as gratuitous in that they cannot be enforced by suit without statutory consent.⁴² The*

³⁸ *Barnette v. Wells Fargo Nevada Nat’l Bank*, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); *Faske v. Gershman*, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; *Glenney v. Crane* (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); *Carroll v. Fetty*, 121 W Va 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

³⁹ *Faske v. Gershman*, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; *Heider v. Unicume*, 142 Or. 416, 20 P.2d. 384; *Glenney v. Crane* (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

⁴⁰ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

⁴¹ *United States ex rel. Angarica v. Bayard*, 127 U.S. 251, 32 L.Ed. 159, 8 S.Ct. 1156, 4 AFTR 4628 (holding that a claim against the Secretary of State for money awarded under a treaty is a claim against the United States); *Hobbs v. McLean*, 117 U.S. 567, 29 L.Ed. 940, 6 S.Ct. 870; *Manning v. Leighton*, 65 Vt 84, 26 A 258, motion dismd 66 Vt 56, 28 A 630 and (disapproved on other grounds by *Button’s Estate v. Anderson*, 112 Vt 531, 28 A2d 404, 143 ALR 195).

As to the False Claims Act, see 32 Am Jur 2d, False Pretenses §§ 88-96.

1 general rule of non-liability of the United States⁴³ does not mean that a citizen cannot be protected against the
2 wrongful governmental acts that affect the citizen or his or her property.⁴⁴ If, for example, money or property
3 of an innocent person goes into the federal treasury by fraud to which a government agent was a party, the
4 United States cannot hold the money or property against the claim of the injured party.⁴⁵ Generally, however,
5 there is no statutory basis for permitting the recovery of a tax overpayment after the statute of limitations has
6 expired.⁴⁶

7 [American Jurisprudence, United States, Claims against the United States, §45]

- 8 4. You should emphasize that penalties are illegal against nonresident alien nontaxpayers not engaged in a “trade or
9 business”, and especially in the context of a petition to the government for redress of grievances that is not subject to
10 any provision within the I.R.C.. See:

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

- 11 5. You must controvert any form W-2’s filed against you by:
12 5.1. Not including them with the original claim you send to the government.
13 5.2. Providing substitutes for W-2 that clearly identify themselves for use only by nonresident alien nontaxpayers not
14 engaged in a “trade or business” pursuant to 26 CFR §1.871-1(b)(i) and who has no “gross income” pursuant to
15 26 CFR §1.872-2(f).
16 5.3. Including a civil claim against the party who submitted the false W-2’s pursuant to [26 U.S.C. §7434](#).
17 5.4. Filing a criminal complaint for false returns against the submitter of the false returns pursuant to [26 U.S.C.](#)
18 [§§7206](#) and 7207 and including this complaint with your claim. At that point, neither the court nor the IRS may
19 use this information as evidence because it is “fruit of a poisonous tree” derived from the commission of a crime.
20 6. You should include a copy of this pamphlet in its entirety and demand a rebuttal to the admissions at the end within 30
21 days. If you use our *Federal Nonresident Nonstatutory Claim for Return of Funds Unlawfully Paid to the Government*,
22 Form #15.001, they include a checkbox that allows you to include this form and have all the necessary protections.
23 7. You must describe yourself as a “nontaxpayer”, not a “taxpayer”, and emphasize that neither the IRS nor the courts can
24 lawfully turn a “nontaxpayer” into a “taxpayer” pursuant to:
25 7.1. Declaratory Judgments Act , [28 U.S.C. §2201](#)(a).

26 “A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power
27 of assessment against individuals not specified in the statutes as a person liable for the tax without an
28 opportunity for judicial review of this status before the appellation of ‘taxpayer’ is bestowed upon them and
29 their property is seized...”

30 [Botta v. Scanlon, 288 F.2d. 504, 508 (1961)]

31 Specifically, Rowen seeks a declaratory judgment against the United States of America with respect to “whether
32 or not the plaintiff is a taxpayer pursuant to, and/or under 26 U.S.C. § 7701(a)(14).” (See Compl. at 2.) **This**
33 **Court lacks jurisdiction to issue a declaratory judgment “with respect to Federal taxes other than actions**
34 **brought under section 7428 of the Internal Revenue Code of 1986, “a code section that is not at issue in the**
35 **instant action. See 28 U.S.C. § 2201; see also Hughes v. United States, 953 F.2d. 531, 536-537 (9th Cir.**
36 **1991)** (affirming dismissal of claim for declaratory relief under § 2201 where claim concerned question of tax
37 liability). Accordingly, defendant’s motion to dismiss is hereby GRANTED, and the instant action is hereby
38 DISMISSED.

39 [*Rowen v. U.S., 05-3766MMC. (N.D.Cal. 11/02/2005)*]

- 40 7.2. [26 U.S.C. §6020](#)(b)
41 7.3. IRM 5.1.11.6.8.
42 7.4. The absence of enforcement authority in states of the Union. See:

IRS Due Process Meeting Handout, Form #03.008
<http://sedm.org/Forms/FormIndex.htm>

As to the jurisdiction of the United States Court of Federal Claims, see 32B Am Jur 2d, Federal Courts §§ 2266 et seq.

⁴² Blagge v. Balch, 162 U.S. 439, 40 L.Ed. 1032, 16 S.Ct. 853.

⁴³ §87

⁴⁴ Wilson v. Shaw, 204 U.S. 24, 51 L.Ed. 351, 27 S.Ct. 233.

⁴⁵ Bull v. United States, 295 U.S. 247, 79 L.Ed. 1421, 55 S.Ct. 695, 35-1 U.S.T.C. ¶ 9346, 15 AFTR 1069; United States v. State Bank, 96 U.S. 30, 96 Otto 30, 24 L.Ed. 647.

⁴⁶ Dalm v. United States (CA6 Mich) 867 F.2d. 305, 89-1 U.S.T.C. ¶ 9171, 89-1 U.S.T.C. ¶ 13807, 63 AFTR 2d 89-1541, cert gr 493 U.S. 807, 107 L.Ed. 2d 15, 110 S.Ct. 46, motion gr 493 U.S. 930, 107 L.Ed. 2d 309, 110 S.Ct. 319 and motion gr 493 U.S. 1015, 107 L.Ed. 2d 732, 110 S.Ct. 712 and revd on other grounds 494 U.S. 596, 108 L.Ed. 2d 548, 110 S.Ct. 1361, 90-1 U.S.T.C. ¶ 50154, 90-1 U.S.T.C. ¶ 60012, 65 AFTR 2d 90-1210.

1 For further on this subject, see:

[Who are "Taxpayers" and Who Needs a "Taxpayer Identification Number", Form #05.013
http://sedm.org/Forms/FormIndex.htm](http://sedm.org/Forms/FormIndex.htm)

- 2 8. You should emphasize that neither the IRS nor the court may apply provisions of the "trade or business" franchise
3 agreement against a person who is not subject to it and never explicitly consented.

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

10 "The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers,
11 and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and
12 no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not
13 assume to deal, and they are neither of the subject nor of the object of the revenue laws..."
14 [Long v. Rasmussen, 281 F. 236 (1922)]

- 15 9. You should emphasize that all determinations they make may NOT be based on presumption of any kind:
16 9.1. Presumptions are not evidence nor a substitute for evidence.

17 "A presumption is an assumption of fact that the law requires to be made from another fact or group of facts
18 found or otherwise established in the action. A presumption is not evidence."
19 [Black's Law Dictionary, Sixth Edition, p. 1185]

- 20 9.2. All presumptions which prejudice constitutional rights are impermissible.

21 ". . . a statute which imposes a tax upon an assumption of fact which the taxpayer is forbidden to controvert is
22 so arbitrary and unreasonable that it cannot stand under the Fourteenth Amendment"
23 [Heiner v. Donnan, 285 U.S. 312 (1932)]

24 (1) [8:4993] **Conclusive presumptions affecting protected interests:**

25 A conclusive presumption may be defeated where its application would impair a party's constitutionally-
26 protected liberty or property interests. In such cases, conclusive presumptions have been held to violate a
27 party's due process and equal protection rights. [Vlandis v. Kline (1973) 412 U.S. 441, 449, 93 S.Ct. 2230,
28 2235; Cleveland Bd. of Ed. v. LaFleur (1974) 414 U.S. 632, 639-640, 94 S.Ct. 1208, 1215-presumption under
29 Illinois law that unmarried fathers are unfit violates process]
30 [Rutter Group Practice Guide-Federal Civil Trials and Evidence, paragraph 8:4993, page 8K-34]

- 31 9.3. It is unlawful to turn an innocence into guilt, which means a "nontaxpayer" into a "taxpayer", with nothing more
32 than a presumption and no evidence.

33 "A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power
34 of assessment against individuals not specified in the statutes as a person liable for the tax without an
35 opportunity for judicial review of this status before the appellation of 'taxpayer' is bestowed upon them and
36 their property is seized..."
37 [Botta v. Scanlon, 288 F.2d. 504, 508 (1961)]

38
39 "In Calder v. Bull, which was here in 1798, Mr. Justice Chase said, that there were acts which the Federal
40 and State legislatures could not do without exceeding their authority, and among them he mentioned a law
41 which punished a citizen for an innocent act; a law that destroyed or impaired the lawful private [labor]
42 contracts [and labor compensation, e.g. earnings from employment through compelled W-4 withholding] of
43 citizens; a law that made a man judge in his own case; and a law that took the property from A [the worker],
44 and gave it to B [the government or another citizen, such as through social welfare programs]. 'It is against
45 all reason and justice,' he added, 'for a people to intrust a legislature with such powers, and therefore it
46 cannot be presumed that they have done it. They may command what is right and prohibit what is wrong; but
47 they cannot change innocence [a "nontaxpayer"] into guilt [a "taxpayer"], or punish innocence as a crime,
48 or violate the right of an antecedent lawful private [employment] contract [by compelling W-4 withholding,
49 for instance], or the right of private property. To maintain that a Federal or State legislature possesses such
50 powers [of THEFT!] if they had not been expressly restrained, would, in my opinion, be a political heresy
51 altogether inadmissible in all free republican governments.' 3 Dall. 388."
52 [Sinking Fund Cases, 99 U.S. 700 (1878)]

9.4. That the entire I.R.C. is nothing but “prima facie evidence” and therefore a presumption. Consequently, any provision they cite from it must be proven to be evidence and therefore “law” in your case, or else they are engaging in prejudicial presumption. See sections 9 through 9.6:

Requirement for Consent, Form #05.003
<http://sedm.org/Forms/FormIndex.htm>

10. Mention the submission of the following form to the recipient of your request for refund, which is also a mandatory requirement of our Member Agreement. This document provides crucial court-admissible evidence that protects your rights and sovereignty in all your dealings with the government:

Legal Notice of Change In Citizenship/Domicile Records and Divorce from the United States, Form #10.001
<http://sedm.org/Forms/FormIndex.htm>

11. At the bottom of every document included in the next section, you should write the following:

“Not valid without all the enclosures and no information redacted.”

16.2 Claim for unlawfully withheld earnings connected with labor

Subject: Claim for Refund of Unlawfully reported and Withheld Earnings

WARNING: Not valid without all the enclosures provided and included and with nothing redacted from any of these enclosures.

Enclosures:

1. Cover Letter
<http://famguardian.org/TaxFreedom/Forms/IncomeTaxRtn/Federal/1040NRFedLetter.htm>
2. *Affidavit of Citizenship, Domicile, and Tax Status*, Form #02.001
<http://sedm.org/Forms/FormIndex.htm>
3. *Tax Form Attachment, Form #04.201*
<http://sedm.org/Forms/FormIndex.htm>
4. *How the Government Defrauds You Out of Legitimate Deductions for the Market Value of Your Labor*, Form #05.026
<http://sedm.org/Forms/FormIndex.htm>
5. *The “Trade or Business” Scam*, Form #05.001
<http://sedm.org/Forms/FormIndex.htm>
6. *Reasonable Belief About Income Tax Liability*, Form #05.007
<http://sedm.org/Forms/FormIndex.htm>
7. *Gross Income Computation Worksheet, Form #15.003*
<http://sedm.org/Forms/FormIndex.htm>

Dear Sir,

This claim against the United States is submitted pursuant to [26 U.S.C. §6402\(a\)](#) in connection with funds unlawfully reported and withheld by the private company (not “employer” as defined in [26 U.S.C. §3401\(d\)](#), but private “company”) in violation of 26 U.S.C. §7434, [26 U.S.C. §7206](#), and [26 U.S.C. §7207](#). It shall also constitute both a criminal complaint against the submitter of the knowingly false information returns as well as a petition for redress of grievances pursuant to the First Amendment to the United States Constitution, which is a protected right the exercise of which may not lawfully be penalized in the case of a person not engaged in the “trade or business” franchise and excise tax described by I.R.C. Subtitle A. The remedy demanded is a refund of all unlawfully withheld earnings of a nonresident alien nontaxpayer not engaged in a “trade or business” as described in 26 CFR §1.871-1(b)(i) who earns no “gross income” pursuant to:

1. [26 U.S.C. §861\(a\)\(3\)\(C\)\(i\)](#)
2. [26 U.S.C. §3401\(a\)\(6\)](#)
3. [26 U.S.C. §1402\(b\)](#)
4. [26 U.S.C. §7701\(a\)\(31\)](#)
5. 26 CFR §1.872-2(f)
6. 26 CFR §31.3401(a)(6)-1(b)

You are forewarned that nonresident alien nontaxpayers not engaged in a “trade or business” such as myself may not lawfully become the subject of penalties such as those described in [26 U.S.C. §6702](#) (e.g. “frivolous returns”), because:

How the Government Defrauds You Out of Legitimate Deductions for the Market Value of Your Labor

76 of 89

1 1. You have already been sent a Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United
2 States, Form #10.001, in which:

3 1.1. Section 4.1 said that I reserve all my rights except those specified in writing on an instrument signed by me in
4 which all rights surrendered are explicitly spelled out. Therefore, you as the moving party have the burden or
5 producing evidence of consent in writing to engage in the federal franchise that is at issue in this case, which is a
6 public office within the United States government and is defined in [26 U.S.C. §7701\(a\)\(26\)](#). I am not aware of
7 having ever consented to engage in said excise taxable “privilege” and consent is mandatory to enforce the
8 provisions of the franchise agreement codified in I.R.C. Subtitle A.

9 1.2. Section 4.4 abandoned all benefits, rights, and franchises relating to the federal government in order to prevent
10 the ability of the government to directly enforce federal statutory law against me and avoid the requirement for
11 implementing regulations. See:

[IRS Due Process Meeting Handout](#), Form #03.008
<http://sedm.org/Forms/FormIndex.htm>

12 1.3. Section 8.1 imposed a license agreement in connection with all information provided to you by me, such that you
13 do not have my consent to enter or maintain any information about me in your electronic records and may not
14 share any of said information with any other government agency or instrumentality without severe personal
15 penalties.

16 1.4. Section 8.3 stated that any monies withheld or paid were paid under protest, which means that I am entitled to
17 recovery pursuant to Treasury Decision 3445.

18 1.5. Section 8.6 defined all the words on every IRS Form I may have ever filled out such that it is impossible to
19 conclude that I ever consented to become a “taxpayer” or a franchisee of the government.

20 1.6. Section 8.10 stated that I did not give my consent to extend the time to file. Therefore, you may not extend the
21 time to do involuntary assessments against me by entering FALSE information into the Individual Master File
22 (IMF) about me submitting IRS Form 4868 or by introducing false presumptions of the existence of said consent.

23 Therefore, if you haven’t read this submission, you are strongly advised to read it because notice to the agent is notice
24 to the principal and you could suffer severe personal financial distress by triggering the terms of a implied contract by
25 misusing this information, abusing my rights, or neglecting to provide the relief demanded in this correspondence. If
26 you would like to see this document, see:

[Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States](#), Form #10.001
<http://sedm.org/Forms/FormIndex.htm>

27 2. I do not satisfy the definition of “person” found in [26 U.S.C. §6671\(b\)](#). If any “person” would be the proper subject of
28 said penalties, it could only be the person liable for withholding on nonresident aliens pursuant to [26 U.S.C. §1461](#),
29 and I am not such a person. If you believe I am included in the definition, please provide the statute that “expressly
30 includes” me and thereby gives me “reasonable notice” of what is required of me.

31 3. You may not lawfully cite or enforce any provision of the I.R.C. against a “nontaxpayer” such as myself:

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

*“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)]*

43 4. You may not lawfully enforce any penalty against a person absent implementing regulations published in the Federal
44 Register unless the person is specifically proven to be a member of one of the groups specifically exempted from the
45 requirement for implementing regulations identified in [5 U.S.C. §553\(a\)](#) and [44 U.S.C. §1505\(a\)](#). The result of failure
46 to publish implementing regulations in the Federal Register is the absence of authority to enforce, pursuant to 26 CFR
47 §601.702(a)(2)(ii) and [5 U.S.C. §552\(a\)\(1\)](#). I remind the recipient that:

48 4.1. I am NOT a member of any of the groups specifically exempted from the requirement for publication of
49 implementing regulations listed in [5 U.S.C. §553\(a\)](#) and [44 U.S.C. §1505\(a\)](#).

50 4.2. There are not implementing regulations for [26 U.S.C. §6702](#) authorizing enforcement against the general public at
51 large.

If you have legally admissible evidence to the contrary, please provide it in your response within 30 days or forever be estopped from later challenging this assertion.

- You may not, through presumption which prejudices my constitutional rights, turn an innocent “nontaxpayer” into a “taxpayer”. I remind the recipient that a “presumption” is neither evidence nor a substitute for evidence, and that the entire Internal Revenue Code is declared to be essentially a “presumption” in [1 U.S.C. §204](#).

"A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power of assessment against individuals not specified in the statutes as a person liable for the tax without an opportunity for judicial review of this status before the appellation of 'taxpayer' is bestowed upon them and their property is seized..."
[Botta v. Scanlon, 288 F.2d. 504, 508 (1961)]

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

I did not provide standard IRS Form 1040NR because it is ONLY for use by “taxpayers”, which I am not. This is indicated in the perjury statement itself, which says “other than taxpayer”. When the IRS begins to:

- Recognize the existence of “nontaxpayers” in their forms, publications and website.
- Recognize the rights of “nontaxpayers”. See:

Nontaxpayer’s Bill of Rights
<http://sedm.org/LibertyU/NontaxpayerBOR.pdf>

- Provide forms for use by “nontaxpayers”.
- Provide remedies in the I.R.C. for “nontaxpayers” that do not prejudice their rights or the rights of others. The only remedy for “nontaxpayers” specifically mentioned anywhere within the I.R.C. is found in [26 U.S.C. §7426](#), and these remedies are entirely unsatisfactory, because they require me to stipulate that the IRS assessments upon which they are based are correct, which is simply FALSE and FRAUDULENT in most cases.
- Help “nontaxpayers” defend their rights. The IRS mission statement says they only help “taxpayers” and doesn’t even mention “nontaxpayers”.

. . .then I will be glad to use the IRS’ own approved forms and procedures, but not before. Until that time, I am compelled to submit my own custom forms in order to avoid prejudicing my Constitutionally guaranteed rights or wrongfully connecting me to federal franchises such as a “trade or business” which I do not consent to participate in and am being compelled illegally to participate in.

Facts in support of this request include the following:

- My citizenship, domicile, and tax status is that indicated in Encl. (2).
- Any IRS information returns you received, such as IRS Forms W-2, 1042S, 1098, and 1099, were false and untrustworthy, because I am not engaged in a “trade or business”, which is defined in [26 U.S.C. §7701\(a\)\(26\)](#) as “the functions of a public office” and nowhere indicated to include any other thing. 26 U.S.C. §6041 requires that these information returns may ONLY be submitted in connection with a “trade or business”.
- I do NOT participate in Social Security and never voluntarily made application to participate. I furthermore have never been eligible to participate. Consequently, I have no federally issued identifying number I can provide and any number provided by third parties about me is not a Social Security Number, but rather a “Nontaxpayer Identification Number”. This is exhaustively clarified in Encl. (3) for your information.

- 1 4. Any withholding done or taxes paid were paid under protest and under the influence of illegal duress on the part of the
2 private company I work for because they either threatened to fire me or not hire me if I did not submit an IRS Form W-
3 4. Consequently, said agreement is nonbinding on either me or the U.S. government.

4 “An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not
5 exercising his free will, and the test is not so much the means by which the party is compelled to execute the
6 agreement as the state of mind induced.⁴⁷ Duress, like fraud, rarely becomes material, except where a contract
7 or conveyance has been made which the maker wishes to avoid. As a general rule, duress renders the contract
8 or conveyance voidable, not void, at the option of the person coerced,⁴⁸ and it is susceptible of ratification.
9 Like other voidable contracts, it is valid until it is avoided by the person entitled to avoid it. ⁴⁹ However, duress
10 in the form of physical compulsion, in which a party is caused to appear to assent when he has no intention of
11 doing so, is generally deemed to render the resulting purported contract void. ⁵⁰”
12 [American Jurisprudence 2d, Duress, Section 21]

- 13 5. The private company I work for would not accept the correct withholding form, which is now attached as Exhibit 1.
14 6. I request that you IMMEDIATELY prosecute them for the following crimes in connection with their unlawful efforts
15 to compel me to associate with federal franchises against my will and in derogation of all my constitutionally protected
16 rights to life, liberty, and property.
17 6.1. Racketeering in violation of [18 U.S.C. §1951](#). The private company unlawfully threatened to injure my property
18 or rights if I did not engage in a federal franchise.
19 6.2. Bribery of public officials in violation of [18 U.S.C. §201](#). The monies unlawfully withheld constitute an illegal
20 bribe to public officials, because public officials will decide how this money is spent.
21 6.3. Deprivation of rights under the color of law in violation of [18 U.S.C. §241](#).
22 6.4. Impersonating a “public officer” in violation of [18 U.S.C. §912](#). Connecting me to a “public office” in the United
23 States government by filing a false information return causes the government to be deceived into believing that I
24 work for them.
25 6.5. Extortion by officers and employees of the United States in violation of [18 U.S.C. §872](#). The monies unlawfully
26 withheld by my private employer constitute proceeds of extortion, and in the capacity as a “withholding agent”
27 pursuant to [26 U.S.C. §7701\(a\)\(16\)](#), the private employer is acting as an officer, agent, and “trustee” of the United
28 States government.
29 6.6. Receiving the proceeds of extortion in violation of [18 U.S.C. §880](#). The private employer is receiving the
30 proceeds of extortion in the context of all monies unlawfully and nonconsensually taken from me.
31 6.7. Money laundering in violation of [18 U.S.C. §1956](#). The extortion the private company is involved in and the
32 monies they are handling that result from that extortion constitute illegal money laundering.
33 6.8. Enticement into slavery in violation of [18 U.S.C. §1583](#). Having to participate in a federal franchise against my
34 will, and having to satisfy the duties associated with said franchise constitute slavery. By threatening me if I
35 don’t consent to the franchise, the private employer was enticing me into slavery.
36 6.9. Peonage in violation of [42 U.S.C. §1994](#). The private company, by compelling me to involuntarily engage in the
37 “trade or business” franchise as a “public officer”, has made me surety for the debts of a government that simply
38 can’t control its spending. This has compelled me to engage in involuntary servitude in violation of the
39 Thirteenth Amendment.

40 “That it does not conflict with the Thirteenth Amendment, which abolished slavery and involuntary servitude,
41 except as a punishment for crime, is too clear for argument. Slavery implies involuntary servitude—a state of
42 bondage; the ownership of mankind as a chattel, or at least the control of the labor and services of one man
43 for the benefit of another, and the absence of a legal right to the disposal of his own person, property, and
44 services [in their entirety]. This amendment was said in the Slaughter House Cases, 16 Wall. 36, to have been
45 intended primarily to abolish slavery, as it had been previously known in this country, and that it equally
46 forbade Mexican peonage or the Chinese coolie trade, when they amounted to slavery or involuntary servitude
47 and that the use of the word ‘servitude’ was intended to prohibit the use of all forms of involuntary slavery, of
48 whatever class or name.”

⁴⁷ Brown v. Pierce, 74 U.S. 205, 7 Wall 205, 19 L.Ed. 134

⁴⁸ Barnette v. Wells Fargo Nevada Nat’l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v. Fetty, 121 W Va 215, 2 S.E.2d. 521, cert den 308 U.S. 571, 84 L.Ed. 479, 60 S.Ct. 85.

⁴⁹ Faske v. Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v. Unicume, 142 Or. 416, 20 P.2d. 384; Glenney v. Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

⁵⁰ Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

1 [Plessy v. Ferguson, 163 U.S. 537, 542 (1896)]

2 “Other authorities to the same effect might be cited. It is not open to doubt that Congress may enforce the
3 Thirteenth Amendment by direct legislation, punishing the holding of a person in slavery or in involuntary
4 servitude except as a punishment for a crime. In the exercise of that power Congress has enacted these sections
5 denouncing peonage, and punishing one who holds another in that condition of involuntary servitude. **This
6 legislation is not limited to the territories or other parts of the strictly national domain, but is operative in the
7 states and wherever the sovereignty of the United States extends.** We entertain no doubt of the validity of this
8 legislation, or of its applicability to the case of any person holding another in a state of peonage, and this
9 whether there be municipal ordinance or state law sanctioning such holding. **It operates directly on every
10 citizen of the Republic, wherever his residence may be.**”
11 [Clyatt v. U.S., 197 U.S. 207 (1905)]

12 6.10. Fraudulent or false filing of information returns in violation of [26 U.S.C. §7206](#) and [7207](#).

13 I readily concede that if I had voluntarily submitted an IRS Form W-4 to my private company, then I would have no
14 standing to pursue this refund because although I did not start out as a “public officer”, that form constitutes an
15 “agreement”, according to the regulations, to call everything earned in connection with that company as “gross income” and
16 “wages”.

17 [§31.3402\(p\)-1 Voluntary withholding agreements.](#)

18 (a) In general.

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

27
28 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

29 (a) In general.

30 **Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations**
31 **thereunder, the term “wages” includes the amounts described in paragraph (b)(1) of this section with respect**
32 **to which there is a voluntary withholding agreement in effect under section 3402(p).** References in this
33 chapter to the definition of wages contained in section 3401(a) shall be deemed to refer also to this section
34 (§31.3401(a)-3).

35 (b) Remuneration for services.

36 (1) Except as provided in subparagraph (2) of this paragraph, **the amounts referred to in paragraph (a) of this**
37 **section include any remuneration for services performed by an employee for an employer which, without**
38 **regard to this section, does not constitute wages under section 3401(a).** For example, remuneration for
39 services performed by an agricultural worker or a domestic worker in a private home (amounts which are
40 specifically excluded from the definition of wages by section 3401(a) (2) and (3), respectively) are amounts with
41 respect to which a voluntary withholding agreement may be entered into under section 3402(p). See
42 §§31.3401(c)-1 and 31.3401(d)-1 for the definitions of “employee” and “employer”.

43 However, I never voluntarily submitted such an “agreement” or “contract” to become a “public officer” of the government,
44 and therefore I am not connected to the “trade or business” franchise and have a constitutional right to receive my entire
45 earnings returned to me.

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

1 I have thoroughly researched the litigation of this matter in federal courts. Among that cases examined include Hyslep v.
2 U.S., 765 F.2d. 1083 (1985), Davis v. U.S., 742 F.2d. 171 (1984), Olson v. U.S., 760 F.2d. 1003 (1985) and several others.
3 None of these cases address my circumstances and would be inapposite to this situation because:

- 4 1. All of the litigants were described as “taxpayers” and none of them apparently disputed this determination. They acted
5 like “taxpayers” by using only IRS approved forms that indicated they were “taxpayers”. This made them the proper
6 subject for penalties and the “person” defined in [26 U.S.C. §6671\(b\)](#) who is the proper subject of penalties, because
7 they were “public officers” engaged in a “trade or business”. However, we:
 - 8 1.1. Are a “nontaxpayer”.
 - 9 1.2. Dispute the “taxpayer” determination and emphasize that the courts may not lawfully make a “nontaxpayer” into
10 a “taxpayer”.
 - 11 1.3. Deliberately have not used any IRS approved form, but have used substitute forms that correctly represent my
12 status and prevent the false presumption that they are “taxpayers”.
- 13 2. All of them took deductions on their tax returns using schedule C.
 - 14 2.1. Schedule C is not the point at which “gross income” from labor is reduced. It is reduced BEFORE it is entered on
15 a tax return. This situation is similar to the way ministers of the gospel reduce their earnings based on the content
16 of 26 U.S.C. §107. Note that this deduction occurs BEFORE “gross income” is even entered on the 1040 return.
 - 17 2.2. Only those engaged in the “trade or business” excise taxable franchise can take any kind of “deduction” from
18 gross income appearing on a tax return. This is confirmed by [26 U.S.C. §162](#) and IRS publications. I am NOT
19 engaged in a “trade or business” and therefore am entitled to no such deductions. Rather, I am entitled to a
20 reduction of my earnings BEFORE they are entered on a tax return as “gross income”, and I cannot truthfully call
21 this a “deduction” because it is not associated with a “trade or business”.
- 22 3. The litigants did not properly argue the subject of labor being property nor did they pose controversies that would put
23 the court in the corner on this subject, such as:
 - 24 3.1. The Supreme Court said that all labor is property. *Butchers’ Union Co. v. Crescent City Co.*, 111 U.S. 746
25 (1884).
 - 26 3.2. All property has value, which is why people are willing to pay for it.
 - 27 3.3. If the court wishes to impute no value to it, then please answer why people are willing to pay for it.
 - 28 3.4. If the court determines that labor has no value, then any amount paid for it is a “gift”, and receipt of all gifts are
29 not taxable.
 - 30 3.5. The labor was not accomplished in connection with any franchise, including a “trade or business”, that might
31 cause a surrender of rights in relation to it. Therefore, the government may not take it without just compensation.
- 32 4. They all filed IRS Form 1040’s, which are only for use by “taxpayers” domiciled within the “United States”. The
33 “United States” is then defined in [26 U.S.C. §7701\(a\)\(9\)](#) and (a)(10) as the District of Columbia and nowhere
34 expanded to include states of the Union.
 - 35 4.1. I used a Federal Nonresident Tax Statement because they are nonresident aliens not engaged in the “trade or
36 business” franchise as defined in 26 CFR §1.871-1(b)(i). When you use IRS approved forms, you are presumed
37 to be a “taxpayer”, which is confirmed by the perjury statement on each form.
 - 38 4.2. Nonresident persons such I cannot lawfully be penalized. Only those with a domicile in the forum who are “U.S.
39 persons” can therefore be the subject of penalties. The only “taxpayer” subject to penalties in the case of
40 nonresident aliens is the withholding agent for the nonresident alien pursuant to [26 U.S.C. §1461](#).
- 41 5. All of the Petitioners had received IRS Form W-2’s. The only way you can receive an IRS Form W-2 is to file an IRS
42 Form W-4, and none of them argued that they either never submitted this form or that if it was submitted, it was done
43 under duress and therefore did not constitute an enforceable “agreement” that would have lawfully connected their
44 labor to the “trade or business” franchise or a “public use”:

45 *“Men are endowed by their Creator with certain unalienable rights, -life, liberty, and the pursuit of happiness;’*
46 *and to ‘secure,’ not grant or create, these rights, governments are instituted. **That property [or income] which a***
47 ***man has honestly acquired he retains full control of, subject to these limitations: First, that he shall not use***
48 ***it to his neighbor’s injury, and that does not mean that he must use it for his neighbor’s benefit; second,***
49 ***that if he devotes it to a public use [a “public office” or a “trade or***
50 ***business”, in this case] he gives to the public a right to control that use***
51 ***[through the mechanism of the Internal Revenue Code]; and third, that***
52 ***whenever the public needs require, the public may take it upon payment of due compensation.***
53 *[Budd v. People of State of New York, 143 U.S. 517 (1892)]*

54 A human being who is not engaged in a “trade or business” and who does not voluntarily submit IRS Form W-4 cannot
55 lawfully have an IRS Form W-2 filed against them and cannot earn reportable “wages”. Hence, there was a valid

1 presumption in the regulations binding each of the mistaken litigants that everything they earned in the context of the
2 W-4 agreement in place was both “gross income” and “wages” connected with the “trade or business” excise taxable
3 franchise.

4 [§31.3402\(p\)-1 Voluntary withholding agreements.](#)

5 (a) In general.

6 *An employee and his employer may enter into an agreement under section 3402(b) to provide for the*
7 *withholding of income tax upon payments of amounts described in paragraph (b)(1) of §31.3401(a)-3, made*
8 *after December 31, 1970. **An agreement may be entered into under this section only with respect to amounts***
9 ***which are includible in the gross income of the employee under section 61, and must be applicable to all***
10 ***such amounts paid by the employer to the employee.** The amount to be withheld pursuant to an agreement*
11 *under section 3402(p) shall be determined under the rules contained in section 3402 and the regulations*
12 *thereunder. See §31.3405(c)-1, Q&A-3 concerning agreements to have more than 20-percent Federal income*
13 *tax withheld from eligible rollover distributions within the meaning of section 402.*
14

15 [26 CFR §31.3401\(a\)-3 Amounts deemed wages under voluntary withholding agreements](#)

16 (a) In general.

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

22 (b) Remuneration for services.

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

30 6. None of the litigants correctly challenged the original IRS Form W-2's:

31 6.1. They never explained why the IRS Form W-2's submitted were false, illegal in violation of [26 U.S.C. §7434](#), and
32 in error because they were not engaged in a “trade or business”, which is the real excise taxable activity that is the
33 subject of I.R.C. Subtitle A. See:

[Correcting Erroneous IRS Form W-2's, Form #04.006](http://sedm.org/Forms/Tax/FormW2/CorrectingIRSFormW2.htm)
<http://sedm.org/Forms/Tax/FormW2/CorrectingIRSFormW2.htm>

34 6.2. Many of them included the original IRS Form W-2's, which is a mistake because they were false. You never give
35 your opponent ammunition to discredit you. They should have submitted corrected AMENDED information
36 returns that are NOT W-2's ONLY and not included the original forms. This would remove them from the
37 presumption of a connection with federal agency or employment as a “public officer” pursuant to [26 U.S.C.](#)
38 [§6041\(a\)](#).

39 6.3. By including the original IRS Form W-2's attached to a 1040 tax return signed under penalty of perjury, they
40 attested to the accuracy of the original form W-2's, which was REALLY dumb.

41 Therefore, I ask that you:

- 42 1. Zero out the false information returns connecting me to the excise taxable “trade or business” franchise.
- 43 2. After you have zero'd out these false reports, examine Encl. (7) attached and refund the amount indicated promptly.
- 44 3. If you have any disagreement with any fact stated herein, you are asked to promptly rebut it within 30 days or forever
45 be estopped fro asserting a contrary position later. In particular, please provide:
 - 46 3.1. A rebuttal to any statement that you believe is false.
 - 47 3.2. Answer the admissions at the end of Encl. 4 and 5, and 6.
 - 48 3.3. Provide your response under penalty of perjury as required by [26 U.S.C. §6065](#), or else it will be treated as
49 unreliable “political speech”. If you refuse to sign your response under penalty of perjury with your full legal

1 birthname, then you can consider any perjury statement on this form to be similarly invalidated, thus rendering
2 this submission not admissible as evidence in any legal proceeding.

3 3.4. Provide a copy of your state issued ID and U.S. passport. I am not interested in your IRS ID, which usually
4 contains an untrustworthy “pseudonym”.

5 3.5. Use a return address that is not a P.O. Box and which is the address where you work so that you can be served
6 with legal process if your refuse to respect the limitations that law imposes upon your authority.

7 3.6. Ensure that the person responsible for processing this form is within the jurisdiction of the county courts where I
8 live, so that he can be held legally responsible for his violations of my Constitutional rights.

9 4. If you have any questions about this submission, I would be happy to answer them at the email address provided at the
10 beginning of this letter or by an in-person meeting ONLY with one of your representatives within 50 miles of the
11 return address indicated above.

12 **17 Resources for Further Study and Rebuttal**

13 If you would like to study the subjects covered in this short pamphlet in further detail, may we recommend the following
14 authoritative sources, and also welcome you to rebut any part of this pamphlet after your have read it and studied the
15 subject carefully yourself just as we have:

- 16 1. Thirteenth Amendment Annotated Legal reference
17 <http://caselaw.lp.findlaw.com/data/constitution/amendment13/>
- 18 2. Cites on “wages”-
19 <http://famguardian.org/TaxFreedom/CitesByTopic/wages.htm>
- 20 3. Is the Income Tax a Form of Slavery?
21 <http://famguardian.org/Subjects/Freedom/Articles/IncomeTaxSlavery.htm>
- 22 4. ToCongress.com- Political action materials. Contains much research on this subject
23 <http://tocongress.com/PRIVATEPROPERTY/01intro/01INTRODUCTION.htm>
- 24 5. *Enumeration of Inalienable Rights*, Form #06.004
25 <http://sedm.org/Forms/FormIndex.htm>
- 26 6. *Liberty University*- Free educational materials for regaining your sovereignty as an entrepreneur or private person
27 <http://sedm.org/LibertyU/LibertyU.htm>
- 28 7. *Family Guardian Website*, Taxes page
29 <http://famguardian.org/Subjects/Taxes/taxes.htm>
- 30 8. *Great IRS Hoax*, Form #11.302
31 <http://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 32 9. *Sovereignty Forms and Instructions Online*, Form #10.004- Free references and tools to help those who want to escape
33 federal slavery
34 <http://famguardian.org/TaxFreedom/FormsInstr.htm>
- 35 10. IRS Publication 17: Your Federal Income Tax
36 <http://www.irs.gov/formspubs/index.html>
- 37 11. IRS Publication 334: Tax Guide for Small Businesses
38 <http://famguardian.org/TaxFreedom/Forms/IRS/IRSPub334.pdf>
- 39 12. IRS Publication 535: Business Expenses
40 <http://www.irs.gov/formspubs/index.html>

41 **18 Questions that Readers, Grand Jurors, and Petit Jurors should be asking the** 42 **Government**

43 These questions are provided for readers, Grand Jurors, and Petit Jurors to present to the government or anyone else who
44 would challenge the facts and law appearing in this pamphlet, most of whom work for the government or stand to gain
45 financially from perpetuating the fraud. If you find yourself in receipt of this pamphlet, you are demanded to answer the
46 questions within 10 days. Pursuant to [Federal Rule of Civil Procedure 8\(b\)\(6\)](#), failure to deny within 10 days constitutes an
47 admission to each question. Pursuant to [26 U.S.C. §6065](#), all of your answers must be signed under penalty of perjury. We
48 are not interested in agency policy, but only sources of reasonable belief identified in the pamphlet below:

<p><i>Reasonable Belief About Income Tax Liability</i>, Form #05.007 http://sedm.org/Forms/FormIndex.htm</p>
--

1 Your answers will become evidence in future litigation, should that be necessary in order to protect the rights of the person
2 against whom you are attempting to unlawfully enforce federal law.

3 1. Admit that “compensation for services” is not included in “gross income” if it is excluded elsewhere in Subtitle A of
4 the Internal Revenue Code:

5 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART I](#) > § 61
6 [§ 61. Gross income defined](#)

7 (a) General definition

8 *Except as otherwise provided in this subtitle [such as I.R.C. Section 83], gross income means all income from*
9 *whatever source derived, including (but not limited to) the following items:*

10 YOUR ANSWER: ____ Admit ____ Deny

11 CLARIFICATION: _____

12 2. Admit that the compensation for the housing of a minister of the gospel is not included in “gross income”
13 notwithstanding [26 U.S.C. §61](#), pursuant to [26 U.S.C. §107](#):

14 [TITLE 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter B](#) > [PART III](#) > § 107
15 [§ 107. Rental value of parsonages](#)

16 *In the case of a minister of the gospel, gross income does not include—*

17 (1) the rental value of a home furnished to him as part of his compensation; or

18 (2) the rental allowance paid to him as part of his compensation, to the extent used by him to rent or provide a
19 home and to the extent such allowance does not exceed the fair rental value of the home, including furnishings
20 and appurtenances such as a garage, plus the cost of utilities.

21 YOUR ANSWER: ____ Admit ____ Deny

22 CLARIFICATION: _____

23 3. Admit that line 7 of the IRS Form 1040 represents the taxpayer’s “gross income” pursuant to I.R.C. Section 61.

24 YOUR ANSWER: ____ Admit ____ Deny

25 CLARIFICATION: _____

26 4. Admit that line 7 of the IRS Form 1040 does not have method for excluding the value of property given in exchange
27 for compensation for services pursuant to [26 U.S.C. §83](#).

28 YOUR ANSWER: ____ Admit ____ Deny

29 CLARIFICATION: _____

30 5. Admit that IRS Form 1040 makes no provision to take 26 U.S.C. §83 deduction for the value of one’s labor given in
31 exchange for “compensation for services”.

32 YOUR ANSWER: ____ Admit ____ Deny

33 If your answer to the above is Deny, then please indicate which form or schedule or worksheet, etc., can be used by a
34 “taxpayer” to take the Section 83 deduction.

35 CLARIFICATION: _____

1 6. Admit that “compensation for services” are included in the definition of “gross income” found in [26 U.S.C. §61\(a\)\(1\)](#):

2 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART I > § 61](#)
3 [§ 61. Gross income defined](#)

4 (a) General definition

5 *Except as otherwise provided in this subtitle [such as I.R.C. Section 83], gross income means all income from*
6 *whatever source derived, including (but not limited to) the following items:*

7 (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;

8 YOUR ANSWER: ___ Admit ___ Deny

9 CLARIFICATION: _____

10 7. Admit that the term “personal services” is defined as follows:

11 [26 CFR Sec. 1.469-9 Rules for certain rental real estate activities.](#)

12 (b)(4) **PERSONAL SERVICES.**

13 **Personal services means any work performed by an individual in connection with a trade or business.**
14 *However, personal services do not include any work performed by an individual in the individual's capacity as*
15 *an investor as described in section 1.469-5T(f)(2)(ii).*

16 YOUR ANSWER: ___ Admit ___ Deny

17 CLARIFICATION: _____

18 8. Admit that earnings from “personal services” are not includible in “gross income” unless these services are connected
19 with a “trade or business”, pursuant to [26 U.S.C. §864\(b\)\(1\)](#).

20 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864](#)
21 [§ 864. Definitions and special rules](#)

22 (b) Trade or business within the United States

23 *For purposes of this part, part II, and chapter 3, the term “trade or business within the United States” includes*
24 *the performance of personal services within the United States at any time within the taxable year, **but does not***
25 ***include—***

26 (1) Performance of **personal services** for foreign employer

27 *The performance of personal services—*

28 (A) **for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or**
29 **business within the United States, or**

30 (B) *for an office or place of business maintained in a foreign country or in a possession of the United States by*
31 *an individual who is a citizen or resident of the United States or by a domestic partnership or a domestic*
32 *corporation, by a nonresident alien individual temporarily present in the United States for a period or periods*
33 *not exceeding a total of 90 days during the taxable year and whose compensation for such services does not*
34 *exceed in the aggregate \$3,000.*

35 YOUR ANSWER: ___ Admit ___ Deny

36 CLARIFICATION: _____

37 9. Admit that all labor is property:

1 "Among these unalienable rights, as proclaimed in that great document [the Declaration of Independence] is
2 the right of men to pursue their happiness, by which is meant, the right any lawful business or vocation, in any
3 manner not inconsistent with the equal rights of others, which may increase their prosperity or develop their
4 faculties, so as to give them their highest enjoyment...It has been well said that, THE PROPERTY
5 WHICH EVERY MAN HAS IN HIS OWN LABOR, AS IT IS THE ORIGINAL
6 FOUNDATION OF ALL OTHER PROPERTY SO IT IS THE MOST SACRED AND
7 INVOLABLE... to hinder his employing this strength and dexterity in what manner he thinks proper
8 without injury to his neighbor, is a plain violation of this most sacred property."¹
9 [Butchers' Union Co. v. Crescent City Co., [111 U.S. 746](#) (1884), Concurring opinion of Justice Field]

10
11 YOUR ANSWER: ___Admit ___Deny

12 CLARIFICATION: _____
13

14 10. Admit that ownership of property constitutes exclusive rights and control of the property:

15 "**Property.** That which is peculiar or proper to any person; that which belongs exclusively to one. In the strict
16 legal sense, an aggregate of rights which are guaranteed and protected by the government. *Fulton Light, Heat
17 & Power Co. v. State*, 65 Misc.Rep. 263, 121 N.Y.S. 536. The term is said to extend to every species of valuable
18 right and interest. More specifically, ownership; the unrestricted and exclusive right to a thing; the right to
19 dispose of a thing in every legal way, to possess it, to use it, and to exclude every one else from interfering with
20 it. That dominion or indefinite right of particular things or subjects. The exclusive right of possessing,
21 enjoying, and disposing of a thing. The highest right a man can have to anything; being used to refer to that
22 right which one has to lands or tenements, goods or chattels, which no way depends on another man's courtesy.

23 The word is also commonly used to denote everything which is the subject of ownership; corporeal or
24 incorporeal, tangible or intangible, visible or invisible, real or personal; everything that has an exchangeable
25 value or which goes to make up wealth or estate. It extends to every species of valuable right and interest, and
26 includes real and personal property, easements, franchises, and incorporeal hereditaments, and includes every
27 invasion of one's property rights by actionable wrong. *Labberton v. General Cas. Co. of America*, 53 Wash.2d
28 180, 332 P.2d. 250, 252, 254.

29 [. . .]

30 Property within constitutional protection, denotes group of rights inhering in citizen's relation to physical
31 thing, as right to possess, use and dispose of it. *Cereghino v. State By and Through State Highway
32 Commission*, 230 Or. 439, 370 P.2d. 694, 697."
33 [Black's Law Dictionary, Sixth Edition, p. 1216]

34
35 YOUR ANSWER: ___Admit ___Deny

36 CLARIFICATION: _____
37

38 11. Admit that taking any amount of a person's labor without their consent does not constitute "protection".

39
40 YOUR ANSWER: ___Admit ___Deny

41 CLARIFICATION: _____
42

43 12. Admit that taking any amount of a person's labor without their consent, or any of the property exchanged in procuring
44 it, constitutes involuntary servitude in violation of the [Thirteenth Amendment](#) to the United States Constitution.

45
46 YOUR ANSWER: ___Admit ___Deny

47 CLARIFICATION: _____
48

49 13. Admit that there is no contract possessed by the U.S. Government which conveys any ownership or equitable interest
50 against a citizen's labor.

51
52 YOUR ANSWER: ___Admit ___Deny

1 CLARIFICATION: _____

2
3 If the answer to the above is Deny, then admit that said contract has not been signed by all parties to the contract.

4 14. Admit that only Congress has the authority to create a contract which binds the United States.

5
6 YOUR ANSWER: ___Admit ___Deny

7
8 CLARIFICATION: _____

9 15. Admit that a contract that does not bind the United States also cannot bind the citizen.

10
11 YOUR ANSWER: ___Admit ___Deny

12
13 CLARIFICATION: _____

14 16. Admit that a contract is voidable if it has not been knowingly, willfully consented to by all parties.

15
16 YOUR ANSWER: ___Admit ___Deny

17
18 CLARIFICATION: _____

19 17. Admit that one cannot willingly or knowingly consent to a contract without at the same time being unaware that said
20 contract exists.

21
22 YOUR ANSWER: ___Admit ___Deny

23
24 CLARIFICATION: _____

25 18. Admit that a contract held by a party through deception and trickery constitutes fraud.

26
27 YOUR ANSWER: ___Admit ___Deny

28
29 CLARIFICATION: _____

30 19. Admit that fraud vitiates all contracts.

31
32 YOUR ANSWER: ___Admit ___Deny

33
34 CLARIFICATION: _____

35 20. Admit that the United States does not have any ownership rights or standing with respect to a citizens labor.

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

39
40 YOUR ANSWER: ___Admit ___Deny

41
42 CLARIFICATION: _____

43 21. Admit that the U.S. Supreme Court above was referring to “compensation for services” pursuant to [26 U.S.C. §83](#).

44
45 YOUR ANSWER: ___Admit ___Deny

46
47 CLARIFICATION: _____

48 22. Admit that Subtitle A of the Internal Revenue Code is a tax upon “profit” and *not* “all earnings”:

1 "We must reject in this case, as we have rejected in cases arising under the Corporation Excise Tax Act of 1909
2 (Doyle, Collector, v. Mitchell Brothers Co., 247 U.S. 179, 38 Sup.Ct. 467, 62 L.Ed.--), the broad contention
3 submitted on behalf of the government that all receipts—everything that comes in—are income within the proper
4 definition of the term 'gross income,' and that the entire proceeds of a conversion of capital assets, in whatever
5 form and under whatever circumstances accomplished, should be treated as gross income. Certainly the term
6 "income' has no broader meaning in the 1913 act than in that of 1909 (see Stratton's Independence v. Howbert,
7 231 U.S. 399, 416, 417 S., 34 Sup.Ct. 136), and for the present purpose we assume there is no difference in its
8 meaning as used in the two acts."
9 [Southern Pacific Co. v. Lowe, 247 U.S. 330, 335, 38 S.Ct. 540 (1918)]

10
11 YOUR ANSWER: ___ Admit ___ Deny

12 CLARIFICATION: _____
13

14 23. Admit that "profit" is defined as earnings minus expenses:

15
16 YOUR ANSWER: ___ Admit ___ Deny

17 CLARIFICATION: _____
18

19 24. Admit that "taxable income" is defined as "gross income" minus "deductions":

20 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART I > § 63](#)
21 [§ 63. Taxable income defined](#)

22 (a) In general

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

25
26 YOUR ANSWER: ___ Admit ___ Deny

27 CLARIFICATION: _____
28

29 25. Admit that "expenses" are deducted in accordance with [26 U.S.C. §83](#) BEFORE computing "gross income" as defined
30 in [26 U.S.C. §61](#):

31 [TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B > PART II > § 83](#)
32 [§ 83. Property transferred in connection with performance of services](#)

33 (a) General rule

34 *If, in connection with the performance of services, property is transferred to any person other than the person*
35 *for whom such services are performed, **the excess of—***

36 *(1) the fair market value of such property (determined without regard to any restriction other than a restriction*
37 *which by its terms will never lapse) at the first time the rights of the person having the beneficial interest in*
38 *such property are transferable or are not subject to a substantial risk of forfeiture, whichever occurs earlier,*
39 *over*

40
41 YOUR ANSWER: ___ Admit ___ Deny

42 CLARIFICATION: _____
43
44

45 **Affirmation:**

46 I declare under penalty of perjury as required under [26 U.S.C. §6065](#) that the answers provided by me to the foregoing
47 questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these
48 answers are completely consistent with each other and with my understanding of both the Constitution of the United States,
49 Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual, and the rulings of the Supreme Court but not
50 necessarily lower federal courts.

1 Name (print): _____

2 Signature: _____

3 Date: _____

4 Witness name (print): _____

5 Witness Signature: _____

6 Witness Date: _____