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<p><i>Revocation of Election (R.O.E.)</i>, Form #06.039 <a href="https://sedm.org/Forms/FormIndex.htm">https://sedm.org/Forms/FormIndex.htm</a></p>
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# *The Galileo Paradigm*

Societal Presumptions made by lenient minded American Nationals



This short narrative is based on a personal belief derived from legal research on the lack of taxable liability on earnings of select individuals.

Version 1.04

By

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Perpetual Traveler

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***“All Truths are easy to understand once they are discovered.”***

[Galileo Galilei]

“L’audace. L’audace, toujours l’audace”

[Frederick the Great]

*“We have come to be one of the worst ruled, one of the most completely controlled and dominated Governments in the world – no longer a Government of free opinion, no longer a government of conviction and vote of the majority, but a Government by the opinion and duress of small groups of dominant men.”*  
[Woodrow Wilson, President of the United States]

## ABOUT THE AUTHOR

“Adele Weiss” is a pen name for the real author’s name, which is Steadman Jackson. Below is the description of him from Who’s Who in the Freedom Community, Form #08.009.

Website: <http://www.weissparis.com/>

Date range: 2001-2019

Biography:

1. He is the author of the following book. We helped him to improve that book by being the editor and contributing all of the citizenship information in that book.

*Galileo Paradigm*, Form #11.303

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

2. He also is the author of the following:

*Opinion Letter, Form #1.1 on the Sovereignty Forms and Instructions Online*, Form #10.004

<https://famguardian.org/TaxFreedom/Forms/OpinionLtrs/JacksonS.htm>

3. He was the brains behind Weiss+Associates

<http://www.weissparis.com/>

4. He developed the “Revocation of Election Process” for Weiss + Associates. Here is a sample:

*Revocation of Election-Weiss and Associates*, Exhibit #12.002

Exhibits Page: <https://sedm.org/Exhibits/ExhibitIndex.htm>

Direct Link: <https://sedm.org/Exhibits/EX12.001.pdf>

5. For many years, he contributed content to the SEDM website and served on the staff of Sovereignty Education and Defense Ministry (SEDM)

<https://sedm.org>

6. You can read about flaws in his approach toward the Revocation of Election process in the following documents:

6.1. The cover page of:

*Galileo Paradigm*, Form #11.303

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

6.2. *Flawed Tax Arguments to Avoid*, Form #08.004, Section 9.32

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

6.3. *Non-Resident Non-Person Position*, Form #05.020, Section 6.10

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

7. He was a good man and a fine human being.
8. People at Family Guardian first met him in about 2001, when he stumbled on that site and was quite impressed. At the time, he was living in Las Vegas, Nevada and they met him several times there.
9. He was a Christian and left the country in disgust years ago because of the corruption found in the legal profession and the government. He was an expat living in a foreign country and truly a “transient foreigner” in every sense of the word.
10. We don’t yet know the cause of his death, but he died in his sleep at the age of 71.
11. He died on November 28, 2019, the eve of Thanksgiving.
12. His death is announced at:  
<https://famguardian.org/forums/topic/steadman-jackson-dies-12-2-2019/>

May God rest His soul and give him peace. We will miss him.

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Long ago, man empirically “knew” that the earth was flat and that the earth was the center of the universe. There was no major question in this regard until Galileo completed his work which established a new paradigm that in the eyes of modern man seems rather simple today. There was much strife and derision put upon him but over time his work stands as fact and we might even wonder what the fuss was all about.

We are all created as free moral agents with the right to make our own decisions and then to be responsible for those free will choices and not to blame others for their beliefs by claiming any kind of undue influence in order to escape our individual responsibility for our own decisions and choices. How each reader chooses to exercise or apply information found in this work, or any other information that may come forth, is the essence of their free moral determination.

The informational material presented in this work is provided for the educational benefit of those seeking such knowledge based on this author’s belief. The best decisions are usually those that are based upon knowledge and information rather than assumption of fact(s) not in evidence.

All information presented are as truthful as the source of the information published or presented by the various federal documents and public records. While most readers may have opinions, only the law prevails. The reader is encouraged to secure awareness of the law and to those who are made liable - - they are encouraged to abide by it at all times. **All information presented is based on opinion or belief.** Each reader should not trust anyone on material as complex as this subject but should do their own review and prove everything prior to making a decision based on that effort.

Therefore, it is an imperative necessary for this author to present the following statement to clarify the intent of the work, the type of speech, and the parties this material is only made available for their reading enjoyment of this author’s expressions and opinions resulting from a rather lengthy research effort.

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- (5) public office holders,**
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- (7) contractually engaged in commercial activity with the national government, or**
- (8) those who operate in a representative capacity in behalf of, and for the benefit of, the national government [meaning use of an SSN].**

**Any inference on the part of others about the information within this book as being anything other than nonfactual speech can only occur by intentional misapplication by that individual or party.** There is only respect for those who elect to work for the “United States”, have a domicile there, and lawfully pay all municipal taxes imposed as defined by the “Special laws”, for the legislative municipal jurisdiction promulgated in the Internal Revenue Code [IRC].

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## NOTABLE QUOTES

*“The lie can be maintained only for such time as the State can shield the people from the political, economic, and/or military consequences of the lie. It thus becomes vitally important for the State to use all of its powers to repress dissent, for the truth is the mortal enemy of the lie, and thus by extension, **the truth is the greatest enemy of the State.**”*

*[Joseph Goebbels, German Minister of Propaganda, 1933-1945]*

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*“The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man’s spiritual nature, of his feelings, and his intellect. They know that only a part of the pain, pleasure and satisfactions of life are to be found in material things.*

*They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations.*

*They conferred, as against the Government, the right to be let alone, - - the most comprehensive of rights, and the right most valued by civilized men.*

*Decency, security, and liberty alike demand that government officials shall be subjected to the same rules of conduct that are commands to the citizen.*

*In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously.*

*Our Government is the potent, the omnipresent teacher. For good or ill, it teaches the whole people by its example. Crime is contagious. If the Government becomes a lawbreaker, it breeds contempt for law, it invites every man to become a law unto himself; it invites anarchy. ”*

*[U.S. Supreme Court Justice Lewis D. Brandeis, dissenting opinion, Olmstead v. U.S., 277 U.S. 438 (1928)]*

## REVISION HISTORY

<i>Date</i>	<i>Version</i>	<i>Description</i>
7/30/07	1.00	1. Initial version.
8/31/07	1.01	<ol style="list-style-type: none"> <li>1. Expanded end of Chapter 1 considerably with several diagrams.</li> <li>2. Added quotation marks throughout document around words of art.</li> <li>3. Corrected grammar throughout document.</li> <li>4. Replaced references to “employee” with “worker” in several places.</li> <li>5. Added case cites to several cites that did not have them.</li> <li>6. Added exhibit cites to several cites that did not have them.</li> <li>7. Added links to several of the resources mentioned in the book.</li> <li>8. Added to chapter 2 a cite from <i>Rutan v. Republican Party of Illinois</i>.</li> <li>9. Improved the summary at the end of Chapter 2.</li> <li>10. Added a cite from <i>Talbot v. Janson</i>, California Civil Code Section 1589, and <i>Bouvier’s Maxims of Law</i> to Chapter 3.</li> <li>11. Added cite from 26 CFR §31.3121(b)-3 to Chapter 4.</li> <li>12. Added a list of deceptions about IRS Form W-4 to the beginning of Chapter 5.</li> <li>13. Added cite from <i>Bailey v. Alabama</i> to Chapter 5.</li> <li>14. Added mention of SEDM forms 06.002 and 10.001 to Chapter 5.</li> <li>15. Added cite from <i>Cohens v. Virginia</i> to Chapter 7.</li> <li>16. Added quotes from Daniel Webster and Bruce Calver to Chapter 9.</li> <li>17. Added cite from <i>U.S. v. Bartrug</i> to Chap. 9 and language showing that federal statutes may only be enforced directly against federal agencies and instrumentalities.</li> <li>18. Added line numbers.</li> <li>19. Normalized formatting on all footnotes.</li> <li>20. Updated chapter 2.</li> </ol>
12/31/07	1.02	<ol style="list-style-type: none"> <li>1. Added “Scriptures” section to the Table of Authorities.</li> <li>2. Added “Rules” section to the Table of Authorities”.</li> <li>3. Corrected several problems in the Table of Authorities.</li> </ol>
10/26/08	1.03	<ol style="list-style-type: none"> <li>1. Broke chapter 1 into subsections.</li> <li>2. Added section 1.6.</li> <li>3. Corrected formatting problems in the Table of Authorities.</li> </ol>
12/29/08	1.04	<ol style="list-style-type: none"> <li>1. Corrected several grammar errors.</li> <li>2. Corrected several typos.</li> <li>3. Rewrote run-on sentences to make them clearer.</li> <li>4. Renamed sections 1.2 and 1.6.</li> <li>5. Renamed tables 2 and 4.</li> <li>6. Renamed several of the entries in the Table of Authorities, Other Authorities section and added form numbers to many items.</li> <li>7. Added section 1.7</li> <li>8. Added section 1.9: Citizenship status of government forms.</li> <li>9. Added section 1.3: Statutory v. Constitutional citizens.</li> </ol>



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## EXHIBITS

Exhibit	Description
1	USC Definition: United States includes the 50 states of the Union [26 USC §4612(a)(4) Petroleum USC Definition: United States meaning District of Columbia: 26 USC §7701(a)(9); 26 USC4262(c)(1) [Continental US]; 8 USC §1101 (a)(38);
2	USC Definition: State meaning DC, Puerto Rico, Northern Marianas, or any Territory or Possession of the United States [the National Government] 28 USC §3002(14); 26 USC §7701(a)(10); 8 USC §1101 (a) (36);
3	USC Definitions: Public Official – 18 USC §201(a); Trade or Business – 26 USC §7701(a)(26); 26 USC §864(b)(1) & 864(c)(1)(B); Person – 26 USC §7701(a)(1); Taxpayer – 26 USC §7701(a)(14); Withholding Agent – 26 USC §7701(a)(16); U.S. Person – 26 USC §7701(a)(30); Residence – 8 USC §1101(a)(33); Tax Home –26 USC §911(d)(3) ; Foreign Estate – 26 USC §7701(a)(31)(A); U.S. Citizen – 8 USC §1401(a); Nonresident Alien – 26 USC §7701(b)(1)(B) & 26 CFR §1.871-1(b)(4) shows Nonresident aliens are American Nationals.
4	26 CFR §310.6109-1: Social Security Number represents U.S. citizen
5	SSA Admission U.S. Citizen Definition is the statutory 8 USC §1401(a) & SSN not required
6	Form SS-5 Application; SSN means federal employee /federal property & SSA Legislative History
7	Congressperson Zoe Lofgren letter: Congress has exclusive legislative authority over DC only
8	Outline of Intent for imposition of the Federal Income Tax
9	Federal Zone as defined by 63rd Congress Session 1 Chapter 16, 1913, page 177, Section 2
10	Legislative Intent as described by a State Legislature & Legislative Intent of the 16th Amendment
11	How Our Laws Are Made, Congressional publication XIX, page 44
12	Index page of United States Code
13	Cheryl Kordick letter – Three kinds of regulations
14	Enactment of Title 26
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22	IRS statement that Individual Determines Form to File and Tax They Owe
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28	26 USC §6331(a) Levy authority only upon select parties of the federal government
29	Legislative Intent of 16th Amendment written by President William Taft, June 16, 1909
30	Title 31 United States Code Index Page – IRS is not listed as Agency of U.S. Treasury
31	Organizational Chart of the United States Treasury – IRS not listed under Enforcement
32	Diversified Metal Products v. IRS Case – U.S. District Court of Idaho – IRS not an Agency
33	28 USC §1349 Corporation Organized under Federal Law & NRA not engaged in Trade or Business 31 CFR §103.34 & 26 USC §7408(d) Citizens & Residents outside the United States
34	4 USC § 72 Public Offices; at seat of Government & IRM 5.1.11.6.10 IRC 6020(b) Authority
35	Delegation Order (D.O.) 182 (Rev 3) & IRS letter Jay Hammer proving no authority for SFR Form 1040
36	Dwight Avis Sworn Testimony before House Ways & Means Committee

- 37 26 USC 7851(a)(6)(A) Applicability of Revenue Laws – Subtitle F Enforcement Date  
 38 2001 U.S. District Court, San Diego, U.S. District Courts Lack Subject Matter Jurisdiction  
 39 Federal Rule of Civil Procedure 12(b)(1) & 12 (h)(3)  
 40 Scheuer v. Rhodes Case  
 41 26 CFR §31.3402(p)-1 Employment Taxes and Collection of Income Tax At Source  
 42 26 USC §3402 Income Tax Collected At Source – Subtitle C & Michael White statement on regulation 26  
 CFR §§31.3402 being ‘issued by the IRS’.  
 43 26 USC §3121 Definitions of Employer, United States, and State, & American Employer  
 44 IRS letter: “Your income ‘appears’ to create a taxable liability”  
 45 Flowchart: Federal Income Tax Parties & Jurisdiction  
 46 Barbara B. Kennelly, 1st District, Connecticut admits 26 USC §3121 “State” not 50 states  
 47 Flowchart: Four problems for IRS making income tax claims of American Nationals  
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 49 26 CFR §1.871-1 (a) Nonresident aliens not liable if no income derived from trade or business  
 50 Congressional Research Service letter dated September 22, 1995– Limited Jurisdiction of Congressional  
 Power to Legislate  
 51 IRS Publication 515 Withholding of Tax on Nonresident Aliens – W8BEN no withholding  
 52 26 USC §7851 Applicability of Revenue Laws – Subtitles A, B, C, D, E, & F  
 53 26 USC §7214(a)(2) & (a)(7) Offenses by Officers and Employees of the United States  
 54 28 USC §255 Three-judge trials; Court of International Trade civil actions raised on issues of the  
 Constitutionality of an Act of Congress  
 55 Privacy Act of 1974 Statement – Unlawful to deny rights for refusal to disclose SSN  
 56 26 USC §6065(b) Oath regarding taxes by individuals [Congress doesn’t delete laws]

Miscellaneous Exhibits:

Jurisdiction of Federal Courts—District Court of U.S. v. U.S. District Court  
 Mookini v. U.S., 58 S.Ct. 543, 303 U.S. 201 District Court of the United States  
 Federal Retirement Thrift Savings Plan (T.S.P.) Tax Treatment of Nonresident Aliens  
 California Bankers Assn. v. Shultz, 416 U.S. 21 (1974) - Need for Implementing Regulations  
 IRS Letter showing taxation on U.S. citizens via SSN  
 1 CFR §21.21(c) – Cross-referencing to other Titles in the CFR §not permitted  
 Internal Revenue Manual (I.R.M.), Section 5.14.10.2.2 Private employers not required to deduct  
 Jay Hammer, IRS Disclosure Officer, No SFR Delegation Order authority Form 1040  
 Delegation Order (D.O.) 182 (Rev3) - No SFR Form 1040 ‘constitutional issues’  
 Delegation Order (D.O.) 182 (Rev 7) - No SFR Form 1040 authority directly referenced  
 Dennis M. Hertel, Congressman – 1985 Letter on Levy  
 26 CFR §301.6020-1(b) - No SFR Form 1040 authority directly referenced  
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 26 CFR §1.871-1(a) Nonresident aliens only taxable from income in trade or business  
 Westfall Act – 28 USC §2679  
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## PREFACE

Presumptions are a fact of life. How did we ever start making them? How often do we make them? What affect do presumptions (assumptions) really have on our individual lives? It is so easy to ask questions as we seek answers. Perhaps it is best to stop and think at times so that we might really understand what costs are associated with reacting or doing something without thinking.

Webster's Dictionary defines the word 'Assumption' as "*a statement accepted as, or supposed to be, true without proof or demonstration.*" We obviously make assumptions without consideration to the above questions before we draw conclusions based on what we anticipate the facts or truth to be. Interesting that assuming is so easy to do. There is perhaps a need for all of us to simply stop ever so briefly and think critically about what affect we might expose ourselves to by making even the most mundane assumption.

The most significant historical story about assumption of facts not in evidence is recalled in the time of Galileo and his work on astronomy. He was able to scientifically prove [based also on the work of Copernicus] that the earth was not flat nor the center of the universe. This was in direct opposition to the assumptions made by almost every individual at that time in history.

World History is full of commentary about the results for those who present a new paradigm and Galileo faced nothing different. Change is a fact of life. However, many in authority prefer not to discommode themselves. Many times authority figures prefer to dismiss a new paradigm without thinking about the potential benefit long term. Change may really present opportunity, if viewed carefully.

An everyday illustration was found when a young wife was cooking a roast beef dinner for her new husband. During the preparation, the husband noticed that his bride had cut a rather good-sized roast into two pieces and then placed each section into a separate pan to cook the meat. Following the meal, the husband noticed that the oven was large enough to handle the single portion of beef if it had not been cut in half. Curious, he asked his wife why she cut the beef and cooked it in two pans. She responded with "*I really don't know. My mother always prepared it that way. I guess she had a good reason.*"

Puzzled about her husband's question, the new wife later called her mother to pose the same question. Her mother told her "*That's the way my mother always prepared the roast and I really don't know why she used two pans either.*" A conference call to the grandmother quickly ensued and the same question was repeated to her. The eldest mother laughed and told her daughter and granddaughter the answer to the mystery when she stated, "*I never had a single pan large enough to cook a whole roast in.*"

So most of us grow up with little understanding of why we do the many things we do because we have never stopped to explore for understanding the reason. Today, millions of young children intuitively ask the simple and universal question, when they ponder the unknown in their life, by unabashedly shouting out to their parents...."Why?"

Most parents recoil initially as they have to stop and think about their answers, especially when the small child is sincere and genuinely interested in a subject so important to them at the time.

When a parent responds to a child's question, the child listens and quickly accepts the parents' response as fact. No documentation is required for the parent to prove their statements. In the early years, children are generally accepting of the parents' statements. So the trusting child 'assumes' the answer is truthful because the parents represent the highest authority in their life and do not think to question the response due to respect or immaturity in their cognitive abilities at that stage of their development.

1 Parents are expected to have their children's best interest at heart and usually that is a pretty safe "presumption".  
2 However, if the parent passes on their 'presumptions' to their offspring we see the result for generations. Who  
3 better to trust than those who you respect and are in a position of authority over your life?  
4

5 So at a tender age, we quickly 'accept facts as true' without routinely seeking proof or documentation. Parents  
6 and educational institutions who would seek to improve the life of those they have been entrusted might want to  
7 think critically about challenging the reasoning capacity to consider a more rigorous search for validation of  
8 presentments before taking the easy road in life of merely assuming something to be a fact.  
9

10 Who knows what good can be the result to mankind when each of us can contribute by stimulating creative and  
11 critical thinking about matters so long entrenched as fact when all along it might only be a presumption of a fact.  
12

13 The statement below is a clear announcement that the government operates by precise planning. However, it  
14 allows the use of presumption when their forms are used by those who never were intended for their use.  
15 Consider the statement in light of what you do when you read their 'information' or as some would say  
16 'propaganda' when the government agency or bureau purposely does not define their words of art on published  
17 documents. *Could it be that the government prefers to let you fumble about in their United States Code, their  
18 Code of Federal Regulations, and on their blizzard of forms and publications produced to find what is really  
19 being stated?*  
20

21 As you read further in this book, look for U.S. Supreme Court commentary in **Fleming v. Nestor**, 363 U.S. 603  
22 (1960) to see what was behind the real intent of the Social Security Act and its Administrative agency. When  
23 doing so, try to remember FDR's following statement.

24 *"Governments never do anything by accident; if government does something you can bet it was  
25 carefully planned."*

26 *[Franklin D. Roosevelt, President of the United States]*

## INTRODUCTION

1  
2  
3 What is the first thought that comes to your mind when you hear the subject is about ‘taxes?’ Painful, boring  
4 and dry come to mind for many. Truthfully, that was my perception years ago. Let’s have some fun with this  
5 domain of accountants and attorneys that many ‘assume’ is nothing but dull and hard to understand or perhaps  
6 not really worth the effort.

7  
8 Is discussing money a ‘painful, dry, and boring’ subject to you? Maybe you should reconsider as it is your  
9 money that is at stake and perhaps, just perhaps, you have made some incorrect ‘assumptions’ about what you  
10 think you know.

11  
12 As a Christian, the Scriptures told me to ‘pay taxes that were due’. The Amplified Bible states “Render to all  
13 their dues. [Pay] taxes to whom taxes are due, revenue to whom revenue is due, respect to whom respect is due,  
14 and honor to whom honor is due.” I can’t tell you how many times I heard that scripture but never stopped to  
15 dissect it to see what was really being said. The key word in that passage of Romans 13:7 is the word ‘due’.  
16 Can you see what my ‘presumption’ was?

17  
18 Taxation once consumed a large portion of my earnings and all I knew at the beginning, was that I had virtually  
19 no idea what was going on, why, or even how it all got started. I just worked hard to earn enough to provide for  
20 the necessities of life while all the time a large segment of my earnings was given by my private sector non-  
21 federal employer to a Santa Claus styled character by the frivolous name of ‘Uncle Sam’.

22  
23 There is one big difference between “Santa Claus” and “Uncle Sam”. One gave you nice presents as a child [if  
24 you were good that year] while the other takes from you before you even get your paycheck [because you filled  
25 out an IRS Form W-4 agreement [contract] and used or identified a SSN on that contract]. *Can’t fight City Hall,*  
26 *correct?* So like many, you might have looked to the experts to find ways to shelter your money or retain as  
27 much as possible by taking “benefits” called “deductions” granted by the National Government. But those guys  
28 and gals don’t work for free.

29  
30 Next, you might have even contemplated your own creative ideas to protect your money but fear probably arose  
31 as you developed your thoughts and realized that “email@ alcatraz.com” didn’t have any special appeal. So  
32 you just wish you could understand why you have to pay out so much money and you hoped to find a solution to  
33 legally keep what you earned. At the end of the year, with your fingers crossed, you pray that this “Uncle Sam”  
34 character is benevolent enough to take no more. *Sound about right so far?*

35  
36 Keep the definition of “Assumption” fresh in your mind when you review the upcoming information and  
37 documentation. It will help somewhat if you are just a little lighthearted too. This subject makes most who  
38 discuss it experience a wide range of emotions...from fear to anger to disbelief. I might have left one out, so I  
39 will let you determine your state of mind after you finish reading the material. Remember, this book contains  
40 my opinions derived from my limited cognitive ability to ascertain the truth from the legal documents  
41 researched. Verify everything stated and assume nothing is correct or true in this book.

42  
43 Before continuing, perhaps it would benefit the reader to understand that this project was not entered into  
44 lightly. The Federal government is large and powerful. It has an agenda that might be cause for concern as  
45 expressed by **Judge Andrew P. Napolitano** in his book, **Constitutional Chaos: What happens when the**  
46 **Government breaks its own laws.**

47  
48 The cover sleeve to his book states, “Judge Napolitano focuses his biting criticism squarely on the  
49 government’s disregard for the bedrock at American freedom; the U.S. Constitution.” His book is worth the  
50 time to read. He is a graduate of Princeton University and Notre Dame Law School. He has taught

1 constitutional law at two law schools and is currently [at the time this book was written] a Senior Judicial  
2 Analyst for the Fox Network.

3  
4 In Chapter 6 of his book, Judge Napolitano stated:

5  
6 **“The First Amendment explicitly prohibits the government from interfering with free speech.**  
7 **The Amendment is in danger—and its danger comes from the least likely sources: the**  
8 **judiciary.”** [Emphasis added]  
9

10 It is unfortunate that our Forefathers did not reference the various types of “speech”. “Commercial speech” is  
11 **NOT** protected speech under the First Amendment. During political campaigns, the “political speech” of the  
12 candidates running for office **IS** protected so that once they enter their newly elected office, they are free to  
13 ignore anything they spouted in order to secure the votes of the people.

14  
15 He goes on to state:

16  
17 **“Justice Thurgood Marshall suggested that only those government interests that speak to the**  
18 **continued existence of the government itself rise to the constitutional level sufficient to**  
19 **override expressive liberties....it is telling indeed that Justice Marshall cited no other example of**  
20 **a government interest of significant magnitude [known as a ‘state interest of the highest order’]**  
21 **to override expressive liberties.”** [Emphasis added]  
22

23 Worthy of another citation from his work is the statement that:

24  
25 **“The U.S. Supreme Court has granted strident protection to the media in a narrow category of**  
26 **cases where the government attempted to punish the publication of lawfully obtained truthful**  
27 **information. This means that the government may curtail the content of expressive liberties**  
28 **only when the interests that the government seeks to serve must be served at the peril of the**  
29 **demise of the government itself if they go unserved and only where the government’s interest in**  
30 **self-preservation can be served by no other means.”** [Emphasis added]  
31

32 I conclude with a final reference to Judge Napolitano’s book where he stated in the last paragraph in Chapter 6  
33 that:

34  
35 **“The First Amendment, the crown jewel of our constitutional democracy, would have**  
36 **Americans enjoy the exercise of our expressive liberties in the certain knowledge that, barring a**  
37 **state interest of the highest order, [that which would cause the demise of the government itself]**  
38 **the courts will always safeguard the exercise of our expressive liberties.”** [Emphasis &  
39 Clarification added]  
40

41 The information provided here is a truthful presentation of published law and does not create any peril for the  
42 existence of the Federal government as this is merely a study of its own laws. What you are about to learn will  
43 either cause a very real paradigm shift in your thinking and understanding, as you have new knowledge to  
44 consider, or you will merely continue as normal and disregard what you think is essentially rabble.

45  
46 The choice is yours as stated in the Disclaimer. After all, it has always been your choice as a free moral agent.  
47 However, you will no longer be able to say “No one ever told me” after you complete this book and some  
48 additional study. You have an open mind as evidenced by just your act of reading this far. So keep it open to  
49 the end and then you will be able to at least consider the possibility of what is presented just might be factual  
50 and true. Then you consider your own options on controlling your money.

51  
52 As in any discourse of this magnitude, *I urge you to never take anyone’s word for anything, including mine,*  
53 *when the subject is this important.* So check out the references in this work - - on your own. After all, this

1 whole effort is to better educate you “*about your money*” and your “*control*” over it. Then make your own  
2 decisions!

3  
4 Know this fact and know it well, the federal income tax is perfectly legal in it being applied to those who are  
5 identified as taxpayers. It is functional and can be applied within the “*United States*” [defined at 26 USC  
6 §7408(d) as the District of Columbia] and qualified individuals per 26 USC §911(d)(3) who maintain their “*Tax*  
7 *Home*” or “*abode*” continually *within the United States* as defined by 26 USC §7408(d).

8  
9 At this time, perhaps it is best to tell you what this information is “*not*” about. It is *not* about becoming a “*Tax*  
10 *Protestor*”, “*Fighting City Hall*”, or joining some “*patriot movement*”. The people from each of the sovereign  
11 and independent states of the Union, have a history of freethinking and challenging the status quo from time to  
12 time.

13  
14 Remember you Americans who understand;

15 *“It is not the function of our Government to keep the citizen from falling into error; it is the*  
16 *function of the citizen to keep the government from falling into error.”*  
17 *[American Communications Association v. Douds, 339 U.S. 382, 442, (1950)]*

18  
19 It is a historical footnote, however, that this country slowly established itself from an original group of raucous  
20 tax protestors who were in disagreement with the prevailing attitudes from Europe and the English monarchy of  
21 King George. That was a different time and does *not* lend itself in our modern day as a way of resolving  
22 disagreements between the people and government.

23  
24 Adherence to the law is all that is required by any American National to redress any grievance. All government  
25 workers who hold a public office exercising some of the sovereign power of the government must have taken an  
26 Oath of Office “*to protect and defend*” the Constitutional contract that Americans cherish.

27  
28 You are encouraged to re-read the Constitution. Also, you should obtain a copy of Black’s Law Dictionary  
29 [ONLY the Sixth Edition or earlier] so that you can check out the legal definitions that are used by those in  
30 public office. At all times, keep in mind that “We The People” granted some of our unalienable rights granted  
31 to us by our Creator to establish the inferior “state” governments which in turn joined together to create the  
32 more déclassé “*federal*” government primarily for national defense and foreign relations and other needful uses.

33  
34 It is the intent of this book to help you educationally broaden your *knowledge and facts* about the federal income  
35 tax and to bring to light areas where the reader makes “*assumptions*” about what was presumed to be fact.  
36 There are documented references provided so that the reader can be more easily encouraged to validate  
37 statements.

38  
39 The reader is continually encouraged to take no one’s word for anything, including mine, but to prove all facts  
40 to your own satisfaction. My research is not presented to be a thorough academic dissertation on the subject.  
41 The objective behind this effort was to take the basic pieces of the puzzle that comprise the tax laws and present  
42 them in perhaps a more understandable format for a foundation more understandable to the neophyte. Thus,  
43 encouraging a more in-depth study by those so inclined.

44  
45 Opinions and documentation in this book are based entirely on enacted federal law. Reference authorities  
46 provided consist of the Constitution of the United States of America [ratified 1789], the Legislative Intent of the  
47 16<sup>th</sup> Amendment to properly identify the parties upon whom the federal income tax was intended to be levied  
48 upon, the United States Code, the Statutes At Large [SAL], the Code of Federal Regulations [CFR],  
49 Congressional publications, correspondence from the Federal Register, Testimony before the House Ways &  
50 Means Committee by a federal officer, and legal opinion letters from various government sources. My personal  
51 expressions will be used sparingly.

1 You will soon discover the facts about the Subtitle ‘A’ federal income tax as to just who the “*Taxpayers*” that it  
2 properly addresses are and those that it does not have applicability toward. The facts based on federal laws  
3 speak for themselves. Material presented was designed for the layman to read, comprehend, and develop a  
4 strong foundation before the reader may choose to go deeper.

5  
6 Cornell University has a substantial website <https://www.law.cornell.edu/uscode/text/> that will permit the reader  
7 to download copies of most of the references from the USC and CFR.

8  
9 Other reference sites you might want to investigate on this subject that are very well developed and contain a  
10 wealth of informational material are the Canadian websites of:

- 11
- 12 • <http://famguardian.org>
- 13 • <http://sedm.org>
- 14

15 Some points of clarification before you start your reading:

- 16 1) Verify everything shown in this book,
- 17
- 18 2) Make no more “*presumptions*” about what you think is correct but prove it to your own satisfaction  
19 by thinking critically,
- 20
- 21 3) Anyone can be sincere... and possibly sincerely wrong. Verify the facts and analyze the definition  
22 of the terms before you draw any conclusions,
- 23
- 24 4) When you see the phrase “*American National*” in this work please understand that it is defined to  
25 mean those who were either born in one of the now 50 states of the Union [the Constitutional  
26 Republic] or those naturalized. They are non-resident aliens to all federal jurisdictions. Those are  
27 the ones protected against government intrusion into their lives by the Constitution.  
28

29  
30 Finally, a note of caution, **watch the use of words that you are familiar with and try not to “presume” that they**  
31 **carry the same meaning in federal use.** That is why Black’s Law Dictionary is going to be very useful. Your  
32 everyday use of terms will, more often than not, mean something altogether different when those terms are used  
33 in federal law context.  
34

35 When you were a child you might have used the phrase “*Sticks and stones may break my bones but Words will*  
36 *never hurt me.*” Forget the childish mantra. Words, as an adult, can inflict severe penalties or limitations upon  
37 anyone if you do not take the time to look up the definitions of any term you read. Learn what your government  
38 means by the terms that you so casually use in everyday context.

39 Again, please stop “*presuming*”.

40 Be audacious and think critically....

41  
42  
43  
44 “L’audace, L’audace, toujours l’audace”

# 1 Chapter 1: "American National" or "U.S. citizen" Is there a Difference?

"*Dolus versatur generalibus. A deceiver deals in generals.* 2 Co. 34."

"*Fraus latet in generalibus. Fraud lies hid in general expressions.*"

*Generale nihil certum implicat. A general expression implies nothing certain.* 2 Co. 34.

*Ubi quid generaliter conceditur, in est haec exceptio, si non aliquid sit contra jus fasque. Where a thing is concealed generally, this exception arises, that there shall be nothing contrary to law and right.* 10 Co. 78.

[[Bouvier's Maxims of Law, 1856](#)]

"General expressions", and especially those relating to geographical terms, franchise statuses, or citizenship, are the biggest source of FRAUD in courtrooms across the country. By "general expressions", we mean those which:

1. The speaker is either not accountable or [REFUSES to be accountable](#) for the accuracy or truthfulness or definition of the word or expression.
2. Fail to recognize that there are multiple contexts in which the word could be used.
  - 2.1. CONSTITUTIONAL (States of the Union).
  - 2.2. STATUTORY (federal territory).
3. Are susceptible to two or more CONTEXTS or interpretations, one of which the government representative interpreting the context stands to benefit from handsomely. Thus, "equivocation" is undertaken, in which they TELL you they mean the CONSTITUTIONAL interpretation but after receiving your form or pleading, interpret it to mean the STATUTORY context.

[equivocation](#)

***EQUIVOCATION**, n. Ambiguity of speech; the use of words or expressions that are susceptible of a double signification. Hypocrites are often guilty of equivocation, and by this means lose the confidence of their fellow men. Equivocation is incompatible with the Christian character and profession.*

[SOURCE: <http://1828.mshaffer.com/d/search/word,equivocation>]

*Equivocation ("to call by the same name") is an [informal logical fallacy](#). It is the misleading use of a term with more than one [meaning](#) or [sense](#) (by glossing over which meaning is intended at a particular time). It generally occurs with [polysemic](#) words (words with multiple meanings).*

*Albeit in common parlance it is used in a variety of contexts, when discussed as a fallacy, equivocation only occurs when the arguer makes a word or phrase employed in two (or more) different senses in an argument appear to have the same meaning throughout.*

*It is therefore distinct from (semantic) [ambiguity](#), which means that the context doesn't make the meaning of the word or phrase clear, and [amphiboly](#) (or syntactical ambiguity), which refers to ambiguous sentence structure due to [punctuation](#) or [syntax](#).*

[Wikipedia: *Equivocation*, Downloaded 9/15/2015; SOURCE:

<https://en.wikipedia.org/wiki/Equivocation>]

4. [PRESUME](#) that all contexts are equivalent, meaning that CONSTITUTIONAL and STATUTORY are equivalent.



5. Fail to identify the specific context implied on the form.
6. Fail to provide an actionable definition for the term that is useful as evidence in court.
7. Government representatives actively interfere with or even penalize efforts by the applicant to define the context of the terms so that they can protect their right to make injurious presumptions about their meaning.
8. The Bible calls people who engage in equivocation or who try to create confusion “double minded”. They are also equated with “hypocrites”. Here is what God says about double minded people:

“I hate the **double-minded**, But I love Your law.”  
[Psalm 119:113, Bible, NKJV]

“Cleanse your hands, you sinners; and purify your hearts, you **double-minded**.”  
[James 4:8, Bible, NKJV]

Quote to Contemplate:

“All subjects over which the sovereign power of a state extends are objects of taxation; but those over which it [sovereign power of the state] does not extend are, upon the soundest principles, exempt from taxation. This proposition may almost be pronounced as self-evident.

The sovereignty of a State extends to everything which exists by its authority, or is introduced by its permission.”  
[Chief Justice John Marshall in *McCulloch v. Maryland*, 4 Wheat 4188 at 435]

Time for some fun with the “presumptions” we continually make in our lives. At first glance this subject might not seem important so let’s take a closer look. Ponder this question seriously, “Are you a United States citizen?” Is this the same type of citizen referred to in Article 1, Section 3 “Citizen of the United States”? Here is another one for you, “Are you an ‘American National’?” Did you answer “Yes” to all three questions? *What does it matter, you ask?* A great deal! Think of your answer in context to the federal income tax laws.

Your puzzled expression is similar to most people who face these questions for the first time. Don’t worry; there is a correct answer for you, but one that only you can determine. *Certainly you know who you are, right?*

*First of all, where were you born?* If you were born in one of the 50 states of the Union [and perhaps earn your living in the private sector there] then you are a secured party to the Constitution and are in fact an American National [a nonresident alien by federal definition]. It’s a simple thing to remember; those born in one of the 50 states of the Union, or naturalized into the Republic, are American Nationals. There is a different definition, used by the federal government, for defining those whom they refer to as “U.S. citizens”.

A surprising subject to consider now is the definition of the phrase “United States”. *We all know what that means - - or do we?* Let’s back up a minute and define the word “**definition**” as found in Black’s Law Dictionary.

In Black’s Sixth Edition, the definition of the word “**definition**” is stated to be,

“The process of stating the exact meaning of a word by means of other words. Such a description of the thing defined, including all essential elements and excluding all nonessential, as to distinguish it from all other things and classes.”

Have you ever stopped to think about the term “United States” in regard to its “legal” definition? There is more than one definition and many find that somewhat surprising.

1 Now we are ready to look at the definition of the phrase “*United States*” and we will start with Black’s Law  
2 Dictionary. There are three distinct and separate meanings of the commonly used phrase “*United States*” and  
3 they are as follows:

4  
5 1) *It may be the name of a sovereign occupying the position analogous to that of other sovereigns in*  
6 *the family of nations*, [as in the United Nations]

7  
8 2) *It may designate territory over which the sovereignty of the federal government extends*, [Federal  
9 Zone – Washington, DC & U.S. Territories]

10  
11 3) It may be *collective name of the states* which are united by and under the *Constitution*.” [The  
12 Republic]  
13 [*Black’s Law Dictionary, Sixth Edition, p. 1533*]

14  
15 As a point of clarification of the second definition of “*United States*” in Black’s Law Dictionary, you will find  
16 this further supported by Article 1, Section 8, Clause 17 in the Constitution to mean **only the District of**  
17 **Columbia**. Additionally, the Internal Revenue Code [IRC or Title 26] shows that **26 USC §7408(d) “Citizens**  
18 **and residents outside the United States”** has the following expressed geographical definition:

19  
20 “*If any citizen or resident of the United States does not reside in, and does not have his principal*  
21 *place of business in, any United States judicial district, such citizen or resident shall be treated*  
22 *for purposes of this section as residing in the District of Columbia.*”

23  
24 You will also find at **26 USC §7701(a)(9)** the term “*United States*” defined to mean:

25  
26 “*The term ‘United States’ when used in a geographical sense includes only the States and the*  
27 *District of Columbia.*”

28  
29 Remember the definition of the word “*definition*”? A definition of the word “*includes*” is found in Black’s as  
30 meaning “*to confine, surround, fence in on all sides, shut up, comprise, embrace, etc.*” Thus, this definition  
31 “*consists of, to the exclusion of all nonessential elements*” only the States and the District of Columbia.

32  
33 The next logical question is “*What is the definition of the term ‘State’?*” That is found at **26 USC §7701(a)(10)**  
34 where you find expressed:

35  
36 “*The term ‘State’ shall be construed to include the District of Columbia, where such*  
37 *construction is necessary to carry out provisions of this title.*”

38  
39 So by strict “*definition*” the word “*State*” found in the IRC is limited to mean “*consists of, to the exclusion of all*  
40 *nonessential elements*” only “**the District of Columbia.**”

41  
42 These definitions are the same District of Columbia as described in Article 1, Section 8, Clause 17 of the  
43 Constitution. The sovereignty of the federal government can not extend over the 50 states of the Union as the  
44 federal government is prohibited from extending its sovereign jurisdiction beyond Washington, DC [and the  
45 U.S. Territories since 1898 at the conclusion of the Spanish-American War]. The Treaty of Peace was signed in  
46 Paris between the King of Spain and the United States.

47  
48 You will soon understand that the two key definitions in Black’s Law Dictionary that will be expressed  
49 repeatedly are the second and third definitions. To facilitate the ease in distinguishing the two separate and  
50 distinct geographical jurisdictions, you must know that the term “*Federal Zone*” refers exclusively to the  
51 national government and its sovereignty or absolute control over the lands and people born in the “*United*

1 States” and living there. Thus, the Federal Zone means Washington, DC which is the exclusive [sovereign]  
2 geographical jurisdiction of the national government.

3  
4 The 50 states of the Union [**The Republic**] are separate and sovereign and as such are not within the federal  
5 “United States” [**The Democracy**] jurisdiction. A great deal of confusion and misunderstanding has resulted  
6 over the last 100 years by people blending the two distinctly different jurisdictions without recognition of the  
7 impact of jurisdictional differences and Constitutional factors. Much of this confusion results from a failure to  
8 teach the principles of the separation of powers doctrine in both public schools and law schools.

9  
10 Glad you stayed with it this far? You are probably a little worn out by all the lawyer verbosity created by the  
11 IRC. Just remember, on a first reading things are somewhat confusing no doubt. Why don’t we put the two  
12 §7701 definitions [the exact meaning of the word that comprises all essential elements and excludes all  
13 nonessential elements] for “State” and “United States” together to make the IRC definition just a little clearer.

14  
15 Therefore, “the term “United States” when used in a geographical sense comprises or consists of only the  
16 District of Columbia.” This geographical area is the Federal Zone. But most people would naturally think  
17 there should be an easier or more straightforward way of defining the term “United States” than all that we just  
18 read.

19  
20 Well guess what, there is! In 26 USC, Chapter 38 – Environmental Taxes, Subchapter A – **Tax on Petroleum**  
21 **[Excise Tax], Section 4612 (a)** there is a definition for the term “United States” as follows:

22  
23 *“For the purposes of this chapter” [Chapter 38] United States is defined accordingly, (4) “The*  
24 *term ‘United States’ means the 50 States, the District of Columbia, the Commonwealth of*  
25 *Puerto Rico, any possession of the United States [the federal government per Article 1 Section 8*  
26 *Clause 17], the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the*  
27 *Pacific Islands.”*

28  
29 Would it really be so hard for the IRS to have defined “United States” in 7701(a)(9) & (a)(10) to mean “the 50  
30 states of the Union” when addressing federal income taxes under Subtitle ‘A’ of the IRC?

31  
32 Yes it would as the term “United States” [other than Chapter 38 for petroleum excise taxes] when addressed or  
33 applying a reference to the federal income tax only applies to the District of Columbia and not the 50 states of  
34 the Union. Does this now make sense as to why the Section 4612(a) says “*For the purposes of this chapter*”  
35 means that the definition of “United States” as stated in section 4612 only references the 50 states in context to  
36 an excise tax only on petroleum products?

37  
38 *Why all the fuss?* Different jurisdictions have different rules for one reason. Keep reading and this will become  
39 clearer shortly.

40  
41 No doubt you have seen the phrase “U.S. citizen” on various government forms and banking documents. Are  
42 you at least curious by now as to why the phrase “American National” is not used in these forms and  
43 documents?

44  
45 There is a very large difference between “United States citizens” or “U. S. citizens” [people who were born in  
46 and/or live in the Federal Zone] and American Nationals [people born in the 50 states – The Republic]. The  
47 definition for “U.S. citizen” is found at 8 USC §1401 (a) to mean “a person born in the United States, and  
48 subject to the jurisdiction thereof.”

49  
50 The areas where you will find the true federal statutory creations called “U.S. citizens” are in Puerto Rico, the  
51 U.S. Virgin Islands, Guam, and the other U.S. Territories. I have been informed that these people carry U.S.  
52 citizen ID cards.

1 See the use of the very small word “and”? That small word links the two elements together. The elements are:  
 2 (1) “*born in the United States*” [Federal Zone District of Columbia], **and** (2) “*subject to the jurisdiction* [of the  
 3 District of Columbia] *thereof*,” Government subjects are inferior to the government as they are the creations of  
 4 that government. This is identical to monarchical government in that people are subject to that monarchy.  
 5 Remember, the Constitution has no valid application in the Federal Zone!

6  
 7 As our Constitution tells us, the federal government was created by “We The People” who **made the**  
 8 **government inferior to us as we are its creator.** As descendents of the founding fathers, that makes American  
 9 Nationals superior to its government in our country.

10  
 11 Is your question now, “OK, so all that means what to me?” The discovery of this distinct definition came from  
 12 26 CFR §301.6109-1 Identifying Numbers. This legislative regulation states,

13  
 14 *“A Social Security Number is generally identified in the records and database of the Internal*  
 15 *Revenue Service as a number belonging to a ‘U.S. citizen’ or resident alien individual.”*

16  
 17 But who are those who can apply for and be issued a SSN? That answer is found in 20 CFR §422.104 as shown:

18  
 19 **§422.104 Who can be assigned a social security number.**

20  
 21 (a) **Persons eligible for SSN assignment.** We can assign you a SSN if you meet the evidence  
 22 requirements in §422.107 **and you are:**

23  
 24 (1) **A United States citizen**; or

25  
 26 (2) An **alien lawfully admitted** to the United States for permanent residence ...

27  
 28 (3) An **alien who cannot provide evidence of alien status** showing lawful admission to the  
 29 U.S. ....

30 (i) *You need a social security number to satisfy a Federal statute or regulation that*  
 31 *requires you to have a social security number in order to receive a Federally-*  
 32 *funded benefit to which you have otherwise established entitlement and you reside*  
 33 *either in or outside the U.S.;*

34  
 35 (ii) *You need a social security number to satisfy a State or local law that requires you*  
 36 *to have a social security number in order to receive public assistance benefits*  
 37 *to which you have otherwise established entitlement,, and you are legally in the*  
 38 *United States*

39  
 40 As evidenced by regulation 20 CFR §422.104 found under **EMPLOYEE BENEFITS**, American Nationals  
 41 have no reason or requirement to obtain an SSN. The SSA indicates **there is no law requiring Americans to**  
 42 **obtain a SSN** when the National SSA office stated:

43  
 44 *“The Social Security Act does not require a person to have a Social Security Number [SSN]*  
 45 *to live and work in the United States...”*

46 *[SEDM Exhibit #07.004;*

47 *SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]*

48  
 49 The Federal government does not possess the power to force any American to obtain a “*State Number*” in order  
 50 to live and work in the Constitutional Republic but we all know that most private sector non-federal employers  
 51 seem to blatantly disregard this fact and coerce many with threat of losing their jobs if they don’t sign up.

52  
 53 This goes against the grain of what **U.S. Supreme Court Justice Lewis D. Brandeis declared in his**  
 54 **dissenting opinion in Olmstead v. U.S., 277 U.S. 438 (1928):**

1 *“The makers of our Constitution undertook to secure conditions favorable to the pursuit of*  
 2 *happiness. They recognized the significance of man’s spiritual nature, of his feelings, and*  
 3 *his intellect. They know that only a part of the pain, pleasure and satisfactions of life are to*  
 4 *be found in material things.*

5  
 6 *They sought to protect Americans in their beliefs, their thoughts, their emotions and their*  
 7 *sensations. They conferred, as against the Government, the right to be let alone, - - the most*  
 8 *comprehensive of rights, and the right most valued by civilized men.”*

9  
 10 As the federal government defines its terms, you can easily see that there is clarity but yet something just not  
 11 complete.

12  
 13 Persons born within and domiciled within the states of the Union are called “nationals” or “state nationals” and  
 14 are defined in 8 USC §1101(a)(21):

15 [8 USC §1101 Definitions](#) [for the purposes of citizenship]

16 (a)(21) *The term "national" means a person owing permanent allegiance to a state.*

17  
 18 The “state” to which they refer above is lower case because it is a “foreign state” for the purposes of legislative  
 19 but not political jurisdiction.

20 *Foreign Laws: “The laws of a foreign country or sister state. In conflicts of law, the legal*  
 21 *principles of jurisprudence which are part of the law of a sister state or nation. Foreign laws are*  
 22 *additions to our own laws, and in that respect are called 'jus receptum'.”*  
 23 *[Black’s Law Dictionary, Sixth Edition, p. 647]*

24  
 25 *Foreign States: “Nations outside of the United States...Term may also refer to another state;*  
 26 *i.e. a sister state. The term ‘foreign nations’, ...should be construed to mean all nations and*  
 27 *states other than that in which the action is brought; and hence, one state of the Union is foreign*  
 28 *to another, in that sense.”*  
 29 *[Black’s Law Dictionary, Sixth Edition, p. 648]*

30  
 31 *Syllabus of Case*

32 *“The States between each other are sovereign and independent. They are distinct and separate*  
 33 *sovereignties, except so far as they have parted with some of the attributes of sovereignty by the*  
 34 *Constitution. They continue to be nations, with all their rights, and under all their national*  
 35 *obligations, and with all the rights of nations in every particular; except in the surrender by each*  
 36 *to the common purposes and objects of the Union, under the Constitution. The rights of each*  
 37 *State, when not so yielded up, remain absolute.”*  
 38 *[Bank of Augusta v. Earle, 38 U.S. (13 Pet.) 519, 10 L.Ed. 274 (1839)]*

39  
 40 *“In determining the boundaries of apparently conflicting powers between states and the general*  
 41 *government, the proper question is, not so much what has been, in terms, reserved to the states,*  
 42 *as what has been, expressly or by necessary implication, granted by the people to the national*  
 43 *government; for each state possess all the powers of an independent and sovereign nation,*

1 except so far as they have been ceded away by the constitution. The federal government is but a  
2 creature of the people of the states, and, like an agent appointed for definite and specific  
3 purposes, must show an express or necessarily implied authority in the charter of its  
4 appointment, to give validity to its acts.”

5 [People ex re. Atty. Gen. V. Naglee, 1 Cal. 234 (1850)]

6 “U.S. citizens” have no benefit of constitutional protections of the God-given rights enjoyed by American  
7 Nationals. The reason - - the Constitution only has applicability within the Republic, not in the Democracy  
8 called Washington, DC. The Constitution does not extend into the District of Columbia. Washington, DC is  
9 sovereign territory granted as exclusive or monarchical jurisdiction belonging only to the “United States” - - the  
10 federal government.

11  
12 So when you complete the application [the purported constructive trust private law contract which permits the  
13 Federal government the opportunity to bypass the constitutional limitation imposed against it], you in effect  
14 have told the Federal government that you are a “U.S. citizen”. Is it any wonder why the IRS considers anyone  
15 with a SSN to be anything but a “U.S. citizen” or “resident alien” individual based on 26 CFR §301.6109-1?  
16 This apparent deception has been the root cause of financial and Constitutional disenfranchisement of all  
17 American Nationals who use a Social Security Number [Federal property per 20 CFR §442.103(d)].

18  
19 *Now do you understand why so many who have been dragged into U.S. District Courts have lost?* The Judge is  
20 absolutely correct about that issue as “U.S. citizens” are devoid of any constitutional rights as the Federal  
21 government only grants them privileges and welfare that the ungrateful peons don’t seem to appreciate all that  
22 the United States does for them.

23  
24 The lowest common denominator is the SSN. The result of one who uses this Federal property in their private  
25 sector employment, banking, or other functions have [in effect] become “**one who operate in a representative**  
26 **capacity**” [per Federal Rule of Civil Procedure 17(b)] of their “real” employer, the Federal government.

27  
28 The problem for those who were slammed and in fact are American Nationals is that they assumed exactly what  
29 the government wanted them to assume so that the control became absolute by the sovereign over its  
30 dissimulated subjects. Those who signed over into the federal jurisdiction by purported constructive trust  
31 private law contact with the government apparently get what they have coming to them in the eyes of the  
32 government.

33  
34 The same is true with the IRS. They have made the “presumption” you are a “U.S. citizen” and as such are  
35 “**subject to the jurisdiction of the federal government**” as described at 26 USC §7408(d). If you do not know  
36 the law, that is not the problem of the IRS. It is the duty of every American National to know the law [what a  
37 task that truly is]. Now that you are aware of the deception it is time to rebut the IRS “assumption” granted  
38 under 26 CFR §301.6109-1. If you have not rebutted the IRS “assumption” that you are a “U.S. citizen”, then  
39 you must be who the IRS “assumes” you are.

40  
41 American Nationals must rebut the IRS “presumption” of being a “U.S. citizen” according to U.S. v. Slater, 545  
42 Fed.Supp. 179, 182 (1982), because:

43  
44 **“Unless the defendant can prove he is not a citizen of the United States [the Federal Zone],**  
45 **the IRS has the right to inquire and determine a tax liability”** [Clarification added]

46  
47 Article XIV [14<sup>th</sup> Amendment] Section 1 states,

48  
49 **“All persons born or naturalized in the ‘United States’, and subject to the jurisdiction thereof,**  
50 **are citizens of the ‘United States’ and of the ‘State’ wherein they reside.”**

51  
52 There is more to this Amendment but the pertinent parts are presented for your consideration. This Amendment  
53 makes persons born in or naturalized in the Federal Zone statutory citizens of the Federal government.

1  
2 This Amendment was originally passed to provide a federal or statutory citizenship status to the former slaves  
3 following the conclusion of the Civil War. At the end of the Spanish-American War, Spain ceded over  
4 territories and people, which now make up the current U.S. Territories and possessions of the Federal  
5 government. These people are “U.S. citizens” and carry federally issued U.S. Citizenship identification cards  
6 and are “*subject to the exclusive [sovereign] jurisdiction*” of Congress.

7  
8 The majority of the laws that Congress passes only apply to these citizens. This can be argued because there is  
9 no Constitutional requirement that Congress tell any American the lawful jurisdiction for each Act of Congress  
10 which is very convenient for them and disturbing for Americans who understand the potential for harm and  
11 confusion arising from the lack of such clarity on the part of those in Congress.

12  
13 Before passing the 14<sup>th</sup> Amendment however, the Congress of the United States formally acknowledged the  
14 distinction of American Nationals in legislation. You can find the specific legislation, The Expatriation Act, in  
15 the Statutes At Large, Volume 15, Chapter 249, page 223, 40<sup>th</sup> Congress, on July 27, 1868.

16  
17 *Are you a “U.S. citizen”?* You decide. Look at this definition found in **26 CFR §31.3121(e) State, United**  
18 **States, and citizen;**

19  
20 (b)...”**The term ‘citizen of the United States’ includes** [consists of to the exclusion of all  
21 others; comprises] **a citizen of the Commonwealth of Puerto Rico or the Virgin Islands, and**  
22 **effective January 1, 1961, a citizen of Guam or American Samoa.** [Clarification added]

23  
24 Congress stated in the Expatriation Act that,

25  
26 **“An Act concerning the Rights of American Citizens in foreign States....Be it enacted by the**  
27 **Senate and House of Representatives of the United States of America in Congress assembled,**  
28 **that any declaration, instruction, order or decision of any Officers of this government which**  
29 **denies, restricts, impairs or questions the right of expatriation, is hereby declared inconsistent**  
30 **with the fundamental principles of this government.”**

31  
32 Did you notice the reference to “*American Citizens in foreign States*”? The Congress is telling everyone who  
33 cares to notice that the United States is separate and distinct from the now 50 states of the Union [The Republic]  
34 and that the Congress considers American Nationals [Nonresident aliens to federal jurisdiction] to live in a  
35 “*foreign state*”.

36  
37 Take a look at the Constitution of the United States of America [ratified 1789] in **Article 1, Section 8, Clause**  
38 **17** and you find the geographical jurisdiction and limits of the majority of political authority for the Federal  
39 government.

40  
41 **“The Congress shall have the power to....exercise exclusive legislation in all cases whatsoever,**  
42 **over such District [not exceeding ten miles square] as may, by cession of particular States, and**  
43 **the Acceptance of Congress, become the seat of the Government of the United States, and to**  
44 **exercise like authority over all places purchased by the consent of the Legislature of the State**  
45 **in which the same shall be, for the erection of forts, magazines, arsenals, dock-yards, and other**  
46 **needful buildings...”**

47  
48 Simply put, the Constitution of the United States of America clearly shows that the several States [the 50 states  
49 of the Union] are considered to be foreign States from the “*United States*” [The Federal Zone]. The “*United*  
50 *States*” exists only within the jurisdiction, described within the Constitution, as the “*District not exceeding ten*  
51 *miles square*” meaning Washington, DC. The 50 states of the Union are separate, unique and foreign to the  
52 exclusive sovereign jurisdiction of the United States [the Federal government].

53  
54 Jurisdiction in which a law is applicable is vital to understanding if a federal law applies to American Nationals.  
55 Congresswoman Zoe Lofgren stated in a recent letter,

1  
2 ***“There is no Constitutional requirement to identify the source of authority when passing a***  
3 ***particular law....evaluation of Constitutional authority must be done on a case by case***  
4 ***basis.”*** [Emphasis added]  
5 [SEDM Exhibit #09.024;  
6 SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]  
7

8 Did you ask yourself “Why” Congress doesn’t want to tell American Nationals the “***jurisdiction***” in which  
9 each law Congress passes is applicable towards? Could it be they simply want Americans to “assume” that  
10 each law Congress passes also applies to the 50 states of the Union? Ask about the Patriot Act as to its intended  
11 jurisdiction!

12  
13 Even worse, could it be that Congress now considers the majority of people living in the 50 states of the Union  
14 to be “U.S. citizens” while only very few still remain as independent American Nationals? Okay, I will step  
15 down from my soapbox again but most readers would have to admit these are important questions to consider.

16  
17 If you don’t make the effort to find out, then the statement in Hosea 4:6 is appropriate when our Creator and  
18 Grantor of our constitutionally protected Rights stated,

19  
20 ***“My people are destroyed for a lack of knowledge.”***  
21

22 A deception takes place upon the unsuspecting public when the government should be proactive in providing  
23 full disclosure as to the implications and ramifications of any American National who seeks to acquire a SSN  
24 and selects the box for “U.S. citizen”.

25  
26 Those of us who were born in one of the 50 states [The Republic], live there, and earn our living there are  
27 American Nationals. We are the people who enjoy all the Constitutional Protections of our God-given Rights.  
28 We are not subject to the exclusive [sovereign] jurisdiction of the United States [the National government] as  
29 are those who are truly “U.S. citizens”.

30  
31 When you travel about your city look for buildings with signs proclaiming “United States Postal Service” or  
32 “United States Federal Courthouse”, it should now dawn on you that the sign is proclaiming that building or  
33 location is in effect an insular possession of the National government.

34  
35 Upon entering that building or property you have, for all practical purposes, entered a foreign country or  
36 “jurisdiction”. You are no longer standing in the state jurisdiction you were in prior to your entry into the  
37 federal facility.

38  
39 Let’s look at what the U.S. Supreme Court has to say about jurisdiction. In the case Downes v. Bidwell, 182  
40 U.S. 244 (1901), the Court stated,

41  
42 ***“Constitutional restrictions and limitations*** [Bill of Rights] ***were not applicable to the areas of***  
43 ***lands, enclaves, territories, and possessions over which Congress had Exclusive*** [sovereign]  
44 ***Legislative Jurisdiction.”*** [Emphasis & Clarification added]  
45

46 This Supreme Court ruling says that it doesn’t matter what the restriction and limitations are stated to be in the  
47 Constitution against the National government when considering the Federal Zone. ***Article 1 Section 8 Clause***  
48 ***17 & 18*** of the Constitution created the National government’s geographical jurisdiction called the District of  
49 Columbia. In this exclusive jurisdiction the Congress is free “***to dispose of and make all needful rules and***  
50 ***regulations respecting the territory or the property belonging to the United States.”***

51  
52 Additionally, the Supreme Court stated in the Downes v. Bidwell decision that,  
53



1            ***“The laws of Congress in respect to those matters [outside of Constitutionally delegated***  
2            ***powers] do not extend into the territorial limits of the states [the 50 states of the Union], but***  
3            ***have force only in the District of Columbia, and other places that are within the exclusive***  
4            ***jurisdiction of the national government.”*** [Emphasis & Clarification added]

5  
6 As such, the restrictions and limitations that apply against the National government, in regards to the 50 states of  
7 the Union, have no applicability against Congress in the Federal Zone. “U.S. citizens” are **subject to** the  
8 exclusive [sovereign] jurisdiction of Congress. There are no protections under the constitution in the District of  
9 Columbia.

10  
11 It is therefore clear that the District of Columbia is a unique and sovereign jurisdiction belonging not to the  
12 people of the 50 states of the Union but only to the federal corporation established by the contract we routinely  
13 refer to as the Constitution.

14  
15 The goal of governments throughout world history is to seek power and exclusive control. Due to the  
16 limitations of the Constitution, there was devised a clever plan to acquire the extension of powers over  
17 Americans by bringing them under Federal control via private law contracts.

18  
19 Thus there can be no claim brought forth against the Federal government for violation of the Constitution and  
20 the limitations placed against the National government. Perhaps, however, there is just a violation of the spirit  
21 of the Constitution by deception in order to extend its power and control. By definition, the United States and  
22 the 50 states of the Union [foreign states to the jurisdiction of the National government] have two entirely  
23 different forms of government. The “United States” uses a legislative democracy as its form of government in  
24 which 51% rule the other 49%.

25  
26 The 50 states of the Union, as found in the Constitution of the United States of America [ratified 1789] at  
27 Article IV, Section 4 states, ***“The United States shall guarantee to every State in the Union a Republican form***  
28 ***of government...”*** American Nationals live in a republic where all God-given Rights are protected under  
29 common law and secured by the Constitution.

30  
31 Despite the obvious common law foundation of a republican form of government, most in today’s society  
32 consider that American Nationals operate under the Statute Laws of the District of Columbia. You will find  
33 stated in the Uniform Commercial Code, Section 1-103:6 the statement,

34  
35            ***“A Statute should be construed in harmony with the common law, unless there is a clear***  
36            ***legislative intent to abrogate the common law....the Code cannot be read to preclude a***  
37            ***common law action.”***

38  
39 What all this means is that a Statute provides a means for National government control via the creation of the  
40 group of government agents known as “attorneys at law”. The law basically tells us we can do anything we  
41 want to do, so long as we do not injure any one’s person, property, or rights. Statutes by themselves are the  
42 “law” for all who are “U.S. citizens”.

43  
44 Statutes alone are not law when directed to American Nationals in the Republic and they only should be in  
45 harmony with the common law. In other words, the BAR [British Accredited Registry] Association is telling us  
46 that its’ member army of Attorneys at Law are going to treat our law [common law] as if it is nonexistent.

47  
48 Our unalienable rights are a product of, and protected by, the common law [Constitution] and not Statute Law.  
49 Statutes are where the term “Civil Rights” originated and are based upon an inferior citizenship known as “U.S.  
50 citizens”.

51  
52 Civil Rights are contract based rights from the BAR Association and not the rights secured in the first ten  
53 Amendments to the Constitution of the United States. Currently, there are over 60 million Statutes. Any time

1 the BAR Association decides to add to its power and its pocketbook, it simply prosecutes people through one or  
2 more of its gargantuan number of statutes.

3  
4 So we have a Congress, which can create any statute law that they desire to be made applicable in the Federal  
5 Zone even if it would be considered “*unconstitutional*” in the 50 states of the Union. The Congressional law  
6 would be valid by Statute only by application in the Federal Zone exclusively.

7  
8 The Congress uses contract law skillfully but deceptively well in the case of the SSN application [a purported  
9 constructive trust contract] to convert American Nationals into their indentured financial servants and straddle  
10 them with the Federal deficit.

11  
12 Is that what our forefathers intended the Federal government to do? Have you read the Declaration of  
13 Independence and noticed that one of the reasons our forefathers broke from the tyranny of King George was  
14 “*For imposing taxes on us without our consent*”? The Excise taxes the Federal government needs is valid and  
15 the government was granted them with our forefathers consent. The Federal income tax was never permitted by  
16 the constitution created by our forefathers and so the federal bureaucrats/aristocracy devised an alternative  
17 method to circumvent that limitation.

18  
19 Consent is given by the SSN application! Think about it for a moment.

20  
21 People would get the idea more readily if Congress would only appoint a “*King or Queen*” of Washington, D.C.  
22 Such an enacted law should be applicable to the District of Columbia but would have no effect in the 50 states  
23 of the Union. That would be a clear signal to all Americans that the District of Columbia is a separate and  
24 distinct jurisdiction with its own ability and authority to create laws for its jurisdiction.

25  
26 Up until the 14<sup>th</sup> Amendment was ratified in 1868, there was no such thing as a “*U.S. citizen*” in federal laws.  
27 The term “*U.S. citizen*” was originally invented to protect the former slaves following the end of the Civil War.  
28 Reading the history prior to the Civil War you find most Americans considered allegiance primarily to the  
29 singular state of the Union in which they resided.

30  
31 You will find this fact stated in Crosse v. Board of Supervisors, 221 A.2d. 431 (1966):

32  
33 *“Both before and after the Fourteenth Amendment to the Federal Constitution, it has not been*  
34 *necessary for a person to be a citizen of the United States in order to be a citizen of his state.”*

35  
36 No wonder the confusion has caused so many “*presumptions*” over the years. The terminology should have  
37 been designed to be less confusing in order to keep people informed and aware of what the reference points  
38 were from the beginning. Do you think these semantic similarities were accidental or are they part of some  
39 design to permit the casual observer to be easily deceived or defrauded?

40  
41 It has long been understood that everything a government does, it does with design and purpose. Governments  
42 historically seek to gain maximum control and benefit of that control to further the objectives of those in power.  
43 However, governments do not exist in a vacuum but rather are imperfect creations of man.

44  
45 So the men and women in government circles, who are running the government and the banking interests, are  
46 careful and purposeful in their elite positions of authority. They are skillful in the “*words of art*” and the  
47 purpose behind them. It is the unaware who suffer the most, when the basic necessities of life divert their  
48 attention and interest, resulting in their lives being contained and controlled by such words of legal art.

49  
50 Just as the aging process is so imperceptible on a daily basis, the path leads to the inevitable endpoint. Our  
51 forefathers knew these facts all too well. The grand experiment that this nation embarked upon in 1776 has  
52 never been left unattended by those educated elite who weave such a deceptive web of legalese.

1 All of us are indebted to the many contributions of the great men and women who, to this day, continue to make  
2 this nation what it is. They are recognized and applauded. World History, however, cautions all of us to be  
3 vigilant as the ultimate goal of government is absolute power if not held in check. The cycle was broken by the  
4 birth of this nation but history holds out the warning signs of the almost imperceptible process that has been  
5 instituted to make the Constitution a mere document of history for use only by museums. How long this concept  
6 of the average American being sovereign and controlling the reigns of government will last is the question for  
7 our generation.

8  
9 Being a “U.S. citizen” affords no advantages to American Nationals and is nothing but a liability as far as can be  
10 determined. Those who are Subtitle ‘A’ Taxpayers are those who:

- 11 (1) *Work for the Federal government by engaging in the conduct of a trade or business,*
- 12 (2) *Are “U.S. citizens”,*
- 13 (3) *Are Resident aliens, and*
- 14 (4) *Operate in a representative capacity in behalf of the national government by private law constructive*  
15 *trust contracts which are not voidable ab initio.*

16  
17  
18 According to 26 CFR §1.871-1, those who are non-resident aliens [American Nationals who have no domicile  
19 within the United States a.k.a. the District of Columbia] have no liability for the Subtitle ‘A’ Federal income tax  
20 because they:

21  
22 *“Do not derive their income from being engaged in the conduct of a trade or business [meaning*  
23 *the performance of the functions of a public office per 26 USC §7701(a)(26)] in the United*  
24 *States [meaning the District of Columbia]” [Emphasis & Clarification added]*

25  
26 According to 26 USC §7701(b)(1)(B) one is a nonresident alien *“if such individual is neither a citizen of the*  
27 *United States [a.k.a. the District of Columbia] nor a resident of the United States.”* Again in 26 CFR §1.871-  
28 1(b)(4) you find this regulation now addressing in more detail what a nonresident alien is rather than the statute  
29 at 7701 (b)(1)(B) defining only what a nonresident alien is not. This regulation addresses *“Expatriation to*  
30 *avoid tax. For special rules applicable in determining the tax of a nonresident alien individual who has lost*  
31 *U.S. citizenship with a principal purpose of avoiding certain taxes, see section 877.”*

32  
33 Do you see what is going on? How can a Nonresident Alien ever lose what he/she never had? How can a  
34 Nonresident alien be a “U.S. citizen” [a.k.a. citizen of the United States] when the statute at 26 USC  
35 §7701(b)(1)(B) clearly shows that such a U.S. citizen /citizen of the United States [the District of Columbia]  
36 designation is an impossibility?

37  
38 Thus, in a round about way the regulation is addressing American Nationals [who could not be legally called a  
39 “U.S. citizens” by the statutory definition per 8 USC §1401(a)] as who were born in one of the 50 states of the  
40 Union who in effect become “stateless” in regard to federal jurisdiction [not having any federal domicile and  
41 not deriving any income from being engaged in the conduct of a trade or business – the performance of the  
42 functions of a public office a.k.a. working for the national government] without having to expatriate.

43  
44 Most have thought the only way to legally avoid the federal income tax was to expatriate and leave the country  
45 and become a citizen of a different country. This is a very interesting discovery and has really got to be difficult  
46 for the national government in that American Nationals are identified properly as nonresident aliens who are  
47 *without the “United States”* as to jurisdiction and have no federal income tax liability and in turn do not have to  
48 “expatriate” which was commonly thought of as the only alternative to legally avoid the taxation by the national  
49 government.

50  
51 Thus, this dance of words about citizenship began with filling out a Social Security Application [today’s Form  
52 SS-5] which in reality is a purported constructive trust contract established under private law but is not a  
53 contract at all.

1  
2 Americans have long made the assumption that a “U.S. citizen” meant the same thing as a citizen in one of the  
3 50 states of the Union. We know better now. Those born in the 50 states of the Union are nonresident aliens  
4 [American Nationals] and only have a taxable liability if they derive income from being engaged in the federal  
5 franchise called a “trade or business” within the United States. This may appear complex but take heart; there  
6 is a method to resolve this incorrect identification of your American National status as well as getting rid of the  
7 SSN if it was established incorrectly according to contract law.

8  
9 The initial step is to obtain a clear legible photocopy of the original SSN application from the SSA. There is a  
10 SSA form to use and the current charge by the SSA to obtain a photocopy is \$27. A copy of that form is found  
11 in the exhibit section regarding a Request for a Photocopy of the original application submitted.

12  
13 Additionally, the Administrative Procedures Act provides a process whereby you can rebut your SSN induced  
14 status of being labeled as a “U.S. citizen”. The reason that you must rebut the “assumption” [arising from the  
15 SSN purported constructive trust contract] is that without a rebuttal, the “presumption” by the government  
16 remains valid and the Internal Revenue Service (I.R.S.) continues to identify you as being a “U.S. citizen” and  
17 thus a “Taxpayer” merely by your use or having secured a SSN.

18  
19 You have a choice to make as a free moral agent, should you choose to accept that role, to continue identifying  
20 yourself as a “U.S. citizen” [if that is your proper status] or to rebut and reconfirm your rightful status as a  
21 nonresident alien [one who is neither a U.S. citizen or resident alien] to the federal jurisdiction and are in fact an  
22 American National [a secured party to the Constitution].

23  
24 One concerning thought on the word “citizen” is found in Black’s Law Dictionary Sixth Edition, where you find  
25 ***“citizens are members of a political community who, in their associated capacity, have established or***  
26 ***submitted themselves to the dominion of a government for the promotion of their general welfare and***  
27 ***protection of their individual as well as collective rights.”***

28 To close this chapter with big bang, the following subsections provide a succinct graphical summary of  
29 everything you could ever want to know about citizenship that the government doesn’t want you to know.  
30 These copyrighted diagrams and tables are provided with permission from Sovereignty Education and Defense  
31 Ministry (SEDM) (<http://sedm.org>) and are extracted from their forms page as follows:

*Citizenship, Domicile, and Tax Status Options*, Form #10.003  
<http://sedm.org/Forms/FormIndex.htm>

## 1.1 The Four "United States"

It is very important to understand that there are THREE separate and distinct CONTEXTS in which the term "United States" can be used, and each has a mutually exclusive and different meaning. These three definitions of "United States" were described by the U.S. Supreme Court in [Hooven and Allison v. Evatt, 324 U.S. 652 \(1945\)](#):

**Table 1: Geographical terms used throughout this page**

<i>Term</i>	<i># in diagrams</i>	<i>Meaning</i>
United States*	1	The country "United States" in the family of nations throughout the world.
United States**	2	The "federal zone".
United States***	3	Collective states of the Union mentioned throughout the Constitution.

In addition to the above GEOGRAPHICAL context, there is also a legal, non-geographical context in which the term "United States" can be used, which is the GOVERNMENT as a legal entity. Throughout this page and this website, we identify THIS context as "United States\*\*\*\*" or "United States<sup>4</sup>". The only types of "persons" within THIS context are [public offices within the national and not state government](#). It is THIS context in which "sources within the United States" is used for the purposes of "income" and "gross income" within the Internal Revenue Code, as proven by:

*Non-Resident Non-Person Position*, Form #05.020, Sections 4 and 5

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/NonresidentAlienPosition.pdf>

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

The reason these contexts are not expressly distinguished in the statutes by the Legislative Branch or on government forms crafted by the Executive Branch is that they are the KEY mechanism by which:

1. Federal jurisdiction is unlawfully enlarged by abusing [presumption](#), which is a violation of due process of law. See:

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

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/Presumption.pdf>

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

2. The separation of powers between the states and the national government is destroyed, in violation of the legislative intent of the Constitution. See:

*Government Conspiracy to Destroy the Separation of Powers*, Form #05.023

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/SeparationOfPowers.pdf>

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

3. A "society of law" is transformed into a "society of men" in violation of [Marbury v. Madison, 5 U.S. 137 \(1803\)](#):

*"The government of the United States has been emphatically termed a government of laws, and not of men. It will certainly cease to deserve this high appellation, if the laws furnish no remedy for the violation of a vested legal right."*

[[Marbury v. Madison, 5 U.S. 137, 163 \(1803\)](#)]

4. Exclusively PRIVATE rights are transformed into public rights in a process we call "invisible eminent domain using presumption and words of art".
5. Judges are unconstitutionally delegated undue discretion and "arbitrary power" to unlawfully enlarge federal jurisdiction. See:

*Federal Jurisdiction*, Form #05.018

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/FederalJurisdiction.pdf>

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

The way a corrupted Executive Branch or judge accomplish the above is to unconstitutionally:

1. PRESUME that ALL of the four contexts for "United States" are equivalent.
2. PRESUME that CONSTITUTIONAL citizens and STATUTORY citizens are EQUIVALENT under federal law. They are NOT. A CONSTITUTIONAL citizen is a "non-resident " under federal civil law and NOT a STATUTORY "national and citizen of the United States\*\* at birth" per 8 USC §1401. See the document below:

*Why You are a "national", "state national", and Constitutional but not Statutory Citizen*, Form #05.006

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/WhyANational.pdf>

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

3. PRESUME that "nationality" and "domicile" are equivalent. They are NOT. See:

*Why Domicile and Becoming a "Taxpayer" Require Your Consent*, Form #05.002

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/Domicile.pdf>

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

4. Use the word "citizenship" in place of "nationality" OR "domicile", and refuse to disclose WHICH of the two they mean in EVERY context.
5. Confuse the POLITICAL/CONSTITUTIONAL meaning of words with the civil STATUTORY context. For instance, asking on government forms whether you are a POLITICAL/CONSTITUTIONAL citizen and then FALSELY PRESUMING that you are a STATUTORY citizen under 8 USC §1401.
6. Confuse the words "[domicile](#)" and "[residence](#)" or impute either to you without satisfying the burden of proving that you EXPRESSLY CONSENTED to it and thereby illegally kidnap your civil legal identity against your will. One can have only one "domicile" but many "residences" and BOTH require your consent. See:

*Why Domicile and Becoming a "Taxpayer" Require Your Consent*, Form #05.002

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/Domicile.pdf>

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

7. Add things or classes of things to the meaning of statutory terms that do not EXPRESSLY appear in their definitions, in violation of the rules of statutory construction. See:

*Legal Deception, Propaganda, and Fraud*, Form #05.014

DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf>

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

8. PRESUME that STATUTORY diversity of citizenship under 28 USC §1332 and CONSTITUTIONAL diversity of citizenship under Article III, Section 2 of the United States Constitution are equivalent.
  - 8.1. STATUTORY and CONSTITUTIONAL diversity are NOT equal and in fact are mutually exclusive.
  - 8.2. The STATUTORY definition of "State" in 28 USC §1332(e) is a federal territory. The definition of "State" in the CONSTITUTION is a State of the Union and NOT federal territory.
  - 8.3. They try to increase this confusion by dismissing diversity cases where only diversity of RESIDENCE (domicile) is implied, instead insisting on "diversity of CITIZENSHIP" and yet REFUSING to define whether they mean DOMICILE or NATIONALITY when the term "CITIZENSHIP" is invoked. See *Lamm v. Bekins Van Lines, Co*, 139 F.Supp.2d. 1300, 1314 (M.D. Ala. 2001)("To invoke removal jurisdiction on the basis of diversity, a notice of removal must distinctly and affirmatively allege each party's citizenship.", "[a]verments of residence are wholly insufficient for purposes of removal.", "[a]lthough 'citizenship' and 'residence' may be interchangeable terms in common parlance, the existence of citizenship cannot be inferred from allegations of residence alone.").
9. Refuse to allow the jury to read the definitions in the law and then give them a definition that is in conflict with the statutory definition. This substitutes the JUDGES will for what the law expressly says and thereby substitutes PUBLIC POLICY for the written law.

10. Publish deceptive government publications that are in deliberate conflict with what the statutes define "United States" as and then tell the public that they CANNOT rely on the publication. The [IRS does this with ALL of their publications](#) and it is FRAUD. See:

*Reasonable Belief About Income Tax Liability*, Form #05.007  
 DIRECT LINK: <http://sedm.org/Forms/05-MemLaw/ReasonableBelief.pdf>  
 FORMS PAGE: <http://sedm.org/Forms/FormIndex.htm>

This kind of arbitrary discretion is PROHIBITED by the Constitution, as held by the U.S. Supreme Court:

*'When we consider the nature and the theory of our institutions of government, the principles upon which they are supposed to rest, and review the history of their development, we are constrained to conclude that they do not mean to leave room for the play and action of purely personal and arbitrary power.'*

[*Yick Wo v. Hopkins*, [118 U.S. 356, 369](#), 6 S. Sup.Ct. 1064, 1071]

Thomas Jefferson, our most revered founding father, precisely predicted the above abuses when he said:

*"It has long been my opinion, and I have never shrunk from its expression,... that the germ of dissolution of our Federal Government is in the constitution of the Federal Judiciary--an irresponsible body (for impeachment is scarcely a scare-crow), working like gravity by night and by day, gaining a little today and a little tomorrow, and advancing its noiseless step like a thief over the field of jurisdiction until all shall be usurped from the States and the government be consolidated into one. To this I am opposed."*

[*Thomas Jefferson to Charles Hammond*, 1821. ME 15:331]

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

[*Thomas Jefferson: Autobiography*, 1821. ME 1:121]

*"The judiciary of the United States is the subtle corps of sappers and miners constantly working under ground to undermine the foundations of our confederated fabric. They are construing our Constitution from a co-ordination of a general and special government to a general and supreme one alone. This will lay all things at their feet, and they are too well versed in English law to forget the maxim, 'boni iudicis est ampliare jurisdictionem.'"*

[*Thomas Jefferson to Thomas Ritchie*, 1820. ME 15:297]

*"When all government, domestic and foreign, in little as in great things, shall be drawn to Washington as the center of all power, it will render powerless the checks provided of one government on another and will become as venal and oppressive as the government from which we separated."*

[*Thomas Jefferson to Charles Hammond*, 1821. ME 15:332]

*"What an augmentation of the field for jobbing, speculating, plundering, office-building [["trade or business" scam](#)] and office-hunting would be produced by an assumption [[PRESUMPTION](#)] of all the State powers into the hands of the General Government!"*

[*Thomas Jefferson to Gideon Granger*, 1800. ME 10:168]

## 1.2 Statutory v. Constitutional Contexts

It is very important to understand that there are TWO separate, distinct, and mutually exclusive contexts in which geographical "words of art" can be used at the federal or national level:

1. Constitutional.
2. Statutory.

The purpose of providing a statutory definition of a legal "term" is to supersede and not enlarge the ordinary, common law, constitutional, or common meaning of a term. Geographical words of art include:

1. "State"
2. "United States"
3. "alien"
4. "citizen"
5. "resident"
6. "U.S. person"

The terms "State" and "United States" within the Constitution implies the constitutional states of the Union and excludes federal territory, statutory "States" (federal territories), or the statutory "United States" (the collection of all federal territory). This is an outcome of the separation of powers doctrine. See:

*Government Conspiracy to Destroy the Separation of Powers*, Form #05.023

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

The U.S. Constitution creates a public trust which is the delegation of authority order that the U.S. Government uses to manage federal territory and property. That property includes franchises, such as the "trade or business" franchise. All statutory civil law it creates can and does regulate only THAT property and not the constitutional States, which are foreign, sovereign, and statutory "aliens" for the purposes of federal legislative jurisdiction.

It is very important to realize the consequences of this constitutional separation of powers between the states and national government. Some of these consequences include the following:

1. Statutory "States" as indicated in [4 USC §110\(d\)](#) and "States" in nearly all federal statutes are in fact federal territories and the definition does NOT include constitutional states of the Union.
2. The statutory "United States" defined in [26 USC §7701\(a\)\(9\)](#) and (a)(10) and 4 USC §110(d) includes federal territory and excludes any land within the exclusive jurisdiction of a constitutional state of the Union.
3. Terms on government forms assume the statutory context and NOT the constitutional context.
4. [Domicile is the origin of civil legislative jurisdiction](#) over human beings. This jurisdiction is called "in personam jurisdiction".
5. Since the [separation of powers doctrine](#) creates two separate jurisdictions that are legislatively "foreign" in relation to each other, then there are TWO types of political communities, two types of "citizens", and two types of jurisdictions exercised by the national government.

*"It is clear that Congress, as a legislative body, exercise two species of legislative power: the one, limited as to its objects, but extending all over the Union: the other, an absolute, exclusive legislative power over the District of Columbia. The preliminary inquiry in the case now before the Court, is, by virtue of which of these authorities was the law in question passed?"*

*[Cohens v. Virginia, 19 U.S. 264, 6 Wheat. 265, 5 L.Ed. 257 (1821)]*

6. A human being domiciled in a Constitutional state and born or naturalized anywhere in the Union. These are:



- 1 6.1. A state national pursuant to [8 USC §1101\(a\)\(21\)](#)
- 2 6.2. A statutory "non-resident non-person" if exclusively PRIVATE and not engaged in a public office.
- 3 6.3. A statutory "nonresident alien" (26 USC §7701(b)(1)(B)) in relation to the national government if they
- 4 lawfully serve in a public office.
- 5 7. You can be a statutory "nonresident alien" pursuant to 26 USC §7701(b)(1)(B) and a constitutional or
- 6 Fourteenth Amendment "Citizen" AT THE SAME TIME. Why? Because the Supreme Court ruled in
- 7 *Hooven and Allison v. Evatt*, 324 U.S. 652 (1945), that there are THREE different and mutually exclusive
- 8 "United States", and therefore THREE types of "citizens of the United States". Here is an example:

9 *"The 1<sup>st</sup> section of the 14<sup>th</sup> article [Fourteenth Amendment], to which our attention is more specifically*

10 *invited, opens with a definition of citizenship—not only citizenship of the United States[\*\*\*], but*

11 *citizenship of the states. No such definition was previously found in the Constitution, nor had any*

12 *attempt been made to define it by act of Congress. It had been the occasion of much discussion in the*

13 *courts, by the executive departments and in the public journals. It had been said by eminent judges*

14 *that no man was a citizen of the [\*\*\*] except as he was a citizen of one of the states composing the*

15 *Union. Those therefore, who had been born and resided always in the District of Columbia or in the*

16 *territories [STATUTORY citizens], though within the United States[\*], were not*

17 *[CONSTITUTIONAL] citizens."*

18 *[Slaughter-House Cases, 83 U.S. (16 Wall.) 36, 21 L.Ed. 394(1873)]*

19 The "citizen of the United States" mentioned in the Fourteenth Amendment is a constitutional "citizen of the

20 United States", and the term "United States" in that context includes states of the Union and excludes federal

21 territory. Hence, you would NOT be a "citizen of the United States" within any federal statute, because all

22 such statutes define "United States" to mean federal territory and EXCLUDE states of the Union. For more

23 details, see:

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

- 24 8. Your job, if you say you are a "citizen of the United States" or "U.S. citizen" on a government form ( a
- 25 VERY DANGEROUS undertaking!) is to understand that all government forms presume the statutory and
- 26 not constitutional context, and to ensure that you define precisely WHICH one of the three "United States"
- 27 you are a "citizen" of, and do so in a way that excludes you from the civil jurisdiction of the national
- 28 government because domiciled in a "foreign state". Both foreign countries and states of the Union are
- 29 legislatively "foreign" and therefore "foreign states" in relation to the national government of the United
- 30 States. The following form does that very carefully:

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

- 31 9. Even the IRS says you CANNOT trust or rely on ANYTHING on any of their forms and publications. We
- 32 cover this in our [Reasonable Belief About Income Tax Liability, Form #05.007](#). Hence, if you are
- 33 compelled to fill out a government form, you have an OBLIGATION to ensure that you define all "words of
- 34 art" used on the form in such a way that there is no room for presumption, no judicial or government
- 35 discretion to "interpret" the form to their benefit, and no injury to your rights or status by filling out the
- 36 government form. This includes attaching the following forms to all tax forms you submit:
- 37 9.1. [Affidavit of Citizenship, Domicile, and Tax Status](#), Form #02.001
- 38 <http://sedm.org/Forms/FormIndex.htm>
- 39 9.2. [Tax Form Attachment](#), Form #04.201
- 40 <http://sedm.org/Forms/FormIndex.htm>

41 We started off this document with maxims of law proving that "a deceiver deals in generals". Anyone who

42 either refuses to identify the precise context, statutory or constitutional, for EVERY "term of art" they are using

43 in the legal field ABSOLUTELY IS A DECEIVER.

### 1.3 Statutory v. Constitutional citizens

“When words lose their meaning [or their CONTEXT WHICH ESTABLISHES THEIR MEANING], people lose their freedom.”

[Confucius (551 BCE - 479 BCE) Chinese thinker and social philosopher]

Statutory citizenship is a legal status that designates a person’s domicile while constitutional citizenship is a political status that designates a person’s nationality. Understanding the distinction between nationality and domicile is absolutely critical.

#### 1. Nationality:

- 1.1. Is not necessarily consensual or discretionary. For instance, acquiring nationality by birth in a specific place was not a matter of choice whereas acquiring it by naturalization is.
- 1.2. Is a political status.
- 1.3. Is defined by the Constitution, which is a political document.
- 1.4. Is synonymous with being a “national” within statutory law.
- 1.5. Is associated with a specific COUNTRY.
- 1.6. Is called a “political citizen” or a “citizen of the United States in a political sense” by the courts to distinguish it from a STATUTORY citizen. See *Powe v. United States*, 109 F.2d. 147 (1940).

#### 2. Domicile:

- 2.1. Always requires your consent and therefore is discretionary. See:

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

- 2.2. Is a civil status.
- 2.3. Is not even addressed in the constitution.
- 2.4. Is defined by civil statutory law RATHER than the constitution.
- 2.5. Is in NO WAY connected with one’s nationality.
- 2.6. Is usually connected with the word “person”, “citizen”, “resident”, or “inhabitant” in statutory law.
- 2.7. Is associated with a specific COUNTY and a STATE rather than a COUNTRY.
- 2.8. Implies one is a “SUBJECT” of a SPECIFIC MUNICIPAL but not NATIONAL government.

Nationality and domicile, TOGETHER determine the political/CONSTITUTIONAL AND civil/STATUTORY status of a human being respectively. These important distinctions are recognized in Black’s Law Dictionary:

*“nationality – That quality or character which arises from the fact of a person's belonging to a nation or state. Nationality determines the political status of the individual, especially with reference to allegiance; while domicile determines his civil [statutory] status. Nationality arises either by birth or by naturalization.”*

[*Black’s Law Dictionary* (6<sup>th</sup> ed. 1990), p. 1025]

The U.S. Supreme Court also confirmed the above when they held the following. Note the key phrase “political jurisdiction”, which is NOT the same as legislative/statutory jurisdiction. One can have a political status of “citizen” under the constitution while NOT being a “citizen” under federal statutory law because not domiciled on federal territory. To have the status of “citizen” under federal statutory law, one must have a domicile on federal territory:

*“This section contemplates two sources of citizenship, and two sources only,-birth and naturalization. The persons declared to be citizens are 'all persons born or naturalized in the United States, and subject to the jurisdiction thereof.' The evident meaning of these last words is, not merely subject in some respect or degree to the jurisdiction of the United States, but completely subject to their [plural, not singular, meaning states of the Union] political jurisdiction, and owing them [the state of the Union] direct and immediate allegiance. And the*

1 words relate to the time of birth in the one case, as they do [169 U.S. 649, 725] to the time of  
 2 naturalization in the other. Persons not thus subject to the jurisdiction of the United States at the  
 3 time of birth cannot become so afterwards, except by being naturalized, either individually, as by  
 4 proceedings under the naturalization acts, or collectively, as by the force of a treaty by which  
 5 foreign territory is acquired.”

6 [U.S. v. Wong Kim Ark, [169 U.S. 649](#), 18 S.Ct. 456; 42 L.Ed. 890 (1898)]

7 “This right to protect persons having a domicile, though not native-born or naturalized citizens,  
 8 rests on the firm foundation of justice, and the **claim to be protected** is earned by considerations  
 9 which the protecting power is not at liberty to disregard. Such domiciled citizen pays the same  
 10 price for his protection as native-born or naturalized citizens pay for theirs. **He is under the**  
 11 **bonds of allegiance to the country of his residence, and, if he breaks them, incurs the same**  
 12 **penalties. He owes the same obedience to the civil laws.** His property is, in the same way and to  
 13 the same extent as theirs, liable to contribute to the support of the Government. In nearly all  
 14 respects, his and their condition as to the duties and burdens of Government are  
 15 undistinguishable.”

16 [Fong Yue Ting v. United States, [149 U.S. 698](#) (1893) ]

17 Notice in the last quote above that they referred to a foreign national born in another country as a “citizen”.  
 18 THIS is the REAL “citizen” (a domiciled foreign national) that judges and even tax withholding documents are  
 19 really talking about, rather than the “national” described in the constitution.

20 Domicile and NOT nationality is what imputes a status under the tax code and a liability for tax. Tax liability is  
 21 a civil liability that attaches to civil statutory law, which in turn attaches to the person through their choice of  
 22 domicile. When you CHOOSE a domicile, you elect or nominate a protector, which in turn gives rise to an  
 23 obligation to pay for the civil protection demanded. The method of providing that protection is the civil laws of  
 24 the municipal (as in COUNTY) jurisdiction that you chose a domicile within.

25 “domicile. A person's legal home. That place where a man has his true, fixed, and **permanent**  
 26 **home** and principal establishment, and to which whenever he is absent he has **the intention of**  
 27 **returning**. *Smith v. Smith*, 206 Pa.Super. 310, 213 A.2d. 94. Generally, physical presence within  
 28 a state and **the intention** to make it one's home are the requisites of establishing a “domicile”  
 29 therein. The permanent residence of a person or the place to which he **intends to** return even  
 30 though he may actually reside elsewhere. A person may have more than one residence but only  
 31 one domicile. **The legal domicile of a person is important since it, rather than the actual**  
 32 **residence, often controls the jurisdiction of the taxing authorities and determines where a**  
 33 **person may exercise the privilege of voting and other legal rights and privileges.**”

34 [Black’s Law Dictionary, Sixth Edition, p. 485]

35 Later versions of Black’s Law Dictionary attempt to cloud this important distinction between nationality and  
 36 domicile in order to unlawfully and unconstitutionally expand federal power into the states of the Union and to  
 37 give federal judges unnecessary and unwarranted discretion to kidnap people into their jurisdiction using false  
 38 presumptions. They do this by trying to make you believe that domicile and nationality are equivalent, when  
 39 they are EMPHATICALLY NOT. Here is an example:

40 “**nationality** – The relationship between a citizen of a nation and the nation itself, customarily  
 41 involving allegiance by the citizen and protection by the state; membership in a nation. **This term**  
 42 **is often used synonymously with citizenship.** “

43 [Black’s Law Dictionary (8<sup>th</sup> ed. 2004)]

44 Federal courts regard the term “citizenship” as equivalent to domicile, meaning domicile on federal territory.

1 "The words "citizen" and citizenship," however, usually include the idea of domicile,  
2 Delaware, L.&W.R.Co. v. Petrowsky, C.C.A.N.Y., 250 F. 554, 557;"  
3 [Black's Law Dictionary, Fourth Edition, p. 310]

4 Hence:

- 5 1. The term "citizenship" is being stealthily used by government officials as a magic word that allows them to  
6 hide their presumptions about your status. Sometimes they use it to mean NATIONALITY, and sometimes  
7 they use it to mean DOMICILE.
- 8 2. The use of the word "citizenship" should therefore be AVOIDED when dealing with the government  
9 because its meaning is unclear and leaves too much discretion to judges and prosecutors.
- 10 3. When someone from any government uses the word "citizenship", you should:
  - 11 3.1. Tell them NOT to use the word, and instead to use "nationality" or "domicile".
  - 12 3.2. Ask them whether they mean "nationality" or "domicile".
  - 13 3.3. Ask them WHICH political subdivision they imply a domicile within: federal territory or a  
14 constitutional state of the Union.

15 A failure to either understand or apply the above concepts can literally mean the difference between being a  
16 government pet in a legal cage called a franchise, and being a free and sovereign man or woman.

#### 17 **1.4 Citizenship status v. tax status**

Table 2: “Citizenship status” vs. “Income tax status”

#	Citizenship status	Place of birth	Domicile	Accepting tax treaty benefits?	Defined in	Tax Status under 26 U.S.C./Internal Revenue Code			
						“Citizen” (defined in 26 CFR §1.1-1)	“Resident alien” (defined in 26 USC §7701(b)(1)(A), 26 C.F.R. §1.1441-1(c)(3)(i) and 26 CFR §1.1-1(a)(2)(ii))	“Nonresident alien INDIVIDUAL” (defined in 26 USC §7701(b)(1)(B) and 26 CFR §1.1441-1(c)(3))	“Non-resident NON-person” (NOT defined)
1	“national and citizen of the United States** at birth” or “U.S.** citizen” or Statutory “U.S.** citizen”	Statutory “United States” pursuant to 8 USC §1101(a)(38), (a)(36) and 8 CFR §215.1(f) or in the “outlying possessions of the United States” pursuant to 8 USC §1101(a)(29)	District of Columbia, Puerto Rico, Guam, Virgin Islands	NA	8 USC §1401; 8 USC §1101(a)(22)(A)	Yes (only pay income tax abroad with IRS Forms 1040/2555. See Cook v. Tait, 265 U.S. 47 (1924))	No	No	No
2	“non-citizen national of the United States** at birth” or “U.S.** national”	Statutory “United States” pursuant to 8 USC §1101(a)(38), (a)(36) and 8 CFR §215.1(f) or in the “outlying possessions of the United States” pursuant to 8 USC §1101(a)(29)	American Samoa; Swain’s Island; or abroad to U.S. national parents under 8 USC §1408(2)	NA	8 USC §1408 8 USC §1101(a)(22)(B); 8 USC §1452	No (see 26 USC §7701(b)(1)(B))	No	Yes (see IRS Form 1040NR for proof)	No
3.1	“U.S.A.****national” or “state national” or “Constitutional but not statutory U.S.**** citizen”	Constitutional Union state	State of the Union	NA (ACTA agreement)	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1	No	No	No	Yes
3.2	“U.S.A.****national” or “state national” or “Constitutional but not statutory U.S.**** citizen”	Constitutional Union state	Foreign country	Yes	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1	No	No	Yes	No
3.3	“U.S.A.****national” or “state national” or “Constitutional but not statutory U.S.**** citizen”	Constitutional Union state	Foreign country	No	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1	No	No	No	Yes

#	Citizenship status	Place of birth	Domicile	Accepting tax treaty benefits?	Defined in	Tax Status under 26 U.S.C./Internal Revenue Code			
						“Citizen” (defined in 26 CFR §1.1-1)	“Resident alien” (defined in 26 USC §7701(b)(1)(A), 26 C.F.R. §1.1441-1(c)(3)(i) and 26 CFR §1.1-1(a)(2)(ii))	“Nonresident alien INDIVIDUAL” (defined in 26 USC §7701(b)(1)(B) and 26 CFR §1.1441-1(c)(3))	“Non-resident NON-person” (NOT defined)
3.4	Statutory “citizen of the United States**” or Statutory “U.S.* citizen”	Constitutional Union state	Puerto Rico, Guam, Virgin Islands, Commonwealth of Northern Mariana Islands	NA (ACTA agreement)	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1; 8 USC §1101(a)(22)(B)	Yes	No	No	No
4.1	“alien” or “Foreign national”	Foreign country	Puerto Rico, Guam, Virgin Islands, Commonwealth of Northern Mariana Islands	NA	8 USC §1101(a)(21); 8 USC §1101(a)(3)	No	Yes	No	No
4.2	“alien” or “Foreign national”	Foreign country	State of the Union	Yes	8 USC §1101(a)(21); 8 USC §1101(a)(3)	No	No	Yes	No
4.3	“alien” or “Foreign national”	Foreign country	State of the Union	No	8 USC §1101(a)(21); 8 USC §1101(a)(3)	No	No	No	Yes
4.4	“alien” or “Foreign national”	Foreign country	Foreign country	Yes	8 USC §1101(a)(21)	No	No	Yes	No
4.5	“alien” or “Foreign national”	Foreign country	Foreign country	No	8 USC §1101(a)(21)	No	No	No	Yes

1

## NOTES:

1. Domicile is a prerequisite to having any civil status per Federal Rule of Civil Procedure 17. One therefore cannot be a statutory "alien" under 8 USC §1101(a)(3) without a domicile on federal territory. Without such a domicile, you are a transient foreigner and neither an "alien" nor a "nonresident alien".
2. "United States" is described in 8 USC §1101(a)(38), (a)(36) and 8 CFR §215.1(f) and includes only federal territory and possessions and excludes all Constitutional Union states. This is a product of the separation of powers doctrine that is the heart of the United States Constitution.
3. A "nonresident alien individual" who has made an election under 26 USC §6013(g) and (h) to be treated as a "resident alien" is treated as a "nonresident alien" for the purposes of withholding under I.R.C. Subtitle C but retains their status as a "resident alien" under I.R.C. Subtitle A. See 26 CFR §1.1441-1(c)(3) for the definition of "individual", which means "alien".
4. A "non-person" is really just a transient foreigner who is not "purposefully availing themselves" of commerce within the legislative jurisdiction of the United States on federal territory under the Foreign Sovereign Immunities Act, 28 USC Chapter 97. The real transition from a "NON-person" to an "individual" occurs when one:
  - 4.1. "Purposefully avails himself" of commerce on federal territory and thus waives sovereign immunity. Examples of such purposeful availment are the next three items.
  - 4.2. Lawfully and consensually occupying a public office in the U.S. government and thereby being an "officer and individual" as identified in 5 USC §2105(a). Otherwise, you are PRIVATE and therefore beyond the civil legislative jurisdiction of the national government.
  - 4.3. Voluntarily files an IRS Form 1040 as a citizen or resident abroad and takes the foreign tax deduction under 26 USC §911. This too is essentially an act of "purposeful availment". Nonresidents are not mentioned in section 911. The upper left corner of the form identifies the filer as a "U.S. individual". You cannot be an "U.S. individual" without ALSO being an "individual". All the "trade or business" deductions on the form presume the applicant is a public officer, and therefore the "individual" on the form is REALLY a public officer in the government and would be committing FRAUD if he or she was NOT.
  - 4.4. VOLUNTARILY fills out an IRS Form W-7 ITIN Application (IRS identifies the applicant as an "individual") AND only uses the assigned number in connection with their compensation as an elected or appointed public officer. Using it in connection with PRIVATE earnings is FRAUD.
5. What turns a "non-resident NON-person" into a "nonresident alien individual" is meeting one or more of the following two criteria:
  - 5.1. Residence/domicile in a foreign country under the residence article of an income tax treaty and 26 CFR §301.7701(b)-7(a)(1).
  - 5.2. Residence/domicile as an alien in Puerto Rico, Guam, the Commonwealth of Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa as determined under 26 CFR §301.7701(b)-1(d).
6. All "taxpayers" are STATUTORY "aliens" or "nonresident aliens". The definition of "individual" found in 26 CFR §1.1441-1(c)(3) does NOT include "citizens". The only occasion where a "citizen" can also be an "individual" is when they are abroad under 26 USC §911 and interface to the I.R.C. under a tax treaty with a foreign country as an alien pursuant to 26 CFR §301.7701(b)-7(a)(1)

*And when he had come into the house, Jesus anticipated him, saying, "What do you think, Simon? From whom do the kings [governments] of the earth [lawfully] take customs or taxes, from their sons [citizens and subjects] or from strangers [aliens], which are synonymous with "residents" in the tax code, and exclude "citizens"?"*

*Peter said to Him, "From strangers [aliens]/"residents" ONLY. See [26 CFR §1.1-1\(a\)\(2\)\(ii\)](#) and [26 CFR §301.6109-1\(d\)\(3\)](#)."*

1  
2  
3

Jesus said to him, "Then the sons [["citizens"](#) of the Republic, who are all sovereign "[nationals](#)" and "[nonresident aliens](#)" under federal law] are free [sovereign over their own person and labor. e.g. [SOVEREIGN IMMUNITY](#)]. "  
[\[Matt. 17:24-27, Bible, NKJV\]](#)



## 1.5 Effect of Domicile on Citizenship Status

Table 3: Effect of domicile on citizenship status

Description	CONDITION		
	Domicile WITHIN the FEDERAL ZONE and located in FEDERAL ZONE	Domicile WITHIN the FEDERAL ZONE and temporarily located abroad in foreign country	Domicile WITHOUT the FEDERAL ZONE and located WITHOUT the FEDERAL ZONE
Location of domicile	“United States” per <a href="#">26 USC §§7701(a)(9)</a> and (a)(10), <a href="#">7701(a)(39)</a> , <a href="#">7408(d)</a>	“United States” per <a href="#">26 USC §§7701(a)(9)</a> and (a)(10), <a href="#">7701(a)(39)</a> , <a href="#">7408(d)</a>	Without the “United States” per <a href="#">26 USC §§7701(a)(9)</a> and (a)(10), <a href="#">7701(a)(39)</a> , <a href="#">7408(d)</a>
Physical location	Federal territories, possessions, and the District of Columbia	Foreign nations ONLY (NOT states of the Union)	Foreign nations states of the Union Federal possessions
Tax Status	“U.S. Person” <a href="#">26 USC §7701(a)(30)</a>	“U.S. Person” <a href="#">26 USC §7701(a)(30)</a>	“Nonresident alien individual” if a public officer in the U.S. government. <a href="#">26 CFR §1.1441-1(c)(3)</a> for the definition of “individual”. “Non-resident NON-person” if NOT a public officer in the U.S. government
Tax form(s) to file	IRS Form 1040	IRS Form 1040 plus 2555	<u>IRS Form 1040NR</u> : “alien individuals”, “nonresident alien individuals” <u>No filing requirement</u> : “non-resident NON-person”
Status if DOMESTIC “national of the United States**”	“national and citizen of the United States** at birth” per <a href="#">8 USC §1401</a> and “citizen of the United States**” per <a href="#">8 USC §1101(a)(22)(B)</a> if born in federal territory (Not required to file if physically present in the “ <a href="#">United States</a> ” because no statute requires it)	Citizen abroad <a href="#">26 USC §911</a> (Meets presence test)	“non-resident” if born in a state of the Union. <a href="#">8 USC §1408</a> , <a href="#">8 USC §1452</a> , and <a href="#">8 USC §1101(a)(22)(B)</a> if born in a possession.

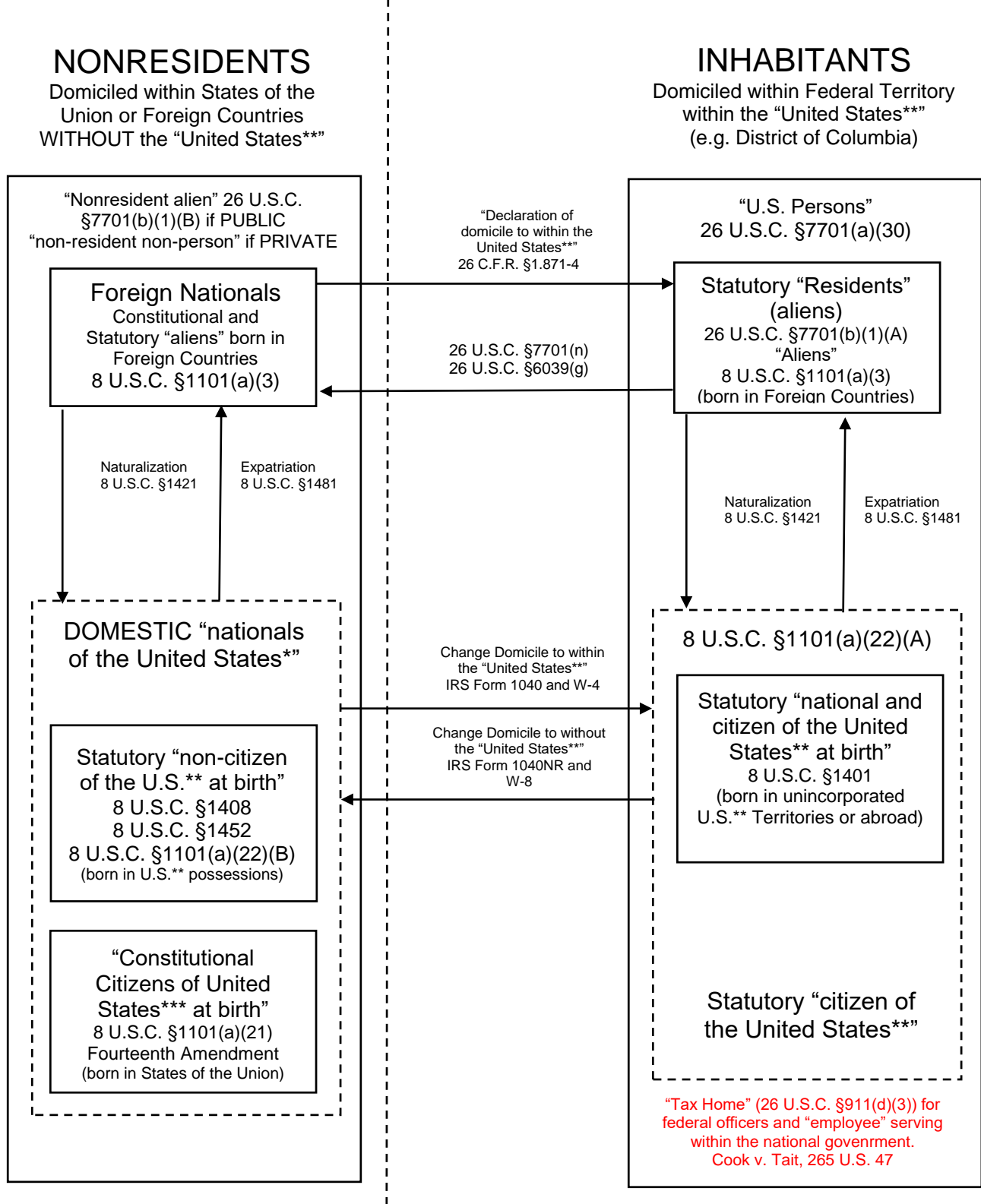
Description	CONDITION		
	Domicile WITHIN the FEDERAL ZONE and located in FEDERAL ZONE	Domicile WITHIN the FEDERAL ZONE and temporarily located abroad in foreign country	Domicile WITHOUT the FEDERAL ZONE and located WITHOUT the FEDERAL ZONE
Status if FOREIGN “national” pursuant to 8 USC §1101(a)(21)	“Resident alien” <a href="#">26 USC §7701(b)(1)(A)</a>	“Resident alien abroad” <a href="#">26 USC §911</a> (Meets presence test)	“Nonresident alien individual” if a public officer in the U.S. government. <a href="#">26 CFR §1.1441-1(c)(3)</a> for the definition of “individual”. “Non-resident NON-person” if NOT a public officer in the U.S. government

NOTES:

1. “United States” is defined as federal territory within 26 USC §§7701(a)(9) and (a)(10), 7701(a)(39), and 7408(d), and 4 USC §110(d). It does not include any portion of a Constitutional state of the Union.
2. The “District of Columbia” is defined as a federal corporation but not a physical place, a “body politic”, or a de jure “government” within the District of Columbia Act of 1871, 16 Stat. 419, 426, Sec. 34. See: *Corporatization and Privatization of the Government*, Form #05.024; <http://sedm.org/Forms/FormIndex.htm>.
3. American nationals who are domiciled outside of federal jurisdiction, either in a state of the Union or a foreign country, are “nationals” but not “citizens” under federal law. They also qualify as “nonresident aliens” under [26 USC §7701\(b\)\(1\)\(B\)](#). See sections 4.11.2 of the *Great IRS Hoax* for details.
4. Temporary domicile in the middle column on the right must meet the requirements of the “Presence test” documented in IRS publications.
5. “FEDERAL ZONE”=District of Columbia and territories of the United States in the above table
6. The term “[individual](#)” as used on the IRS Form 1040 means an “[alien](#)” engaged in a “[trade or business](#)”. All “taxpayers” are “aliens” engaged in a “trade or business”. This is confirmed by 26 CFR §1.1441-1(c)(3), 26 CFR §1.1-1(a)(2)(ii), and [5 USC §552a\(a\)\(2\)](#). Statutory “[U.S. citizens](#)” as defined in [8 USC §1401](#) are not “[individuals](#)” unless temporarily abroad pursuant to [26 USC §911](#) and subject to an income tax treaty with a foreign country. In that capacity, statutory “[U.S. citizens](#)” interface to the I.R.C. as “aliens” rather than “U.S. citizens” through the tax treaty.

1.6 **Citizenship and Domicile Options and Relationships**

Figure 1: Citizenship and domicile options and relationships



NOTES:

1. Changing domicile from "foreign" on the left to "domestic" on the right can occur EITHER by:

- 1           1.1. Physically moving to the federal zone.
- 2           1.2. Being lawfully elected or appointed to political office, in which case the OFFICE/STATUS has a domicile on federal territory but the
- 3                 OFFICER does not.
- 4    2.    Statuses on the right are civil franchises granted by Congress. As such, they are public offices within the national government. Those not seeking
- 5           office should not claim any of these statuses.
- 6

## 1.7 Statutory Rules for Converting Between Various Domicile and Citizenship Options Within Federal Law

The rules depicted above are also described in text form using the list below, if you would like to investigate the above diagram further:

1. “non-resident non-person”: Those with no domicile on federal territory and who are born either in a foreign country, a state of the Union, or within the federal zone. Also called a “nonresident”, “stateless person”, or “transient foreigner”. They are exclusively PRIVATE and beyond the reach of the civil statutory law because:
  - 1.1. They are not a “person” or “individual” because not engaged in an elected or appointed office.
  - 1.2. They have not waived sovereign immunity under the Foreign Sovereign Immunities Act, 28 USC Chapter 97.
  - 1.3. They have not “purposefully” or “consensually” availed themselves of commerce within the exclusive or general jurisdiction of the national government within federal territory.
  - 1.4. They waived the “benefit” of any and all licenses or permits in the context of a specific transaction or agreement.
  - 1.5. In the context of a specific business dealing, they have not invoked any statutory status under federal civil law that might connect them with a government franchise, such as “U.S. citizen”, “U.S. resident”, “person”, “individual”, “taxpayer”, etc.
  - 1.6. If they are demanded to produce an identifying number, they say they don’t consent and attach the following form to every application or withholding document:

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

2. “Aliens” or “alien individuals”: Those born in a foreign country and not within any state of the Union or within any federal territory.
  - 2.1. “Alien individual” is defined in 26 CFR §1.1441-1(c)(3)(i).
  - 2.2. An alien is defined in 8 USC §1101(a)(3) as a person who is neither a statutory “U.S. citizen” per 8 USC §1401 nor a “national of the United States” per 8 USC §1101(a)(22)..
  - 2.3. An alien with no domicile in the “United States” is presumed to be a “nonresident alien” pursuant to 26 CFR §1.871-4(b).
3. “Residents” or “resident aliens”: An “alien” or “alien individual” with a legal domicile on federal territory.
  - 3.1. “Resident aliens” are defined in 26 USC §7701(b)(1)(A).
  - 3.2. A “resident alien” is an alien as defined in 8 USC §1101(a)(3) who has a legal domicile on federal territory that is no part of the exclusive jurisdiction of any state of the Union.
  - 3.3. An “alien” becomes a “resident alien” by filing IRS Form 1078 pursuant to 26 CFR §1.871-4(c)(ii) and thereby electing to have a domicile on federal territory.
4. “Nonresident aliens”: Those with no domicile on federal territory and who are born either in a foreign country, a state of the Union, or within the federal zone.
  - 4.1. Defined in 26 USC §7701(b)(1)(B).
  - 4.2. Also called a “nonresident”, “stateless person”, or “transient foreigner”.
  - 4.3. A “nonresident alien” is defined as a person who is neither a statutory “citizen” pursuant to 26 CFR §1.1-1(c) nor a statutory “resident” pursuant to 26 USC §7701(b)(1)(A).
  - 4.4. A person who is a “non-citizen national” pursuant to 8 USC §1452 and 8 USC §1101(a)(22)(B) is a “nonresident alien”.
5. “Nonresident alien individuals”: Those who are aliens and who do not have a domicile on federal territory.
  - 5.1. Status is indicated in block 3 of the IRS Form W-8BEN under the term “Individual”.
  - 5.2. Includes only nonresidents not domiciled on federal territory but serving in public offices of the national government. “person” and “individual” are synonymous with said office in 26 USC §6671(b) and 26 USC §7343.
6. Convertibility between “aliens”, “resident aliens”, and “nonresident aliens”, and “nonresident alien individuals”:

- 6.1. A “nonresident alien” is not the legal equivalent of an “alien” in law.
- 6.2. IRS Form W-8BEN, Block 3 has no block to check for those who are “non-resident non-persons” but not “nonresident aliens” or “nonresident alien individuals”. Thus, the submitter of this form who is a statutory “non-resident non-person” but not a “nonresident alien” or “nonresident alien individual” is effectively compelled to make an illegal and fraudulent election to become an alien and an “individual” if they do not add a block for “transient foreigner” or “Union State Citizen” to the form. See section 5.3 of the following:

*About IRS Form W-8BEN*, Form #04.202

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

- 6.3. 26 USC §6013(g) and (h) and 26 USC §7701(b)(4)(B) authorize a “nonresident alien” who is married to a statutory “U.S. citizen” as defined in 26 CFR §1.1-1(c) to make an “election” to become a “resident alien”.
- 6.4. It is unlawful for an unmarried “state national” pursuant to 8 USC §1101(a)(21) to become a “resident alien”. This can only happen by either fraud or mistake.
- 6.5. An alien may overcome the presumption that he is a “nonresident alien” and change his status to that of a “resident alien” by filing IRS Form 1078 pursuant to 26 CFR §1.871-4(c)(ii) while he is in the “United States”.
- 6.6. The term “residence” can only lawfully be used to describe the domicile of an “alien”. Nowhere is this term used to describe the domicile of a “state national” or a “nonresident alien”. See 26 CFR §1.871-2.
- 6.7. The only way a statutory “alien” under 8 USC §1101(a)(3) can become both a “state national” and a “nonresident alien” at the same time is to be naturalized pursuant to 8 USC §1421 and to have a domicile in either a U.S. possession or a state of the Union.

7. Sources of confusion on these issues:

- 7.1. One can be a “non-resident non-person” *without* being an “individual” or a “nonresident alien individual” under the Internal Revenue Code. An example would be a human being born within the exclusive jurisdiction of a state of the Union who is therefore a “state national” pursuant to 8 USC §1101(a)(21) who does not participate in Social Security or use a Taxpayer Identification Number.
- 7.2. The term “United States” is defined in the Internal Revenue Code at 26 USC §7701(a)(9) and (a)(10).
- 7.3. The term “United States” for the purposes of citizenship is defined in 8 USC §1101(a)(38).
- 7.4. Any “U.S. Person” as defined in 26 USC §7701(a)(30) who is not found in the “United States” (District of Columbia pursuant to 26 USC §7701(a)(9) and (a)(10)) shall be treated as having an effective domicile within the District of Columbia pursuant to 26 USC §7701(a)(39) and 26 USC §7408(d).
- 7.5. The term “United States” is equivalent for the purposes of statutory “citizens” pursuant to 26 CFR §1.1-1(c) and “citizens” as used in the Internal Revenue Code. See 26 CFR §1.1-1(c).
- 7.6. The term “United States” as used in the Constitution of the United States is NOT equivalent to the statutory definition of the term used in:
- 7.6.1. 26 USC §7701(a)(9) and (a)(10).
- 7.6.2. 8 USC §1101(a)(38).
- The “United States” as used in the Constitution means the states of the Union and excludes federal territory, while the term “United States” as used in federal statutory law means federal territory and excludes states of the Union.
- 7.7. A constitutional “citizen of the United States” as mentioned in the Fourteenth Amendment is NOT equivalent to a statutory “citizen and national of the United States” as used in 8 USC §1401. See:

*Why You are a “national”, “state national”, and Constitutional but not Statutory Citizen*, Form #05.006

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

- 7.8. In the case of jurisdiction over aliens only, the term “United States” implies all 50 states and the federal zone, and is not restricted only to the federal zone. See:

7.8.1. *Non-Resident Non-Person Position*, Form #05.020

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

7.8.2. *Kleindienst v. Mandel*, 408 U.S. 753 (1972)

1 In accord with ancient principles of the international law of nation-states, the Court in *The*  
2 *Chinese Exclusion Case*, [130 U.S. 581, 609](#) (1889), and in *Fong Yue Ting v. United States*, [149](#)  
3 [U.S. 698](#) (1893), held broadly, as the Government describes it, Brief for Appellants 20, that **the**  
4 **power to exclude aliens is "inherent in sovereignty, necessary for maintaining normal**  
5 **international relations and defending the country against foreign encroachments and dangers**  
6 **- a power to be exercised exclusively by the political branches of government . . . ."** Since that  
7 time, the Court's general reaffirmations of this principle have [[408 U.S. 753, 766](#)] been  
8 legion. 6 The Court without exception has sustained Congress' "plenary power to make rules  
9 for the admission of aliens and to exclude those who possess those characteristics which  
10 Congress has forbidden." *Boutilier v. Immigration and Naturalization Service*, [387 U.S. 118,](#)  
11 [123](#) (1967). "[O]ver no conceivable subject is the legislative power of Congress more complete  
12 than it is over" the admission of aliens. *Oceanic Navigation Co. v. Stranahan*, [214 U.S. 320,](#)  
13 [339](#) (1909).  
14 [[Kleindienst v. Mandel](#), [408 U.S. 753](#) (1972)]

### 15 7.8.3. [Chae Chan Ping v. U.S.](#), [130 U.S. 581](#) (1889)

16 While under our constitution and form of government the great mass of local matters is  
17 controlled by local authorities, **the United States, in their relation to foreign countries and their**  
18 **subjects or citizens, are one nation, invested with powers which belong to independent nations,**  
19 **the exercise of which can be invoked for the maintenance of its absolute independence and**  
20 **security throughout its entire territory.** The powers to declare war, make treaties, suppress  
21 insurrection, repel invasion, regulate foreign commerce, secure republican governments to the  
22 states, and admit subjects of other nations to citizenship, are all sovereign powers, restricted in  
23 their exercise only by the constitution itself and considerations of public policy and justice which  
24 control, more or less, the conduct of all civilized nations. As said by this court in the case of  
25 *Cohens v. Virginia*, 6 Wheat. 264, 413, speaking by the same great chief justice: **"That the United**  
26 **States form, for many, and for most important purposes, a single nation, has not yet been**  
27 **denied. In war, we are one people. In making peace, we are one people. In all commercial**  
28 **regulations, we are one and the same people. In many other respects, the American people are**  
29 **one; and the government which is alone capable of controlling and managing their interests in**  
30 **all these respects is the government of the Union.** It is their government, and in that character  
31 they have no other. America has chosen to [[130 U.S. 581, 605](#)] be in many respects, and to many  
32 purposes, a nation; and for all these purposes her government is complete; to all these objects, it  
33 is competent. **The people have declared that in the exercise of all powers given for these objects**  
34 **it is supreme. It can, then, in effecting these objects, legitimately control all individuals or**  
35 **governments within the American territory."**

36  
37 [ . . . ]

38  
39 **"The power of exclusion of foreigners being an incident of sovereignty belonging to the**  
40 **government of the United States as a part of those sovereign powers delegated by the**  
41 **constitution, the right to its exercise at any time when, in the judgment of the government, the**  
42 **interests of the country require it, cannot be granted away or restrained on behalf of any one.**  
43 **The powers of government are delegated in trust to the United States, and are incapable of**  
44 **transfer to any other parties.** They cannot be abandoned or surrendered. **Nor can their exercise**  
45 **be hampered, when needed for the public good, by any considerations of private interest. The**  
46 **exercise of these public trusts is not the subject of barter or contract."**  
47 [[Chae Chan Ping v. U.S.](#), [130 U.S. 581](#) (1889)]

## 1.8 Effect of Federal Franchises and Offices Upon Your Citizenship and Standing in Court

Another important element of citizenship is that artificial entities like corporations are statutory but not Constitutional citizens in the context of civil litigation.

"A corporation is a citizen, [resident](#), or inhabitant of the state or country by or under the laws of which it was created, and of that state or country only."  
[19 Corpus Juris Secundum, Corporations, §886]

"A corporation is not a citizen within the meaning of that provision of the Constitution, which declares that the citizens of each State shall be entitled to all the privileges and immunities of citizens of the several States."  
[Paul v. Virginia, 8 Wall (U.S.) 168, 19 L.Ed. 357 (1868)]

Likewise, all governments are “corporations” as well.

"Corporations are also of all grades, and made for varied objects; **all governments are corporations, created by usage and common consent, or grants and charters which create a body politic for prescribed purposes; but whether they are private, local or general, in their objects, for the enjoyment of property, or the exercise of power, they are all governed by the same rules of law, as to the construction and the obligation of the instrument by which the incorporation is made. One universal rule of law protects persons and property.** It is a fundamental principle of the common law of England, that the term freemen of the kingdom, includes 'all persons,' ecclesiastical and temporal, incorporate, politique or natural; it is a part of their magna charta (2 Inst. 4), and is incorporated into our institutions. The persons of the members of corporations are on the same footing of protection as other persons, and their corporate property secured by the same laws which protect that of individuals. 2 Inst. 46-7. 'No man shall be taken,' 'no man shall be disseised,' without due process of law, is a principle taken from magna charta, infused into all our state constitutions, and is made inviolable by the federal government, by the amendments to the constitution."  
[Proprietors of Charles River Bridge v. Proprietors of Warren Bridge, [36 U.S. 420](#) (1837)]

TITLE 28 - JUDICIARY AND JUDICIAL PROCEDURE

[PART VI - PARTICULAR PROCEEDINGS](#)

[CHAPTER 176 - FEDERAL DEBT COLLECTION PROCEDURE](#)

[SUBCHAPTER A - DEFINITIONS AND GENERAL PROVISIONS](#)

[Sec. 3002. Definitions](#)

(15) "**United States**" means -

(A) **a Federal corporation**;

(B) an agency, department, commission, board, or other entity of the United States; or

(C) an instrumentality of the United States.

"A federal corporation operating within a state is considered a domestic corporation rather than a foreign corporation. **The United States government is a foreign corporation with respect to a state.**"

[19 Corpus Juris Secundum, Corporations, §883 (2003)]

Those who are acting in a representative capacity on behalf of the national government as “public officers” therefore assume the same status as their employer pursuant to Federal Rule of Civil Procedure 17(b). To wit:

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IV. PARTIES > Rule 17.Rule 17. Parties Plaintiff and Defendant; Capacity

## (b) Capacity to Sue or be Sued.

Capacity to sue or be sued is determined as follows:

(1) for an individual who is not acting in a representative capacity, by the law of the individual's domicile;

**(2) for a corporation[the “United States”, in this case, or its officers on official duty representing the corporation], by the law under which it was organized; and**

(3) for all other parties, by the law of the state where the court is located, except that:

(A) a partnership or other unincorporated association with no such capacity under that state's law may sue or be sued in its common name to enforce a substantive right existing under the United States Constitution or laws; and

(B) 28 USC §§754 and 959(a) govern the capacity of a receiver appointed by a United States court to sue or be sued in a United States court.

[SOURCE: <http://www.law.cornell.edu/rules/frcp/Rule17.htm>]

Persons acting in the capacity as “public officers” of the national government are therefore acting as “officers of a corporation” as described in 26 USC §6671(b) and 26 USC §7343 and become “persons” within the meaning of federal statutory law.

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

## (b) Person defined

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

TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter D > § 7343  
§7343. Definition of term “person”

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

Because all corporations are “citizens”, then “public officers” also take on the character of “U.S. citizens” in the capacity of their official duties, regardless of what they are as private individuals. It is also interesting to note that IRS correspondence very conspicuously warns the recipient right underneath the return address the following, confirming that they are corresponding with a “public officer” and not a private individual:

“Penalty for private use \$300.”

Note that all “taxpayers” are “public officers” of the national government, and they are referred to in the Internal Revenue Code as “effectively connected with a trade or business”. The term “trade or business” is defined as “the functions of a public office”:

26 USC Sec. 7701(a)(26)

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

1 For details on this scam, see:

- 2 1. *Proof That There is a "Straw Man"*, Form #05.042  
3 <http://sedm.org/Forms/FormIndex.htm>
- 4 2. *Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes*, Form  
5 #05.008  
6 <http://sedm.org/Forms/FormIndex.htm>
- 7 3. *The "Trade or Business" Scam*, Form #05.001  
8 <http://sedm.org/Forms/FormIndex.htm>
- 9 4. *Who are "Taxpayers" and Who Needs a "Taxpayer Identification Number"?*, Form #05.013  
10 <http://sedm.org/Forms/FormIndex.htm>

11 The U.S. Supreme Court has also said it is "repugnant to the constitution" for the government to regulate private  
12 conduct. The only way you can lawfully become subject to the government's jurisdiction or the tax laws is to  
13 engage in "public conduct" as a "public officer" of the national government.

14 *"The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to*  
15 *provide modes of redress" against offensive state action, was "repugnant" to the Constitution. Id.,*  
16 *at 15. See also United States v. Reese, [92 U.S. 214, 218 \(1876\)](#); United States v. Harris, [106 U.S.](#)  
17 [629, 639 \(1883\)](#); James v. Bowman, [190 U.S. 127, 139 \(1903\)](#). Although the specific holdings of*  
18 *these early cases might have been superseded or modified, see, e.g., Heart of Atlanta Motel, Inc.*  
19 *v. United States, [379 U.S. 241 \(1964\)](#); United States v. Guest, [383 U.S. 745 \(1966\)](#), their*  
20 *treatment of Congress' §5 power as corrective or preventive, not definitional, has not been*  
21 *questioned."*  
22 [\[City of Boerne v. Florez, Archbishop of San Antonio, 521 U.S. 507 \(1997\)\]](#)

23 Note also that ordinary "employees" are NOT "public officers":

24 *Treatise on the Law of Public Offices and Officers*  
25 *Book 1: Of the Office and the Officer: How Officer Chosen and Qualified*  
26 *Chapter I: Definitions and Divisions*

27 *§2 How Office Differs from Employment.-A public office differs in material particulars from a*  
28 *public employment, for, as was said by Chief Justice MARSHALL, "although an office is an*  
29 *employment, it does not follow that every employment is an office. A man may certainly be*  
30 *employed under a contract, express or implied, to perform a service without becoming an*  
31 *officer."*

32 *"We apprehend that the term 'office,'" said the judges of the supreme court of Maine, "implies a*  
33 *delegation of a portion of the sovereign power to, and the possession of it by, the person filling*  
34 *the office; and the exercise of such power within legal limits constitutes the correct discharge of*  
35 *the duties of such office. The power thus delegated and possessed may be a portion belonging*  
36 *sometimes to one of the three great departments and sometimes to another; still it is a legal*  
37 *power which may be rightfully exercised, and in its effects it will bind the rights of others and be*  
38 *subject to revision and correction only according to the standing laws of the state. An*  
39 *employment merely has none of these distinguishing features. A public agent acts only on behalf*  
40 *of his principal, the public, whose sanction is generally considered as necessary to give the acts*  
41 *performed the authority and power of a public act or law. **And if the act be such as not to***  
42 ***require subsequent sanction, still it is only a species of service performed under the public***  
43 ***authority and for the public good, but not in the exercise of any standing laws which are***  
44 ***considered as roles of action and guardians of rights."***

"The officer is distinguished from the employee," says Judge COOLEY, "in the greater importance, dignity and independence of his position; in being required to take an official oath, and perhaps to give an official bond; in the liability to be called to account as a public offender for misfeasance or non-feasance in office, and usually, though not necessarily, in the tenure of his position. In particular cases, other distinctions will appear which are not general."

[A Treatise on the Law of Public Offices and Officers, Floyd Russell Mechem, 1890, pp. 3-4, §2;

SOURCE: <http://books.google.com/books?id=g-I9AAAAIAAJ&printsec=titlepage/>]

The ruse described in this section of making corporations into "citizens" and those who work for them into "public officers" of the government and "taxpayers" started just after the Civil War. Congress has always been limited to taxing things that it creates, which means it has never been able to tax anything but federal and not state corporations. The Supreme Court has confirmed, for instance, that the income tax is and always has been a franchise or privilege tax upon profit of federal corporations.

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

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

Conceding the power of Congress to tax the business activities of private corporations.. the tax must be measured by some standard..."

[[Flint v. Stone Tracy Co., 220 U.S. 107 \(1911\)](#)]

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

determining what constitutes income, substance rather than form is to be given controlling weight. *Eisner v. Macomber*, *supra*, 206. [271 U.S. 175]"  
[*Bowers v. Kerbaugh-Empire Co.*, [271 U.S. 170](#), 174, (1926)]

"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)]

To create and expand a national income tax, the federal government therefore had to make the municipal government of the District of Columbia into a federal corporation in 1871 and then impose an income tax upon the officers of the corporation ("public officers") by making all of their earnings from the office into "profit" and "gross income" subject to excise tax upon the franchise they participate in. Below is the history of this transformation. You can find more in Great IRS Hoax, Form #11.302, Chapter 6:

1. The first American Income Tax was passed in 1862. See:

12 Stat. 432.

<http://memory.loc.gov/cgi-bin/ampage?collId=llsl&fileName=012/llsl012.db&recNum=463>

2. The License Tax Cases was heard in 1866 by the Supreme Court, in which the Supreme Court said that Congress could not license a trade or business in a state in order to tax it, referring to the civil war tax enacted in 1862. See:

License Tax Cases, 72 U.S. 462 (1866)

<http://caselaw.lp.findlaw.com/scripts/getcase.pl?navby=case&court=us&vol=72&page=462>

3. The Fourteenth Amendment was ratified in 1868. This makes corporations "citizens".

4. The civil war income tax was repealed in 1871. See:

4.1. 17 Stat. 401

4.2. Great IRS Hoax, Form #11.302, Section 6.5.20.

5. Congress incorporated the District of Columbia in 1871. The incorporation of the District of Columbia was done to expand the income tax by taxing the government's own "public officers" as a federal corporation. See the following:

19 Stat. 419

<http://famguardian.org/Subjects/Taxes/16Amend/SpecialLaw/DCCorpStatuesAtLarge.pdf>

If you would like to know more about how franchises such as a "public office" affect your effective citizenship and standing in court, see:

[Government Instituted Slavery Using Franchises](#), Form #05.030

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

"Those unaware are unaware of being unaware."

[*Merrill Jenkins*]

## **1.9 Federal Statutory Citizenship Statuses Diagram**

We have prepared a venn diagram showing all of the various types of citizens so that you can properly distinguish them. The important thing to notice about this diagram is that there are multiple types of “citizens of the United States” and “nationals of the United States” because there are multiple definitions of “United States” according to the Supreme Court, as we showed earlier in section 1.1.

**Figure 2: Federal Statutory Citizenship Statuses Diagram**

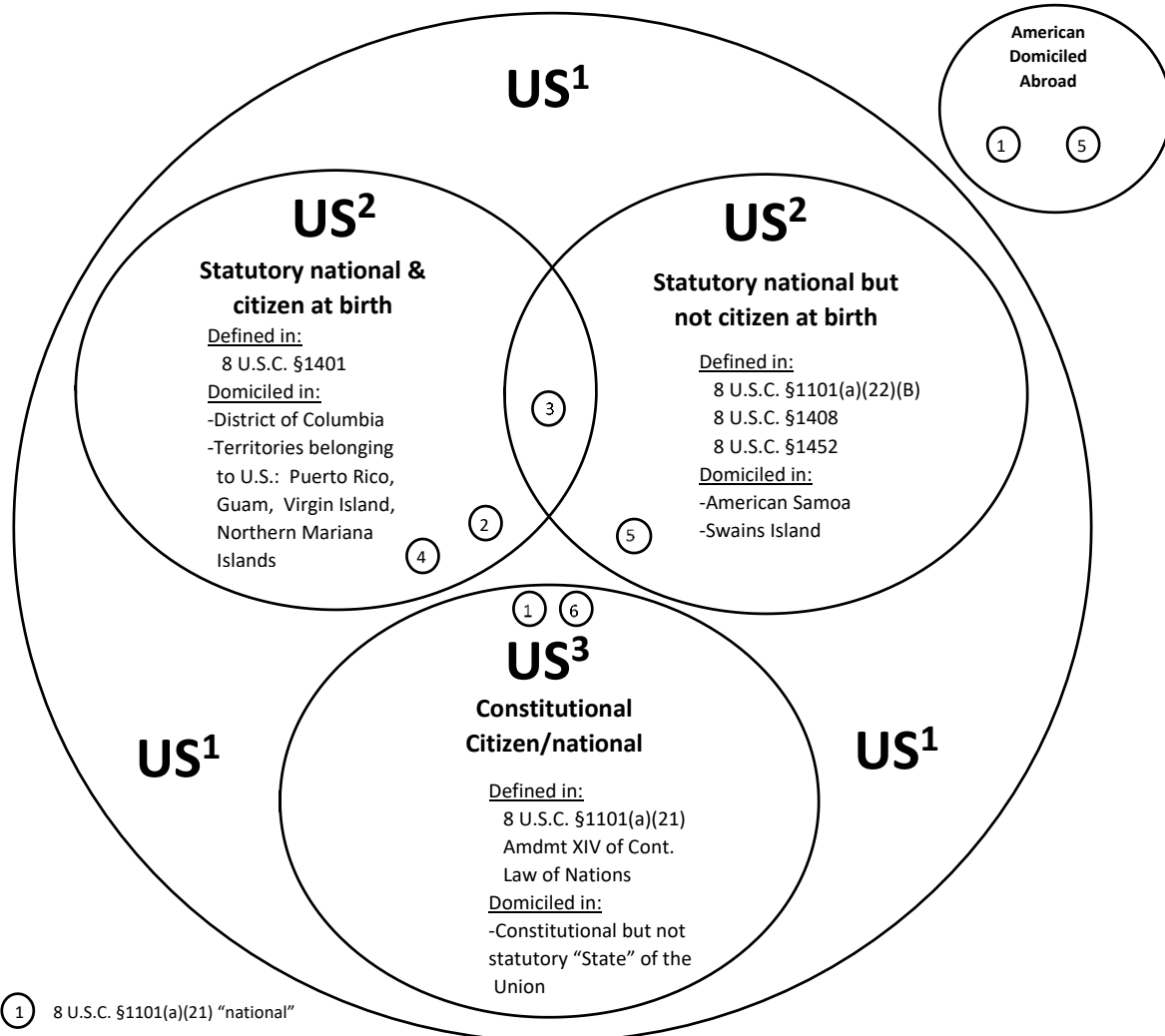
# FEDERAL STATUTORY CITIZENSHIP STATUSES

"The term 'United States' may be used in any one of several senses. 1) It may be merely the name of a sovereign occupying the position analogous to that of other sovereigns in the family of nations. 2) It may designate the territory over which the sovereignty of the United States extends, or 3) it may be the collective name of the states which are united by and under the Constitution." [Numbering Added] [Hooven & Allison Co. v. Evatt, 324 U.S. 652 (1945)]

**US<sup>1</sup>**-Context used in matters describing our sovereign country within the family of nations.

**US<sup>2</sup>**-Context used to designate the territory over which the Federal Government is exclusively sovereign.

**US<sup>3</sup>**-Context used regarding sovereign states of the Union united by and under the Constitution.



- 1 8 U.S.C. §1101(a)(21) "national"
- 2 8 U.S.C. §1401 "national & citizen of the United States<sup>2</sup> at birth"
- 3 8 U.S.C. §1101(a)(22)-"national of the United States<sup>2</sup>"
- 4 8 U.S.C. §1101(a)(22)(A)-"citizen of the United States<sup>2</sup>"
- 5 8 U.S.C. §1101(a)(22)(B)-"person who, though not a citizen of the United States, owes permanent allegiance to the United States<sup>1</sup>"
- 6 Federal Common law "national". See Perkins v. Elg, 307 U.S. 325 (1939). NOT a "national of the United States" under 8 U.S.C. §1101(a)(22) UNLESS all "United States" used there means the CONSTITUTIONAL "United States" and excludes federal territory AND "citizen" excludes 8 U.S.C. §1401 and 26 C.F.R. §1.1-1(c) "citizens".

1 **1.10 Citizenship Status on Government Forms**

2 The table on the next page resurrects and expands upon the table found earlier in section 0. It presents a tabular  
3 summary of each permutation of nationality and domicile as related to the major federal forms and the Social  
4 Security NUMIDENT record.

5 **1.10.1 Table of options and corresponding form values**

6

**Table 4: Tabular Summary of Citizenship Status on Government Forms**

#	Citizenship status	Place of birth	Domicile	Defined in	Social Security NUMIDEN T Status	Status on Specific Government Forms			
						<a href="#">Social Security SS-5 Block 5</a>	<a href="#">IRS Form W-8 Block 3</a>	<a href="#">Department of State I-9 Section 1</a>	<a href="#">E-Verify System</a>
1	“national and citizen of the United States** at birth” or “U.S.** citizen” or “Statutory U.S.** citizen”	Statutory “United States” pursuant to 8 USC §1101(a)(38), (a)(36) and 8 CFR §215.1(f) or in the “outlying possessions of the United States” pursuant to 8 USC §1101(a)(29)	District of Columbia, Puerto Rico, Guam, Virgin Islands	8 USC §1401; 8 USC §1101(a)(22)(A)	CSP=A	”U.S. Citizen”	Can’t use Form W-8	”A citizen of the United States”	See Note 2.
2	“non-citizen national of the United States** at birth” or “U.S.** national”	Statutory “United States” pursuant to 8 USC §1101(a)(38), (a)(36) and 8 CFR §215.1(f) or in the “outlying possessions of the United States” pursuant to 8 USC §1101(a)(29)	American Samoa; Swains Island; or abroad to U.S. national parents under 8 USC §1408(2)	8 USC §1101(a)(22)(B); 8 USC §1408; 8 USC §1452	CSP=B	”Legal alien authorized to work. (statutory)”	“Non-resident NON-person Nontaxpayer” if PRIVATE “Individual” if PUBLIC officer	”A non-citizen national of the United States*”	See Note 2.
3.1	“U.S.A.** national” or “state national” or “Constitutional but not statutory citizen”	Constitutional Union state	State of the Union	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1; 8 USC §1101(a)(22)(B)	CSP=D	”Other (8 USC §1101(a)(21))”	“Non-resident NON-person Nontaxpayer”	”A citizen of the United States***. NOT a “citizen of the United States***” under 8 USC §1101(a)(22)(A) or 8 USC §1401”	See Note 2.
3.2	“U.S.A.** national” or “state national” or “Constitutional but not statutory citizen”	Constitutional Union state	Foreign country	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1; 8 USC §1101(a)(22)(B)	CSP=D	”Other (8 USC §1101(a)(21))”	“Non-resident NON-person Nontaxpayer”	”A citizen of the United States***. NOT a “citizen of the United States***” under 8 USC §1101(a)(22)(A) or 8 USC §1401”	See Note 2.



#	Citizenship status	Place of birth	Domicile	Defined in	Social Security NUMIDEN T Status	Status on Specific Government Forms			
						Social Security SS-5 Block 5	IRS Form W-8 Block 3	Department of State I-9 Section 1	E-Verify System
3.3	“U.S.A.*** national” or “state national” or “Constitutional but not statutory citizen”	Constitutional Union state	Foreign country	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1; 8 USC §1101(a)(22)(B)	CSP=D	”Other (8 USC §1101(a)(21))”	“Non-resident NON-person Nontaxpayer”	”A citizen of the United States***. NOT a “citizen of the United States***” under 8 USC §1101(a)(22)(A) or 8 USC §1401”	See Note 2.
3.4	Statutory “citizen of the United States***” or Statutory “U.S.** citizen”	Constitutional Union state	Puerto Rico, Guam, Virgin Islands, American Samoa, Commonwealth of Northern Mariana Islands	8 USC §1101(a)(21); 14 <sup>th</sup> Amend. Sect.1; 8 USC §1101(a)(22)(B)	CSP=A	”U.S. Citizen”	Can’t use Form W-8	”A citizen of the United States***”	See Note 2.
4.1	“alien” or “Foreign national”	Foreign country	Puerto Rico, Guam, Virgin Islands, American Samoa, Commonwealth of Northern Mariana Islands	8 USC §1101(a)(21); 8 USC §1101(a)(3)	CSP=B	”Legal alien authorized to work. (statutory)”	“Non-resident NON-person Nontaxpayer” if PRIVATE “Individual” if PUBLIC officer	”A lawful permanent resident” OR “An alien authorized to work”	See Note 2.
4.2	“alien” or “Foreign national”	Foreign country	State of the Union	8 USC §1101(a)(21); 8 USC §1101(a)(3)	CSP=B	”Legal alien authorized to work. (statutory)”	“Non-resident NON-person Nontaxpayer”	”A lawful permanent resident” OR “An alien authorized to work”	See Note 2.
4.3	“alien” or “Foreign national”	Foreign country	State of the Union	8 USC §1101(a)(21); 8 USC §1101(a)(3)	CSP=B	”Legal alien authorized to work. (statutory)”	“Non-resident NON-person Nontaxpayer”	”A lawful permanent resident” OR “An alien authorized to work”	See Note 2.
4.4	“alien” or “Foreign national”	Foreign country	Foreign country	8 USC §1101(a)(21)	CSP=B	”Legal alien authorized to work. (statutory)”	“Non-resident NON-person Nontaxpayer”	”A lawful permanent resident” OR “An alien authorized to work”	See Note 2.
4.5	“alien” or “Foreign national”	Foreign country	Foreign country	8 USC §1101(a)(21)	CSP=B	”Legal alien authorized to work. (statutory)”	“Non-resident NON-person Nontaxpayer”	”A lawful permanent resident” OR “An alien authorized to work”	See Note 2.

**NOTES:**

1. ”United States” is described in 8 USC §1101(a)(38), (a)(36) and 8 CFR §215.1(f) and includes only federal territory and possessions and excludes all Constitutional Union states. This is a product of the separation of powers doctrine that is the heart of the United States Constitution.

- 1 2. E-Verify CANNOT be used by those who are a NOT lawfully engaged in a public office in the U.S. government at the time of making application.  
2 Its use is VOLUNTARY and cannot be compelled. Those who use it MUST have a Social Security Number or Taxpayer Identification Number and  
3 it is ILLEGAL to apply for, use, or disclose said number for those not lawfully engaged in a public office in the U.S. government at the time of  
4 application. See:

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

- 5 3. For instructions useful in filling out the forms mentioned in the above table, see:

- 6 3.1. Social Security Form SS-5:

*Why You Aren’t Eligible for Social Security*, Form #06.001  
<http://sedm.org/Forms/FormIndex.htm>

- 7 3.2. IRS Form W-8:

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

- 8 3.3. Department of State Form I-9:

*I-9 Form Amended*, Form #06.028  
<http://sedm.org/Forms/FormIndex.htm>

- 9 3.4. E-Verify:

*About E-Verify*, Form #04.107  
<http://sedm.org/Forms/FormIndex.htm>

## 1.10.2 How to describe your citizenship on government forms<sup>1</sup>

This section provides some pointers on how to describe your citizenship status on government forms in order to avoid being confused with a someone who has a domicile on federal territory and therefore no Constitutional rights. Below is a summary of how we recommend protecting yourself from the prejudicial presumptions of others about your citizenship status:

1. Keep in mind the following facts about all government forms:

- 1.1. Government forms ALWAYS imply the LEGAL/STATUTORY rather than POLITICAL/CONSTITUTIONAL status of the party in the context of all franchises, including income taxes and social security.
- 1.2. "Alien" on government forms means a STATUTORY alien domiciled outside the federal zone, which we also call the "statutory United States\*\*". It includes both people domiciled in a constitutional state and those domiciled in a foreign country. "Alien" is always relative to domicile and not nationality.
- 1.3. The Internal Revenue Code does NOT define the term "nonresident alien". The closest thing to a definition is that found in 26 USC §7701(b)(1)(B), which defines what it ISN'T, but NOT what it IS. If you look on IRS Form W-8BEN, Block 3, you can see that there are many different types of entities that can be nonresident aliens, none of which are included in the definition at 26 USC §7701(b)(1)(B). It is therefore IMPOSSIBLE to conclude based on any definition in the Internal Revenue Code that a specific person IS or IS NOT a "nonresident alien."
- 1.4. On tax forms, the term "nonresident alien" is NOT a subset of the term "alien", but rather a SUPERSET. It includes both FOREIGN nationals domiciled in a foreign country and also persons in Constitutional states of the Union. A "national of the United States", for instance, although NOT an "alien" under Title 8 of the U.S. Code, is an "alien" under Title 26 of the U.S. Code. Therefore, a "nonresident alien" is a "word of art" designed to confuse people, and the fact that uses the word "alien" doesn't mean it IS an "alien". This is covered in:

*Flawed Tax Arguments to Avoid*, Form #08.004, Section 6.7

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

2. Anyone who PRESUMES any of the following should promptly be DEMANDED to prove the presumption with legally admissible evidence from the law. ALL of these presumptions are FALSE and cannot be proven:

- 2.1. That you can trust ANYTHING that either a government form OR a government employee says. The courts say not only that you CANNOT, but that you can be PENALIZED for doing so. See:

*Reasonable Belief About Income Tax Liability*, Form #05.007

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

- 2.2. That nationality and domicile are synonymous.
- 2.3. That "nonresident aliens" are a SUBSET of "aliens" within the Internal Revenue Code.
- 2.4. That the term "United States" has the SAME meaning in Title 8 of the U.S. Code as it has in Title 26.
- 2.5. That a Fourteenth Amendment "citizen of the United States" is equivalent to any of the following:
  - 2.5.1. 8 USC §1401 "national and citizen of the United States".
  - 2.5.2. 26 CFR §1.1-1 "citizen".
  - 2.5.3. 26 USC §3121(e) "citizen of the United States".
 All of the above statuses have similar sounding names, but they rely on a DIFFERENT definition of "United States" from that found in the USA Constitution.
- 2.6. That you can be a statutory "taxpayer" or statutory "citizen" of any kind WITHOUT your consent. See:

*Why Domicile and Becoming a "Taxpayer" Require Your Consent*, Form #05.002

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

<sup>1</sup> Adapted from *Why You are a "national", "state national", and Constitutional but not Statutory Citizen*, Form #05.006, Section 13.1; <http://sedm.org>.

3. The safest way to describe oneself is to check “Other” for citizenship or add an “Other” box if the form doesn’t have one and then do one of the following:
- 3.1. Write in the “Other” box

“See attached mandatory Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001”

and then attach the following completed form:

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

- 3.2. If you don’t want to include an attachment, add the following mandatory language to the form that you are a:
- 3.2.1.A “Citizen and national of \_\_\_\_\_ (statename)”
- 3.2.2. NOT a statutory “national and citizen of the United States” or “U.S. citizen” per 8 USC §1401
- 3.2.3. A constitutional or Fourteenth Amendment Citizen.
- 3.2.4. A statutory alien per 26 USC §7701(b)(1)(A) for the purposes of the federal income tax.

4. If the recipient of the form says they won’t accept attachments or won’t allow you to write explanatory information on the form needed to prevent perjury on the form, then send them an update via certified mail AFTER they accept your submission so that you have legal evidence that they tried to tamper with a federal witness and conspired to commit perjury on the form.

5. For detailed instructions on how to fill out the Department of State Form I-9, See:

[I-9 Form Amended](http://sedm.org/Forms/FormIndex.htm), Form #06.028

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

6. For detailed instructions on how to participate in E-Verify for the purposes of PRIVATE employment, see:

[About E-Verify](http://sedm.org/Forms/FormIndex.htm), Form #04.107

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

7. To undo the damage you have done over the years to your status by incorrectly describing your status, send in the following form and submit according to the instructions provided. This form says that all future government forms submitted shall have this form included or attached by reference.

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

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

8. Quit using Taxpayer Identifying Numbers (TINs). 20 CFR §422.104 says that only statutory “U.S. citizens” and “permanent residents” can lawfully apply for Social Security Numbers, both of which share in common a domicile on federal territory such as statutory “U.S. citizens” and “residents” (aliens), can lawfully use such a number. 26 CFR §301.6109-1(b) also indicates that “U.S. persons”, meaning persons with a domicile on federal territory, are required to furnish such a number if they file tax forms. “Foreign persons” are also mentioned in 26 CFR §301.6109-1(b), but these parties also elect to have an effective domicile on federal territory and thereby become “persons” by engaging in federal franchises. See:

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

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

- 8.2. [Why It is Illegal for Me to Request or Use a “Taxpayer Identification Number”](http://sedm.org/Forms/FormIndex.htm), Form #04.205-attach this form to every government form that asks for a Social Security Number or Taxpayer Identification Number. Write in the SSN/TIN Box (NONE: See attached form #04.205).

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

- 8.3. [Resignation of Compelled Social Security Trustee](http://sedm.org/Forms/FormIndex.htm), Form #06.002-use this form to quit Social Security lawfully.

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

9. If you are completing any kind of government form or application to any kind of financial institution other than a tax form and you are asked for your citizenship status, TIN, or Social Security Number, attach the following form and prepare according to the instructions provided:

[Affidavit of Citizenship, Domicile, and Tax Status, Form #02.001](http://sedm.org/Forms/FormIndex.htm)

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

10. If you are completing and submitting a government tax form, attach the following form and prepare according to the instructions provided:

Tax Form Attachment, Form #04.201

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

11. If you are submitting a voter registration, attach the following form and prepare according to the instructions provided:

Voter Registration Attachment, Form #06.003

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

12. If you are applying for a USA passport, attach the following form and prepare according to the instructions provided:

USA Passport Application Attachment, Form #06.007

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

13. If you are submitting a complaint, response, pleading, or motion to a federal court, you should attach the following form:

Federal Pleading/Motion/Petition Attachment, Litigation Tool #01.002

<http://sedm.org/Litigation/LitIndex.htm>

14. Use as many of the free forms as you can from the page below. They are very well thought out to avoid traps set by the predators who run the American government:

SEDM Forms Page

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

15. When engaging in correspondence with anyone in the government, legal, or financial profession about your status that occurs on other than a standard government form, use the following guidelines:

15.1. In the return address for the correspondence, place the phrase “(NOT A DOMICILE OR RESIDENCE)”.

15.2. Entirely avoid the use of the words “citizen”, “citizenship”, “resident”, “inhabitant”. Instead, prefer the term “non-citizen national”, and “transient foreigner”.

15.3. Never describe yourself as an “individual” or “person”. 5 USC §552a(a)(2) says that this entity is a government employee who is a statutory “U.S. citizen” or “resident” (alien). Instead, refer to yourself as a “transient foreigner” and a “nonresident”. Some forms such as IRS form W-8BEN Block 3 have no block for “transient foreigner” or “non-resident NON-person”, in which case modify the form to add that option. See the following for details:

About IRS Form W-8BEN, Form #04.202

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

15.4. Entirely avoid the use of the phrase “United States”, because it has so many different and mutually exclusive meanings in the U.S. code and state law. Instead, replace this phrase with the name of the state you either are physically present within or with “USA” and then define that “USA” includes the states of the Union and excludes federal territory. For instance, you could say “Citizen of California Republic” and then put an asterisk next to it and at the bottom of the page explain the asterisk as follows:

\* *NOT a citizen of the **STATE of** California, which is a corporate extension of the federal government, but instead a sovereign Citizen of the California Republic*

*California Revenue and Taxation Code, section 6017 defines “State of” as follows:*

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

15.5. Never use the word “residence”, “permanent address”, or “domicile” in connection with either the term “United States”, or the name of the state you are in.

15.6.If someone else refers to you improperly, vociferously correct them so that they are prevented from making presumptions that would injure your rights.

15.7.Avoid words that are undefined in statutes that relate to citizenship. Always use words that are statutorily defined and if you can't find the definition, define it yourself on the form or correspondence you are sending. Use of undefined words encourages false presumptions that will eventually injure your rights and give judges and administrators discretion that they undoubtedly will abuse to their benefit. There isn't even a common definition of “citizen of the United States” or “U.S. citizen” in the standard dictionary, then the definition of “U.S. citizen” in all the state statutes and on all government forms is up to us! Therefore, once again, whenever you fill out any kind of form that specifies either “U.S. citizen” or “citizen of the United States”, you should be **very** careful to clarify that it means “national” under 8 USC §1101(a)(21) and 8 USC §1452 or you will be “presumed” to be a federal citizen and a “citizen of the United States\*\*\*” under 8 USC §1401, and this is one of the biggest injuries to your rights that you could ever inflict. Watch out folks! Here is the definition we recommend that you use on any government form that uses these terms that makes the meaning perfectly clear and unambiguous:

**“U.S.\*\*\* citizen” or “citizen of the United States\*\*\*”**: A “National” defined in either 8 USC §1101(a)(21) or 8 USC §1101(a)(22)(B) and 8 USC §1452 who owes their permanent allegiance to the confederation of states called the “United States”. Someone who was not born in the federal “United States” as defined in 8 USC §1101(a)(38) and who is NOT a “citizen of the United States” under 8 USC §1401.

15.8.Refer them to this pamphlet if they have questions and tell them to do their homework.

16. Citizenship status in Social Security NUMIDENT record:

16.1.The NUMIDENT record derives from what was filled out on the SSA Form SS-5, block 5. See: <http://www.ssa.gov/online/ss-5.pdf>

16.2.One’s citizenship status is encoded within the NUMIDENT record using the “CSP code” within the Numident record. This code is called the “citizenship code” by the Social Security administration.

16.3.Like all government forms, the terms used on the SSA Form SS-5 use the STATUTORY context, not the CONSTITUTIONAL context for all citizenship words. Hence, block 5 of the SSA Form SS-5 should be filled out with “Legal Alien Authorized to Work”, which means you are a STATUTORY but not CONSTITUTIONAL alien. This is consistent with the definition of “individual” found in 26 CFR §1.1441-1(c)(3), which defines the term to include ONLY STATUTORY “aliens”.

16.4.Those who are not STATUTORY “nationals and citizens of the United States\*\*\*” at birth per 8 USC §1401 or 26 USC §3121(e), and 26 CFR §1.1-1(c) have a “CSP code” of B in their NUMIDENT record, which corresponds with a CSP code of “B”. The comment field of the NUMIDENT record should also be annotated with the following to ensure that it is not changed during an audit because of confusion on the part of the SSA employee:

*“CSP Code B not designated in error-- applicant is an American national with a domicile and residence in a foreign state for the purposes of the Social Security Act.”*

16.5.The local SSA office cannot provide a copy of the NUMIDENT record. Only the central SSA headquarters can provide it by submitting a Privacy Act request rather than a FOIA using the following resource:

<p>Guide to Freedom of Information Act, Social Security Administration  <a href="http://www.ssa.gov/foia/html/foia_guide.htm">http://www.ssa.gov/foia/html/foia_guide.htm</a></p>
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16.6.Information in the NUMIDENT record is shared with:

16.6.1. The Department of Homeland Security (DHS).

16.6.2. State Department of Motor Vehicles in verifying SSNs.

16.6.3. E-Verify.

About E-Verify, Form #04.107

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

1 16.7. The procedures for requesting NUMIDENT information using the Freedom of Information Act or  
2 Privacy Act are described in:

Social Security Program Operations Manual (POMS), Section RM 00299.005 Form SSA-L669

Request for Evidence in Support of an SSN Application — U.S.-Born Applicant

<https://s044a90.ssa.gov/apps10/poms.nsf/lrx/0100299005>

## 1.11 How Human Beings Become "Individuals" and "Persons" Under the Revenue Statutes

It might surprise most people to learn that human beings most often are NEITHER "individuals" nor "persons" under ordinary acts of Congress, and especially revenue acts. The reasons for this are many and include the following:

1. All civil statutes are law exclusively for government and not private humans:

*Why Statutory Civil Law is Law for Government and Not Private Person*, Form #05.037  
<https://sedm.org/Forms/FormIndex.htm>

2. Civil statutes cannot impair PRIVATE property or PRIVATE rights.

*"Under basic rules of construction, statutory laws enacted by legislative bodies cannot impair rights given under a constitution. 194 B.R. at 925. "*  
*[In re Young, 235 B.R. 666 (Bankr.M.D.Fla., 1999)]*

3. Civil statutes are privileges and franchises created by the government which convert PRIVATE property to PUBLIC property. They cannot lawfully convert PRIVATE property to PUBLIC property without the express consent of the owner. See:

*Separation Between Public and Private Course*, Form #12.025  
<https://sedm.org/Forms/FormIndex.htm>

4. You have an inalienable PRIVATE right to choose your civil status, including "person".

*Your Exclusive Right to Declare or Establish Your Civil Status*, Form #13.008  
<https://sedm.org/Forms/FormIndex.htm>

5. All civil statuses, including "person" or "individual" are a product of a VOLUNTARY choice of domicile protected by the First Amendment right of freedom from compelled association. If you don't volunteer and choose to be a nonresident or transient foreigner, then you cannot be punished for that choice and cannot have a civil status. See:

*Why Domicile and Becoming a "Taxpayer" Require Your Consent*, Form #05.002  
<https://sedm.org/Forms/FormIndex.htm>

6. As the absolute owner of your private property, you have the absolute right of depriving any and all others, INCLUDING governments, of the use or benefit of that property, including your body and all of your property. The main method of exercising that control is to control the civil and legal status of the property, who protects it, and HOW it is protected.

*"As independent sovereignty, it is State's province and duty to forbid interference by another state or foreign power with status of its own citizens. Roberts v Roberts (1947) 81 CA.2d. 871, 185 P.2d. 381"*  
*[Black's Law Dictionary, 4th Ed., p 1300]*

The following subsections will examine the above assertions and prove they are substantially true with evidence from a high level. If you need further evidence, we recommend reading the documents referenced above.

### 1.11.1 How alien nonresidents visiting the geographical United States\*\* become statutory "individuals" whether or not they consent

The U.S. Supreme Court defined how alien nonresidents visiting the United States\*\* become statutory "individuals" below:

*The reasons for not allowing to other aliens exemption 'from the jurisdiction of the country in which they are found' were stated as follows: **When private individuals of one nation [states of***



1 the Unions are “nations” under the law of nations] spread themselves through another as  
 2 business or caprice may direct, mingling indiscriminately with the inhabitants of that other, or  
 3 when merchant vessels enter for the purposes of trade, it would be obviously inconvenient and  
 4 dangerous to society, and would subject the laws to continual infraction, and the government  
 5 to degradation, if such individuals or merchants did not owe temporary and local allegiance,  
 6 and were not amenable to the jurisdiction of the country. Nor can the foreign sovereign have  
 7 any motive for wishing such exemption. His subjects thus passing into foreign countries are not  
 8 employed by him, nor are they engaged in national pursuits. Consequently, there are powerful  
 9 motives for not exempting persons of this description from the jurisdiction of the country in which  
 10 they are found, and no one motive for requiring it. The implied license, therefore, under which  
 11 they enter, can never be construed to grant such exemption. 7 Cranch, 144.

12 In short, the judgment in the case of *The Exchange* declared, as incontrovertible principles, that  
 13 the jurisdiction of every nation within its own territory is exclusive and absolute, and is  
 14 susceptible of no limitation not imposed by the nation itself; that all exceptions to its full and  
 15 absolute territorial jurisdiction must be traced up to its own consent, express or implied; that  
 16 upon its consent to cede, or to waive the exercise of, a part of its territorial jurisdiction, rest the  
 17 exemptions from that jurisdiction of foreign sovereigns or their armies entering its territory with  
 18 its permission, and of their foreign ministers and public ships of war; and that the implied  
 19 license, under which private individuals of another nation enter the territory and mingle  
 20 indiscriminately with its inhabitants, for purposes of business or pleasure, can never be  
 21 construed to grant to them an exemption from the jurisdiction of the country in which they are  
 22 found. See, also, *Carlisle v. U.S.* (1872) 16 Wall. 147, 155; *Radich v. Hutchins* (1877) 95 U.S.  
 23 210; *Wildenhuis' Case* (1887) 120 U.S. 1, 7 Sup.Ct. 385; *Chae Chan Ping v. U.S.* (1889) 130 U.S.  
 24 581, 603, 604, 9 Sup.Ct. 623.

25 [*United States v. Wong Kim Ark*, 169 U.S. 649, 18 S.Ct. 456, 42 L.Ed. 890 (1898)]

26 Therefore, alien nonresidents visiting or doing business within a country are presumed to be party to an “implied  
 27 license” while there. All licenses are franchises, and all give rise to a public civil franchise status. In the case of  
 28 nonresident aliens, that status is “individual” and it is a public office in the government, just like every other  
 29 franchise status. We prove this in:

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

30 All “aliens” are presumed to be “nonresident aliens” but this may be overcome upon presentation of proof:

31 Title 26: Internal Revenue  
 32 PART 1—INCOME TAXES  
 33 nonresident alien individuals  
 34 § 1.871-4 Proof of residence of aliens.

35 (a) *Rules of evidence.* The following rules of evidence shall govern in determining whether or not  
 36 an alien within the United States has acquired residence therein for purposes of the income tax.

37 (b) *Nonresidence presumed.* An alien by reason of his alienage, is presumed to be a nonresident  
 38 alien.

39 (c) *Presumption rebutted—*

40 (1) *Departing alien.*

1 In the case of an alien who presents himself for determination of tax liability before departure  
2 from the United States, the presumption as to the alien's nonresidence may be overcome by proof-

4 Aliens, while physically in the United States\*\*, are presumed to be “resident” here, REGARDLESS OF THEIR  
5 CONSENT or INTENT. “residence” is the word used to characterize an alien as being subject to the CIVIL  
6 and/or TAXING franchise codes of the place he or she is in:

7 **Title 26: Internal Revenue**

8 **PART 1—INCOME TAXES**

9 **nonresident alien individuals**

10 **§1.871-2 Determining residence of alien individuals.**

11 **(a) General.**

12 *The term nonresident alien individual means an individual whose residence is not within the*  
13 *United States, and who is not a citizen of the United States. The term includes a nonresident alien*  
14 *fiduciary. For such purpose the term fiduciary shall have the meaning assigned to it by section*  
15 *7701(a)(6) and the regulations in part 301 of this chapter (Regulations on Procedure and*  
16 *Administration). For presumption as to an alien's nonresidence, see paragraph (b) of §1.871-4.*

17 **(b) Residence defined.**

18 **An alien actually present in the United States who is not a mere transient or sojourner is a**  
19 **resident of the United States for purposes of the income tax. Whether he is a transient is**  
20 **determined by his intentions with regard to the length and nature of his stay. A mere floating**  
21 **intention, indefinite as to time, to return to another country is not sufficient to constitute him a**  
22 **transient. If he lives in the United States and has no definite intention as to his stay, he is a**  
23 **resident. One who comes to the United States for a definite purpose which in its nature may be**  
24 **promptly accomplished is a transient; but, if his purpose is of such a nature that an extended**  
25 **stay may be necessary for its accomplishment, and to that end the alien makes his home**  
26 **temporarily in the United States, he becomes a resident, though it may be his intention at all**  
27 **times to return to his domicile abroad when the purpose for which he came has been**  
28 **consummated or abandoned. An alien whose stay in the United States is limited to a definite**  
29 **period by the immigration laws is not a resident of the United States within the meaning of this**  
30 **section, in the absence of exceptional circumstances.**

31 Once aliens seek the privilege of permanent resident status, then they cease to be nonresident aliens and become  
32 “resident aliens” under 26 USC §7701(b)(1)(A):

33 **26 USC §7701(b)(1)(A) Resident alien**

34 **(b) Definition of *resident alien* and nonresident alien**

35 **(1) In general**

36 **For purposes of this title (other than subtitle B) -**

37 **(A) *Resident alien***

38 **An alien individual shall be treated as a resident of the [United States](#) with**  
39 **respect to any calendar year if (and only if) such individual meets the**  
40 **requirements of clause (i), (ii), or (iii):**

41 **(i) Lawfully admitted for permanent residence**

42 **Such individual is a lawful permanent resident of the United States at any**  
43 **time during such calendar year.**

44 **(ii) Substantial presence test**

1                   Such individual meets the substantial presence test of paragraph (3).  
 2                   (iii) First year election  
 3                   Such individual makes the election provided in paragraph (4).

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5                   “Residents, as distinguished from citizens, are aliens who are permitted to take up a permanent  
 6                   abode in the country. Being bound to the society by reason of their dwelling in it, they are  
 7                   subject to its laws so long as they remain there, and, being protected by it, they must defend it,  
 8                   although they do not enjoy all the rights of citizens. They have only certain privileges which  
 9                   the law, or custom, gives them. Permanent residents are those who have been given the right of  
 10                   perpetual residence. They are a sort of citizen of a less privileged character, and are subject to  
 11                   the society without enjoying all its advantages. Their children succeed to their status; for the  
 12                   right of perpetual residence given them by the State passes to their children.”  
 13                   [The Law of Nations, Vattel, Book 1, Chapter 19, Section 213, p. 87]

14                   Therefore, once aliens apply for and receive “permanent resident” status, they get the same exemption from  
 15                   income taxation as citizens and thereby CEASE to be civil “persons” under the Internal Revenue Code as  
 16                   described in the following sections. In that sense, their “implied license” is revoked and they thereby cease to  
 17                   be civil “persons”. The license returns if they abandon their “permanent resident” civil status:

18                   Title 26: Internal Revenue  
 19                   [PART 1—INCOME TAXES](#)  
 20                   [nonresident alien individuals](#)  
 21                   [§1.871-5 Loss of residence by an alien.](#)

22                   An alien who has acquired residence in the United States retains his status as a resident until he  
 23                   abandons the same and actually departs from the United States. An intention to change his  
 24                   residence does not change his status as a resident alien to that of a nonresident alien. Thus, an  
 25                   alien who has acquired a residence in the United States is taxable as a [resident](#) for the remainder  
 26                   of his stay in the United States.

27                   We should also point out that:

- 28                   1. There are literally BILLIONS of aliens throughout the world.
- 29                   2. Unless and until an alien either physically sets foot within our country or conducts commerce or business with a  
 30                   foreign state such as the United States\*\*, they:
  - 31                   2.1. Would NOT be classified as civil STATUTORY “persons” or “individuals”, but rather “transient foreigners” or  
 32                   “stateless persons”. Domicile in a place is MANDATORY in order for the civil statutes to be enforceable per  
 33                   Federal Rule of Civil Procedure 17, and they have a foreign domicile while temporarily here.
  - 34                   2.2. Would NOT be classified as “persons” under the Constitution. The constitution attaches to and protects LAND,  
 35                   and not the status of people ON the land.
  - 36                   2.3. Would NOT be classified as “persons” under the CRIMINAL law.
  - 37                   2.4. Would NOT be classified as “persons” under the common law and equity.
- 38                   3. If the alien then physically comes to the United States\*\* (federal zone or STATUTORY “United States\*\*\*”), then they:
  - 39                   3.1. Would NOT become “persons” under the Constitution, because the constitution does not attach to federal  
 40                   territory.
  - 41                   3.2. Would become “persons” under the CRIMINAL laws of Congress, because the criminal law attaches to physical  
 42                   territory.
  - 43                   3.3. Would become “persons” under the common law and equity of the national government and not the states,  
 44                   because common law attaches to physical land.
- 45                   4. If the alien then physically moves to a constitutional state, then their status would change as follows:
  - 46                   4.1. Would become “persons” under the Constitution, because the constitution attaches to land within constitutional  
 47                   states.

- 1 4.2. Would become "persons" under the CRIMINAL laws of states of the Union, because the criminal law attaches to  
2 physical territory.
- 3 4.3. Would cease to be "persons" under the CRIMINAL laws of Congress, because they are not on federal territory.
- 4 4.4. Would become "persons" under the common law and equity of the state they visited and not the national  
5 government, because common law attaches to physical land.
- 6 5. If the aliens are statutory "citizens" of their state of origin, they are "agents of the state" they came from. If they do not  
7 consent to be statutory "citizens" and do not have a domicile in the state of their birth, then they are "non-residents" in  
8 relation to their state of birth. The STATUTORY "citizen" is the agent of the state, not the human being filling the  
9 public office of "citizen".

10 *"Under our own systems of polity, the term 'citizen', implying the same or similar relations to the*  
11 *government and to society which appertain to the term, 'subject' in England, is familiar to all.*  
12 *Under either system, the term used is designed to apply to man in his individual character and*  
13 *to his natural capacities -- to a being or agent [PUBLIC OFFICER!] possessing social and*  
14 *political rights and sustaining social, political, and moral obligations. It is in this acceptation*  
15 *only, therefore, that the term 'citizen', in the article of the Constitution, can be received and*  
16 *understood.* When distributing the judicial power, that article extends it to controversies between  
17 'citizens' of different states. This must mean the natural physical beings composing those  
18 separate communities, and can by no violence of interpretation be made to signify artificial,  
19 incorporeal, theoretical, and invisible creations. A corporation, therefore, being not a natural  
20 person, but a mere creature of the mind, invisible and intangible, cannot be a citizen of a state,  
21 or of the United States, and cannot fall within the terms or the power of the above mentioned  
22 article, and can therefore neither plead nor be impleaded in the courts of the United States."  
23 [Rundle v. Delaware & Raritan Canal Company, 55 U.S. 80, 99 (1852) from dissenting opinion  
24 by Justice Daniel]

- 25 6. When aliens are STATUTORY citizens of the country of their birth and origin who are doing business in  
26 the United States\*\* as a "foreign state", they are treated as AGENTS and OFFICERS of the country they  
27 are from, hence they are "state actors".

28 ***The Law of Nations, Book II: Of a Nation Considered in Her Relation to Other States***  
29 ***§ 81. The property of the citizens is the property of the nation, with respect to foreign nations.***

30 ***Even the property of the individuals is, in the aggregate, to be considered as the property of the***  
31 ***nation, with respect to other states.*** It, in some sort, really belongs to her, from the right she has  
32 over the property of her citizens, because it constitutes a part of the sum total of her riches, and  
33 augments her power. She is interested in that property by her obligation to protect all her  
34 members. In short, it cannot be otherwise, since nations act and treat together as bodies in their  
35 quality of political societies, and are considered as so many moral persons. All those who form a  
36 society, a nation being considered by foreign nations as constituting only one whole, one single  
37 person, — all their wealth together can only be considered as the wealth of that same person.  
38 And this is to true, that each political society may, if it pleases, establish within itself a  
39 community of goods, as Campanella did in his republic of the sun. Others will not inquire what it  
40 does in this respect: its domestic regulations make no change in its rights with respect to  
41 foreigners nor in the manner in which they ought to consider the aggregate of its property, in  
42 what way soever it is possessed.

43 [The Law of Nations, Book II, Section 81, Vattel;

44 SOURCE: [http://famguardian.org/Publications/LawOfNations/vattel\\_02.htm#§ 81. The property](http://famguardian.org/Publications/LawOfNations/vattel_02.htm#§81)  
45 [of the citizens is the property of the nation, with respect to foreign nations.](http://famguardian.org/Publications/LawOfNations/vattel_02.htm#§81)]

- 46 7. As agents of the state they were born within and are domiciled within while they are here, aliens visiting the  
47 United States\*\* are part of a "foreign state" in relation to the United States\*\*.

1 These principles are a product of the Foreign Sovereign Immunities Act, 28 USC Chapter 97:

2 [Title 28](#) › [Part IV](#) › [Chapter 97](#) › § 1605

3 [28 U.S. Code § 1605 - General exceptions to the jurisdictional immunity of a foreign state](#)

4 (a) A foreign [state](#) shall not be immune from the jurisdiction of courts of the [United States](#) or of  
5 the States in any case—

6 (1) in which the foreign [state](#) has waived its immunity either explicitly or by implication,  
7 notwithstanding any withdrawal of the waiver which the foreign [state](#) may purport to effect  
8 except in accordance with the terms of the waiver;

9 (2) in which the action is based upon a [commercial activity](#) carried on in the United States by  
10 the foreign state; or upon an act performed in the United States in connection with a  
11 [commercial activity](#) of the foreign state elsewhere; or upon an act outside the territory of the  
12 United States in connection with a [commercial activity](#) of the foreign state elsewhere and that  
13 act causes a direct effect in the United States;

14 (3) in which rights in property taken in violation of international law are in issue and that  
15 property or any property exchanged for such property is present in the [United States](#) in  
16 connection with a [commercial activity](#) carried on in the United States by the foreign state; or  
17 that property or any property exchanged for such property is owned or operated by an agency  
18 or instrumentality of the foreign state and that agency or instrumentality is engaged in a  
19 [commercial activity](#) in the United States;

20 (4) in which rights in property in the [United States](#) acquired by succession or gift or rights in  
21 immovable property situated in the [United States](#) are in issue;

22 (5) not otherwise encompassed in paragraph (2) above, in which money damages are sought  
23 against a foreign [state](#) for personal injury or death, or damage to or loss of property, occurring  
24 in the [United States](#) and caused by the tortious act or omission of that foreign state or of any  
25 official or employee of that foreign state while acting within the scope of his office or  
26 employment; except this paragraph shall not apply to—

27 (A) any claim based upon the exercise or performance or the failure to exercise or perform a  
28 discretionary function regardless of whether the discretion be abused, or

29 (B) any claim arising out of malicious prosecution, abuse of process, libel, slander,  
30 misrepresentation, deceit, or interference with contract rights; or

31 (6) in which the action is brought, either to enforce an agreement made by the foreign [state](#) with  
32 or for the benefit of a private party to submit to arbitration all or any differences which have  
33 arisen or which may arise between the parties with respect to a defined legal relationship,  
34 whether contractual or not, concerning a subject matter capable of settlement by arbitration  
35 under the laws of the [United States](#), or to confirm an award made pursuant to such an agreement  
36 to arbitrate, if (A) the arbitration takes place or is intended to take place in the [United States](#), (B)  
37 the agreement or award is or may be governed by a treaty or other international agreement in  
38 force for the [United States](#) calling for the recognition and enforcement of arbitral awards, (C) the  
39 underlying claim, save for the agreement to arbitrate, could have been brought in a [United States](#)  
40 court under this section or section 1607, or (D) paragraph (1) of this subsection is otherwise  
41 applicable.

1 Lastly, we also wish to emphasize that those who are physically in the country they were born in are NOT under  
2 any such “implied license” and therefore, unlike aliens, are not AUTOMATICALLY “individuals” or “persons”  
3 and cannot consent to become “individuals” or “persons” under any revenue statute. These people would be  
4 called “nationals of the United States\*\*\* OF AMERICA”. Their rights are UNALIENABLE and therefore they  
5 cannot lawfully consent to give them away by agreeing to ANY civil status, including “person” or “individual”.

### 6 **1.11.2 “U.S. Persons”**

7 The statutory definition of “U.S. person” within the Internal Revenue Code is as follows:

8 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 79](#) > *Sec. 7701.*

9 [Sec. 7701. - Definitions](#)

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

12 (30) [United States](#) person

13 *The term "United States[\*\*] person" means -*

14 (A) [a citizen or resident of the United States\[\\*\\*\]](#),

15 (B) a domestic partnership,

16 (C) a domestic [corporation](#),

17 (D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and

18 (E) any trust if -

19 (i) a court within the United States[\*\*] is able to exercise primary supervision over the  
20 administration of the trust, and

21 (ii) one or more United States[\*\*] persons have the authority to control all substantial decisions  
22 of the trust.

---

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

26 [Sec. 7701. - Definitions](#)

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

29 (9) [United States](#)

30 *The term "United States'[\*\*]" when used in a geographical sense includes only the [States](#) and the*  
31 *District of Columbia.*

---

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

34 [Sec. 7701. - Definitions](#)

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

37 (10) [State](#)

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

1 NOTICE the following important fact: The definition of “person” in 26 USC §7701(a)(1) does NOT include  
 2 “U.S. person”, and therefore indicating this status on a withholding form does not make you a STATUTORY  
 3 “person” within the Internal Revenue Code!

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

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

8 (1)Person

9 The term “person” shall be construed to mean and include an individual, a trust, estate,  
 10 partnership, association, company or corporation.

11 There is some overlap between “U.S. Persons” and “persons” in the I.R.C., but only in the case of estates and  
 12 trusts, and partnerships. NOWHERE in the case of individuals is there overlap.

13 There is also no tax imposed directly on a U.S. Person anywhere in the internal revenue code. All taxes relating  
 14 to humans are imposed upon “persons” and “individuals” rather than “U.S. Persons”. Nowhere in the definition  
 15 of “U.S. person” is included “individuals”, and you must be an “individual” to be a “person” as a human being  
 16 under 26 USC §7701(a)(1). Furthermore, nowhere are “citizens or residents of the United States” mentioned in  
 17 the definition of “U.S. Person” defined to be “individuals”. Hence, they can only be fictions of law and NOT  
 18 humans. To be more precise, they are not only “fictions of law” but public offices in the government. See:

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

19 There is a natural tendency to PRESUME that a statutory “U.S. person” is a “person”, but in fact it is not. That  
 20 tendency begins with the use of “person” in the NAME “U.S. person”. However, the rules for interpreting the  
 21 Internal Revenue Code forbid such a presumption:

22 [U.S. Code](#) > [Title 26](#) > [Subtitle F](#) > [Chapter 80](#) > [Subchapter A](#) > § 7806  
 23 [26 U.S. Code § 7806 - Construction of title](#)

24 (b)Arrangement and classification

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

31 Portions of a specific section, such as 26 USC §7701(a)(30) is a “grouping” as referred to above. The following  
 32 case also affirms this concept:

33 “Factors of this type have led to the wise rule that the title of a statute and the heading of a  
 34 section cannot limit the plain meaning of the text. *United States v. Fisher*, 2 Cranch 358, 386;  
 35 *Cornell v. Coyne*, [192 U.S. 418, 430](#); *Strathearn S.S. Co. v. Dillon*, [252 U.S. 348, 354](#). For  
 36 interpretative purposes, they are of use only when they shed light on some ambiguous word or  
 37 phrase. They are but tools available for the resolution of a doubt. But they cannot undo or limit  
 38 that which the text makes plain.”

1 [Railroad Trainmen v. B. & O.R. Co. 331 U.S. 519 (1947)]

2 Therefore, we must discern the meaning of “U.S. person” from what is included UNDER the heading, and not  
3 within the heading “U.S. Person”. The following subsections will attempt to do this.

### 4 **1.11.3 The Three Types of “Persons”**

5 The meaning of “person” depends entirely upon the context in which it is used. There are three main contexts,  
6 defined by the system of law in which they may be invoked:

- 7 1. CONSTITUTIONAL “person”: Means a human being and excludes artificial entities or corporations or  
8 even governments.

9 ***“Citizens of the United States within the meaning of this Amendment must be natural and not  
10 artificial persons; a corporate body is not a citizen of the United States.”<sup>14</sup>***

11 \_\_\_\_\_  
12 *14 Insurance Co. v. New Orleans, 13 Fed.Cas. 67 (C.C.D.La. 1870). Not being citizens of the  
13 United States, corporations accordingly have been declared unable "to claim the protection of  
14 that clause of the Fourteenth Amendment which secures the privileges and immunities of citizens  
15 of the United States against abridgment or impairment by the law of a State." Orient Ins. Co. v.  
16 Daggs, [172 U.S. 557](#), 561 (1869) . This conclusion was in harmony with the earlier holding in  
17 Paul v. Virginia, 75 U.S. (8 Wall.) 168 (1869), to the effect that corporations were not within the  
18 scope of the privileges and immunities clause of state citizenship set out in Article IV, Sect. 2. See  
19 also Selover, Bates & Co. v. Walsh, [226 U.S. 112](#), 126 (1912) ; Berea College v. Kentucky, [211  
20 U.S. 45](#) (1908) ; Liberty Warehouse Co. v. Tobacco Growers, [276 U.S. 71](#), 89 (1928) ; Grosjean  
21 v. American Press Co., [297 U.S. 233](#), 244 (1936) .*

22 *[Annotated Fourteenth Amendment, Congressional Research Service.*

23 *SOURCE: [http://www.law.cornell.edu/anncon/html/amdt14a\\_user.html#amdt14a\\_hd1](http://www.law.cornell.edu/anncon/html/amdt14a_user.html#amdt14a_hd1)]*

- 24 2. STATUTORY “person”: Depends entirely upon the definition within the statutes and EXCLUDES  
25 CONSTITUTIONAL “persons”. This would NOT INCLUDE STATUTORY “U.S. Persons”.
- 26 3. COMMON LAW “person”: A private human who is litigating in equity under the common law in defense  
27 of his absolutely owned private property.

28 The above systems of law are described in:

*Four Law Systems*, Form #12.039

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

29 Which of the above statuses you have depends on the law system you voluntarily invoke when dealing with the  
30 government. That law system determines what is called the “choice of law” in your interactions with the  
31 government. Form more on “choice of law” rules, see:

*Federal Jurisdiction*, Form #05.018, Section 3

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

32 If you invoke a specific choice of law in the action you file in court, and the judge or government changes it to  
33 one of the others, then they are engaged in CRIMINAL IDENTITY THEFT:

*Government Identity Theft*, Form #05.046

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

***The Galileo Paradigm, version 1.04***

Electronically published by Family Guardian Fellowship

<http://famguardian.org/>



Identity theft can also be attempted by the government by deceiving or confusing you with legal “words of art”:

[Legal Deception, Propaganda, and Fraud](https://sedm.org/Forms/FormIndex.htm), Form #05.014  
<https://sedm.org/Forms/FormIndex.htm>

### **1.11.4 Why a “U.S. Person” who is a “citizen” is NOT a statutory “person” or “individual” in the Internal Revenue Code**

The definition of person is found in 26 USC §7701(a)(1) as follows:

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

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

(1) Person

The term “person” shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

The term “individual” is then defined as:

[26 CFR 1.1441-1 Requirement for the deduction and withholding of tax on payments to foreign persons.](#)

[\(c\) Definitions](#)

[\(3\) Individual.](#)

(i) Alien individual.

The term alien individual means an individual who is not a citizen or a national of the United States. See Sec. 1.1-1(c).

[26 CFR 1.1441-1T Requirement for the deduction and withholding of tax on payments to foreign persons.](#)

[\(c\) Definitions](#)

[\(3\) Individual.](#)

(ii) Nonresident alien individual.

The term nonresident alien individual means [persons](#) described in section 7701(b)(1)(B), alien [individuals](#) who are treated as [nonresident aliens](#) pursuant to [§ 301.7701\(b\)-7 of this chapter](#) for [purposes](#) of computing their U.S. [tax liability](#), or an alien individual who is a resident of [Puerto Rico](#), [Guam](#), the [Commonwealth of Northern Mariana Islands](#), the [U.S. Virgin Islands](#), or [American Samoa](#) as determined under [§ 301.7701\(b\)-1\(d\) of this chapter](#). An alien individual who has made an [election](#) under section 6013(g) or [\(h\)](#) to be treated as a resident of the [United](#)

*States* is nevertheless treated as a nonresident alien individual for purposes of withholding under chapter 3 of the Code and the regulations thereunder.

Did you also notice that the definitions were not qualified to only apply to a specific chapter or section? That means that they apply generally throughout the Internal Revenue Code and implementing regulations. Therefore, we must conclude that the REAL "individual" in the phrase "U.S. **Individual** Income Tax Return" (IRS Form 1040) that Congress and the IRS are referring to can only mean "nonresident alien INDIVIDUALS" and "alien INDIVIDUALS". That is why they don't just come out and say "U.S. Citizen Tax Return" on the 1040 form. If you aren't a STATUTORY "individual", then obviously you are filing the WRONG form to file the 1040, which is a RESIDENT form for those DOMICILED on federal territory. This is covered in the following:

*Why It's a Crime for a State Citizen to File a 1040 Income Tax Return*, Form #08.021  
<https://sedm.org/Forms/FormIndex.htm>

Therefore, all STATUTORY "individuals" are STATUTORY "aliens". Hence, the ONLY people under Title 26 of the U.S. Code who are BOTH "persons" and "individuals" are ALIENS. Under the rules of statutory construction "citizens" of every description are EXCLUDED from being STATUTORY "persons".

*"It is apparent that a constitutional prohibition cannot be transgressed indirectly by the creation of a statutory presumption any more than it can be violated by direct enactment. The power to create presumptions is not a means of escape from constitutional restrictions."*  
 [Bailey v. Alabama, 219 U.S. 219 (1911)]

*"**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)]*

Who might these STATUTORY "persons" be who are also "individuals"? They must meet all the following conditions simultaneously to be "taxpayers" and "persons":

1. STATUTORY "U.S. citizens" or STATUTORY "U.S. residents" domiciled in the geographical "United States" under 26 USC §7701(a)(9) and (a)(10) and/or 4 USC §110(d).
2. Temporarily abroad on travel under 26 USC §911.

3. Availing themselves of a tax treaty benefit (franchises) and therefore liable to PAY for said "benefit".
4. Interface to the Internal Revenue Code as "aliens" in relation to the foreign country they are physically in but not domiciled in at the time.
5. Called a "qualified individual" in 26 USC §911(d)(1).

Some older versions of the code call the confluence of conditions above a "nonresident citizen". The above are confirmed by the words of Jesus Himself!

*And when he had come into the house, Jesus anticipated him, saying, "What do you think, Simon? From whom do the kings [governments] of the earth [lawfully] take customs or taxes, from their sons [citizens and subjects] or from strangers [statutory "aliens", which are synonymous with "residents" in the tax code, and exclude "citizens"]?"*

*Peter said to Him, "From strangers [statutory "aliens"/"residents" ONLY. See [26 CFR §1.1-1\(a\)\(2\)\(ii\)](#) and [26 CFR §1.1441-1\(c\)\(3\)](#)]."*

*Jesus said to him, "Then the sons [of the King, Constitutional but not statutory "citizens" of the Republic, who are all sovereign "nationals" and "non-resident non-persons"] are free [sovereign over their own person and labor. e.g. SOVEREIGN IMMUNITY]. "*  
*[[Matt. 17:24-27](#), Bible, NKJV]*

Note some other very important things that distinguish STATUTORY "U.S. Persons" from STATUTORY "persons":

1. The term "U.S." in the phrase "U.S. Person" as used in 26 USC §7701(a)(30) is never defined anywhere in the Internal Revenue Code, and therefore does NOT mean the same as "United States" in its geographical sense as defined in 26 USC §7701(a)(9) and (a)(10). It is a violation of due process to PRESUME that the two are equivalent.
2. The definition of "person" in 26 USC §7701(a)(1) does not include statutory "citizens" or "residents".
3. The definition of "U.S. person" in 26 USC §7701(a)(30) does not include statutory "individuals".
4. Nowhere in the code are "individuals" ever expressly defined to include statutory "citizens" or "residents". Hence, under the rules of statutory construction, they are purposefully excluded.
5. Based on the previous items, there is no overlap between the definitions of "person" and "U.S. Person" in the case of human beings who are ALSO "citizens" or "residents".
6. The only occasion when a human being can ALSO be a statutory "person" is when they are neither a "citizen" nor a "resident" and are a statutory "individual".
7. The only "person" who is neither a statutory "citizen" nor a statutory "resident" and is ALSO an "individual" is a "nonresident alien individual":

[26 USC §7701\(b\)\(1\)\(B\) Nonresident alien](#)

*An individual is a nonresident alien if such individual is neither a citizen of the United States nor a resident of the United States (within the meaning of subparagraph (A)).*

8. The previous item explains why nonresident aliens are the ONLY type of "individual" subject to tax withholding in 26 USC Subtitle A, Chapter 3, Subchapter A and who can earn taxable income under the I.R.C.: The only "individuals" listed are "nonresident aliens":

[26 U.S. Code Subchapter A - Nonresident Aliens and Foreign Corporations](#)

[§ 1441 - Withholding of tax on nonresident aliens](#)

[§ 1442 - Withholding of tax on foreign corporations](#)

1 [§ 1443 - Foreign tax-exempt organizations](#)

2 [§ 1444 - Withholding on Virgin Islands source income](#)

3 [§ 1445 - Withholding of tax on dispositions of United States real property interests](#)

4 [§ 1446 - Withholding tax on foreign partners' share of effectively connected income](#)

- 5 9. There is overlap between "U.S. Person" and "person" in the case of trusts, corporations, and estates, but  
6 NOT "individuals". All such entities are artificial and fictions of law. Even they can in some cases be  
7 "citizens" or "residents" and therefore nontaxpayers:

8 "A corporation is a citizen, resident, or inhabitant of the state or country by or under the laws of  
9 which it was created, and of that state or country only."

10 [19 Corpus Juris Secundum (C.J.S.), Corporations, §886 (2003)]

- 11 10. Corporations can also be individuals instead of merely and only corporations:

12 **At common law, a "corporation" was an "artificial perso[n] endowed with the legal capacity of**  
13 **perpetual succession" consisting either of a single individual (termed a "corporation sole") or**  
14 **of a collection of several individuals (a "corporation aggregate").** 3 H. Stephen, Commentaries  
15 on the Laws of England 166, 168 (1st Am. ed. 1845). The sovereign was considered a  
16 corporation. See *id.*, at 170; see also 1 W. Blackstone, Commentaries \*467. Under the definitions  
17 supplied by contemporary law dictionaries, Territories would have been classified as  
18 "corporations" (and hence as "persons") at the time that 1983 was enacted and the Dictionary  
19 Act recodified. See W. Anderson, A Dictionary of Law 261 (1893) ("All corporations were  
20 originally modeled upon a state or nation"); 1 J. Bouvier, A Law Dictionary Adapted to the  
21 Constitution and Laws of the United States of America 318-319 (11th ed. 1866) ("In this extensive  
22 sense the United States may be termed a corporation"); *Van Brocklin v. Tennessee*, 117 U.S. 151,  
23 154 (1886) ("The United States is a . . . great corporation . . . ordained and established by the  
24 American people") (quoting *United [495 U.S. 182, 202] States v. Maurice*, 26 F. Cas. 1211, 1216  
25 (No. 15,747) (CC Va. 1823) (Marshall, C. J.)); *Cotton v. United States*, 11 How. 229, 231 (1851)  
26 (*United States is "a corporation"*). See generally *Trustees of Dartmouth College v. Woodward*, 4  
27 *Wheat*. 518, 561-562 (1819) (explaining history of term "corporation").  
28 [*Ngiraingas v. Sanchez*, 495 U.S. 182 (1990)]

29 We have therefore come full circle in forcefully concluding that "persons" and "U.S. persons" are not equivalent  
30 and non-overlapping in the case of "citizens" and "residents", and that the only type of entity a human being can  
31 be if they are a STATUTORY "citizen" or "resident" is a statutory "U.S. person" under 26 USC §7701(a)(30)  
32 and NOT a statutory "person" under 26 USC §7701(a)(1).

33 None of the following could therefore TRUTHFULLY be said about a STATUTORY "U.S. Person" who are  
34 human beings that are "citizens" or "residents":

- 35 1. They are "individuals" as described in 26 CFR §1.1441-1(c)(3)(i).  
36 2. That they are a SUBSET of all "persons" in 26 USC §7701(a)(1).  
37 3. That they are ALSO statutory "persons" in 26 USC §7701(a)(1).

38 Lastly, we wish to emphasize that it constitutes a CRIME and perjury for someone who is in fact and in deed a  
39 "citizen" to misrepresent themselves as a STATUTORY "individual" (alien) by performing any of the following  
40 acts:

1. Declaring yourself to be a "payee" by submitting an IRS form W-8 or W-9 to an alleged "withholding agent" while physically located in the statutory "United States\*" (federal zone) or in a state of the Union. All human being "payees" are "persons" and therefore "individuals". "U.S. persons" who are not aliens are NOT "persons". Statutory citizens or residents must be ABROAD to be a "payee" because only then can they be both "individuals" and "qualified individuals" under 26 USC §911(d)(1).

[Title 26](#) > [Chapter I](#) > [Subchapter A](#) > [Part 1](#) > [Section 1.1441-1](#)  
[26 CFR §1.1441-1 - Requirement for the deduction and withholding of tax on payments to foreign persons.](#)

§ 1.1441-1 [Requirement](#) for the deduction and [withholding](#) of tax on [payments](#) to foreign [persons](#).

(b) General rules of withholding-

(2) Determination of payee and payee's status-

(i) In general.

[. . .] "**a payee is the person to whom a payment is made**, regardless of whether such [person](#) is the [beneficial owner](#) of the [amount](#) (as [defined](#) in [paragraph \(c\)\(6\)](#) of this section)."

2. Filing an IRS Form 1040. The form in the upper left corner says "U.S. Individual" and "citizens" are NOT STATUTORY "individuals". See:

[Why It's a Crime for a State Citizen to File a 1040 Income Tax Return](#), Form #08.021  
<https://sedm.org/Forms/FormIndex.htm>

3. To apply for or receive an "INDIVIDUAL Taxpayer Identification Number" using an IRS Form W-7. See:

[Individual Taxpayer Identification Number](#), Internal Revenue Service  
<https://www.irs.gov/individuals/individual-taxpayer-identification-number>

The ONLY provision within the Internal Revenue Code that permits those who are STATUTORY "citizens" to claim the status of either "individual" or "alien" is found in 26 USC §911(d)(1), in which the citizen is physically abroad in a foreign country, in which case he or she is called a "qualified individual".

*U.S. Code* > [Title 26](#) > [Subtitle A](#) > [Chapter 1](#) > [Subchapter N](#) > [Part III](#) > [Subpart B](#) > § 911

[26 U.S. Code § 911 - Citizens or residents of the United States living abroad](#)

(d) **DEFINITIONS AND SPECIAL RULES**

*For purposes of this section—*

(1) **QUALIFIED INDIVIDUAL**

The term "qualified individual" **means an individual** whose tax home is in a foreign country and who is—

(A) a citizen of the United States and establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, or

(B) a citizen or resident of the United States and who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days in such period.

The above provisions SUPERSEDE the definitions within [26 USC §7701](#) only within [section 911](#) for the specific case of citizens when abroad ONLY. Those who are not physically "abroad" or in a foreign country CANNOT truthfully claim to be "individuals" and would be committing perjury under penalty of perjury if they

signed any tax form, INCLUDING a 1040 form, identifying themselves as either an “individual” or a “U.S. individual” as it says in the upper left corner of the 1040 form. If this limitation of the income tax ALONE were observed, then most of the fraud and crime that plagues the system would instantly cease to exist.

### 1.11.5 “U.S. Persons” who are ALSO “persons”

26 CFR §1.1441(c)(8) identifies “U.S. Persons” who are also “persons” under the Internal Revenue Code:

(8)Person.

For purposes of the regulations under chapter 3 of the Code, the term person shall mean a person described in section 7701(a)(1) and the regulations under that section and a U.S. branch to the extent treated as a U.S. person under paragraph (b)(2)(iv) of this section. For purposes of the regulations under chapter 3 of the Code, the term person does not include a wholly-owned entity that is disregarded for federal tax purposes under § 301.7701-2(c)(2) of this chapter as an entity separate from its owner. See paragraph (b)(2)(iii) of this section for procedures applicable to payments to such entities.  
[26 CFR §1.1441-1(c)(8)]

The ONLY way that a human being who is a “U.S. person” physically located within the statutory “United States\*\*” (federal zone) or states of the Union can become a STATUTORY “person” is to:

1. Be treated wrongfully AS IF they are a “payee” by an ignorant “withholding agent” under 26 CFR §1.1441.
2. Be falsely PRESUMED to be a statutory “individual” or statutory “person”. All such conclusive presumptions which impair constitutional rights are unconstitutional and impermissible as we prove in the following:

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

All such presumption should be FORCEFULLY CHALLENGED. Anyone making such a presumption should be DEMANDED to satisfy their burden of proof and produce a statutory definition that expressly includes those who are either STATUTORY “citizens” or statutory “residents”. In the absence of such a presumption, you as the victim of such an unconstitutional presumption must be presumed to be innocent until proven guilty, which means a “non-person” and a “non-taxpayer” unless and until proven otherwise WITH COURT ADMISSIBLE EVIDENCE SIGNED UNDER PENALTY OF PERJURY BY THE MOVING PARTY, which is the withholding agent.

3. Volunteer to fill out an unmodified or not amended IRS Form W-8 or W-9. Both forms PRESUPPOSE that the submitter is a “payee” and therefore a “person” under 26 CFR §1.1441-1(b)(2)(i). A withholding agent asserting usually falsely that you have to fill out this form MUST make a false presumption that you are a “person” but he CANNOT make that determination without forcing you to contract or associate in violation of law. ONLY YOU as the submitter can lawfully do that. If you say under penalty of perjury that you are NOT a statutory “person” or “individual”, then he has to take your word for it and NOT enforce the provisions of 26 CFR §1.1441-1 against you. If he refuses you this right, he is committing criminal witness tampering, since the form is signed under penalty of perjury and he compelling a specific type of testimony from you. See:

Your Exclusive Right to Declare or Establish Your Civil Status, Form #13.008  
<https://sedm.org/Forms/FormIndex.htm>

4. Fill out an IRS Form W-8. Block 1 for the name of the submitter calls the submitter an “individual”. You are NOT an “individual” since individuals are aliens as required by 26 CFR §1.1441-1(c)(3). Only STATUTORY “U.S. citizens” abroad can be “individuals” and you aren’t abroad if you are either on federal territory or within a constitutional state.

The result of ALL of the above is CRIMINAL IDENTIFY THEFT at worst as described in Form #05.046, and impersonating a public officer called a “person” and “individual” at best in violation of 18 USC §912 as described in Form #05.008.

There is much overlap between the definition of “person” and “U.S. person”. The main LACK of overlap occurs with “individuals”. Below is a table comparing the two, keeping in mind that the above regulation refers to the items listed that both say “Yes”, but not to “individuals”:

Table 5: Comparison of "person" to "U.S. Person"

#	Type of entity	"person"? 26 USC §7701(a)(1)	"U.S. Person" 26 USC §7701(a)(30)
1	Individual	Yes	No (replaced with "citizen or resident of the United States**")
2	Trust	Yes	Yes
3	Estate	Yes	Yes
4	Partnership	Yes	Yes
5	Association	Yes	Not listed
6	Company	Yes	Not listed
7	Corporation	Yes (federal corporation domiciled on federal territory only)	Yes (all corporations, including state corporations)

We believe that the "citizen or resident of the United States\*\*" listed in item 1 above and in 26 USC §7701(a)(30)(A) is a territorial citizen or resident. Those domiciled in states of the Union would be NEITHER, and therefore would NOT be classified as "individuals", even if they otherwise satisfied the definition of "individual" found in 26 CFR §1.1441-1(c)(3). This results from the geographical definition of "United States" found in 26 USC §7701(a)(9) and (a)(10). Below is an example of why we believe this:

[26 CFR §31.3121\(e\)-1 State, United States, and citizen](#)

(b)...The term 'citizen of the United States' includes a citizen of the Commonwealth of Puerto Rico or the Virgin Islands, and, effective January 1, 1961, a citizen of Guam or American Samoa.

**1.11.6 Types of "Individuals" and their characteristics**

#	Description	Definition	"U.S. person"		"Foreign Person"			Notes
			citizen	resident	alien individual	nonresident alien individual	nonresident alien	
1	Defined in	NA	<a href="#">26 USC §3121</a> ;  <a href="#">26 CFR §1.1-1(c)</a>	<a href="#">26 USC §7701(b)(1)(A)</a>	<a href="#">26 CFR §1.1441-1(c)(3)(i)</a> . Described as an "alien individual"	<a href="#">26 CFR §1.1441-1(c)(3)(ii)</a> . Described as an "individual"	<a href="#">26 USC §7701(b)(1)(B)</a> . Described as an "individual".	
2	An office within U.S. Inc? (personal jurisdiction)		Y	Y	N	N	N	
3	Domestic (within the CORPORATION, not the geography)?		Y	Y	N	N	N	
4	Domicile in the statutory geographical "United States" because the corporation "U.S. Inc." is domiciled there?		Y	Y	N	N	N	
5	File 1040?		Y	Y	N	N	N	
6	File 1040NR?		N	N	Y	Y	Y	
7	Present in the United States test?	<a href="#">26 USC §7701(b)(7)</a>	Y	Y	Y	Y	Y	Uses the word "individual"
8	Can have tax home?	<a href="#">26 CFR §301.7701(b)-2(c)</a>	Y	Y	Y	Y	Y	Uses word "individual"
9	Substantial Presence Test	<a href="#">26 USC §7701(b)(3)</a>	N	N	Y	N	N	Uses the word "individual" but is mentioned only by <a href="#">26 USC §7701(b)(1)(A)(ii)</a> , which is only in the context of "alien individuals"..
10	Closer connection to foreign country	<a href="#">26 CFR §301.7701(b)-2(d)</a>	N	N	Y	N	N	Uses the word "alien individual"
11	First year of residency test	<a href="#">26 USC §7701(b)(2)(A)</a>	N	N	Y	N	N	
12	Last year of residency test	<a href="#">26 USC §7701(b)(2)(B)</a>	N	N	Y	N	N	
13	First year of election test	<a href="#">26 USC §7701(b)(4)</a>	N	N	Y	N	N	
14	Expatriation to avoid tax in 26 USC §877?	<a href="#">26 USC §7701(b)(10)</a>	Y	N	N	Y	Y	Uses the word "alien individual"

**NOTES:**

1. All privileges come with associated offices in the government:

*The Galileo Paradigm, version 1.04*

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**privilege** \ 'priv-lij, 'pri-və-\ noun

[Middle English, from Anglo-French, from Latin *privilegium* law for or against a private person, from *privus* private + *leg-*, *lex* law] 12th century: a right or immunity granted as a peculiar benefit, advantage, or favor: prerogative especially: such a **right or immunity attached specifically to a position or an office**

[Mish, F. C. (2003). *Preface. Merriam-Websters collegiate dictionary. (Eleventh ed.). Springfield, MA: Merriam-Webster, Inc.*]

## 2. Domicile is a PRIVILEGE. See:

Lawrence v. State Tax Commission, 286 U.S. 276 (1932)

[https://scholar.google.com/scholar\\_case?case=10241277000101996613](https://scholar.google.com/scholar_case?case=10241277000101996613)

3. The income tax is upon the DOMICILE of the "taxpayer" and NEVER on the NATIONALITY of the officer.

4. Domicile is always GEOGRAPHICAL and never VIRTUAL.

5. The OFFICE and the OFFICER can have domiciles completely independently of each other. This is shown in [Federal Rule of Civil Procedure 17](#).

6. The domicile of the United States federal corporation under [28 USC §3002](#)(15)(A) is the District of Columbia per [4 USC §72](#) and Article 1, Section 8, Clause 17 of the Constitution.

7. While you are representing the United States Inc. federal corporation as an officer of that corporation, your effective domicile is that of the corporation you work for under [Federal Rule of Civil Procedure 17](#).

8. A "qualified individual" under [26 USC §911](#)(d)(1) is a STATUTORY U.S. citizen or U.S. resident whose "tax home" is situated in a "foreign country" as defined in [26 CFR §301.7701\(b\)-2](#)(b) AND who is:

8.1. A citizen of the United States and establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, or

8.2. A citizen or resident of the United States and who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days in such period.

9. A "tax home" simply means that they have declared privileged "trade or business" deductions under [26 USC §162](#).

9.1. That is what it says in [26 CFR §301.7701\(b\)-2](#)(c). Thus, they are engaging in a privilege and thus an OFFICE that has a domicile in the District of Columbia.

9.2. In that scenario, they are in effect "resident agents" situated abroad representing an office in the District of Columbia. As "resident agents".

9.3. In the absence of "trade or business" deductions under [26 USC §162](#), the "tax home" becomes the abode of the OFFICER rather than the OFFICE under [26 CFR §301.7701\(b\)-2](#)(c).

10. [26 CFR §301.7701\(b\)-2](#)(c):

10.1. Defines a "tax home" as the place where you engage in a privileged "trade or business" under [26 USC §162](#) as an officer of the United States. That office is VIRTUAL and not PHYSICAL, but it is domiciled in the location of its corporate parent. Thus, pursuant to Federal Rule of Civil Procedure 17(b), the OFFICE is domiciled where the United States Inc. is domiciled, which is the District of Columbia under Article 1, Section 8, Clause 17 and [4 USC §72](#).

10.2. Also says that if there is NO privileged "trade or business" activity, the "tax home" devolves to that of the OFFICER rather than the OFFICE, which is usually in a "foreign country".

11. [26 CFR §301.7701\(b\)-2](#)(b):

11.1. Defines "foreign country" as anything OTHER than the statutory geographical United States in [26 USC §7701](#)(a)(9) and (a)(10).

11.2. Establishes the states of the Union, territories, and even possessions are all foreign countries and identifies "individuals" in these places foreign and thus a "nonresident alien" under [26 USC §7701](#)(b)(1)(B) instead of a "U.S. person" under [26 USC §7701](#)(a)(30).

- 1 12. A "national", Fourteenth Amendment citizen, or STATUTORY "citizen" under [8 USC §1401](#) or [26 CFR §1.1-1](#)(c) are NEVER subject to the  
2 Substantial Presence Test in [26 USC §7701](#)(b)(3).

## 1.12 Four Withholding and Reporting Statuses Compared

Albert Einstein is famous for saying:

*“The essence of genius is simplicity”.*

This section tries to simplify most of what you need to know about withholding and reporting forms and statuses into the shortest possible tabular list that we can think of.

First we will start off by comparing the four different withholding and reporting statuses in tabular form. For each, we will compare the withholding, reporting, and SSN/TIN requirements and where those requirements appear in the code or regulations. For details on how the statuses described relate, refer earlier to section 1.11.

Jesus summarized the withholding and reporting requirements in the holy bible, and he was ABSOLUTELY RIGHT! Here is what He said they are:

*And when he had come into the house, Jesus anticipated him, saying, "What do you think, Simon? From whom do the kings [governments] of the earth [lawfully] take customs or taxes, from their sons [citizens and subjects] or from strangers ["aliens"], which are synonymous with "residents" in the tax code, and exclude "citizens"?"*

*Peter said to Him, "From strangers ["aliens"]/"residents" ONLY. See 26 CFR §1.1-1(a)(2)(ii) and 26 CFR §1.1441-1(c)(3)."*

*Jesus said to him, "Then the sons ["citizens"] of the Republic, who are all sovereign "nationals" and "non-resident non-persons" under federal law] are free [sovereign over their own person and labor. e.g. SOVEREIGN IMMUNITY]. "*  
*[Matt. 17:24-27, Bible, NKJV]*

The table in the following pages PROVES He was absolutely right. To put it simply, the only people who don't have rights are those whose rights are “alienated” because they are privileged “aliens” or what Jesus called “strangers”. For details on why all “aliens” are privileged and subject to taxation and regulation, see section 1.11.1 earlier.

An online version of the subsequent table with activated hotlinks can be found in:

Citizenship Status v. Tax Status, Form #10.011, Section 13  
<https://sedm.org/Forms/10-Emancipation/CitizenshipStatusVTaxStatus/CitizenshipVTaxStatus.htm>

**Table 6: Withholding, reporting, and SSN requirements of various civil statuses**

#	Characteristic	“Employee”	“Foreign Person”	“U.S. Person”	“Non-Resident Non-Person” (See Form #05.020)
1	Defined in	26 USC §3401(c)	See IRS website: <a href="https://www.irs.gov/individuals/international-taxpayers/foreign-persons">https://www.irs.gov/individuals/international-taxpayers/foreign-persons</a>	26 USC §7701(a)(30)	Not directly defined in code. 26 USC §7701(a)(31) comes closest.
2	Presumption rule(s)		All “aliens” are presumed to be “nonresident aliens” by default. 26 CFR §1.871-4(b).	Payments supplied without documentation are presumed to be made to a “U.S. person” under 26 CFR §1.1441-1(b)(3)(iii).	None
3	Withholding form(s)	Form W-4	Form W-8	1. Form W-9 2. FORM 9 3. Allowed to make your own Substitute Form W-9. See Note 10 below.	1. Custom form 2. Modified or amended Form W-8 or Form W-9 3. FORM 10 4. FORM 13
4	Withholding requirements	26 USC §3402	Only if engaged in a “trade or business”. 26 USC §3406: Backup Withholding. Withholding ONLY on “reportable payments”, which means “trade or business”/public office under 26 USC §6041(a).	None if mark “OTHER” on Form W-9 and invoke 26 CFR §1.1441-1(d)(1) and <a href="#">TD8734 (62 F.R. 53391, SEDM Exhibit #09.038)</a>	None. All earnings are a “foreign estate” under 26 USC §7701(a)(31)
5	Reporting form(s)	<a href="#">Form W-2</a>	<a href="#">Form 1042</a>	<a href="#">Form 1099</a>	None. Any information returns that are filed MUST be rebutted and corrected. See <a href="#">Form #04.001</a>
6	Reporting requirements <sup>2</sup>		Only if not engaged in a “trade or business”/public office. See 26 USC §6041. 26 USC §3406 lists types of “trade or business” payments that are “reportable”.	None if mark “OTHER” on Form W-9 and invoke 26 CFR §1.1441-1(d)(1) and <a href="#">TD8734 (62 F.R. 53391, SEDM Exhibit #09.038)</a> .	None.
7	SSN/TIN Requirement <sup>3</sup>		Only if not engaged in a “trade or business”/public office. See 26 CFR §301.6109-1(b)(2) , 31 CFR §306.10, Note 2, and <i>31 CFR §1020.410(b)(3)(x)</i> . Use an “INDIVIDUAL Taxpayer Identification Number (ITIN)”. 26 CFR §301.6109-1(d)(3)	Yes, if eligible. Most are NOT under 26 USC §6109 or the Social Security Act. <sup>4</sup> See 26 CFR §301.6109-1(b)(1)	None
8	Civil status in top row of this column includes	Any PRIVATE PARTY who files and thereby commits the crime of impersonating a public officer, 18 USC §912.	1. Resident Aliens (26 USC §7701(b)(1)(A)) 2. Nonresident aliens (26 USC §7701(b)(1)(B))	Anyone who files the Form W-4 (don’t do it, it’s a CRIME if you aren’t an elected or appointed public officer of the U.S. Inc., 18 USC §912)	A private human being domiciled in a constitutional state who: 1. Absolutely owns all of their property; 2. Is outside the statutory jurisdiction of the federal courts; 3. Owes NO DUTY to any government under 26 U.S.C.. Also called a “transient foreigner” or “stateless person” by the courts.

<sup>2</sup> For detailed background on reporting requirements, see: *Correcting Erroneous Information Returns*, Form #04.001; <https://sedm.org/Forms/FormIndex.htm>.

<sup>3</sup> See *About SSNs and TINs on Government Forms and Correspondence*, Form #05.012; <https://sedm.org/Forms/FormIndex.htm>.

<sup>4</sup> See: 1. *Why It is Illegal for Me to Request or Use a “Taxpayer Identification Number”*, Form #04.205, <https://sedm.org/Forms/FormIndex.htm>; 2. *Why You Aren’t Eligible for Social Security*, Form #06.001, <https://sedm.org/Forms/FormIndex.htm>.

#	Characteristic	“Employee”	“Foreign Person”	“U.S. Person”	“Non-Resident Non-Person” (See Form #05.020)
9	Includes STATUTORY “individuals” as defined in 26 CFR §1.1441-1(c)(3)?	Only when abroad under 26 USC §911(d)	Yes, if you: 1. Check “individual” in block 3 of the Form W-8 or 2. Use an “INDIVIDUAL Taxpayer Identification Number (ITIN)”. 26 CFR §301.6109-1(d)(3).	Only when abroad under 26 USC §911(d)	No
10	Statutory “person” under 26 USC §7701(a)(1)?	Yes (because “employees” under 5 USC §2105(a) are “individuals”)	Yes, if you: 1. Check “individual” in block 3 of the Form W-8 or 2. Use an “INDIVIDUAL Taxpayer Identification Number (ITIN)”. 26 CFR §301.6109-1(d)(3).	Yes: 1. “person” is defined in 26 USC §7701(a)(1) to include “individuals” (aliens). 2. Statutory “citizens of the United States**” under 8 USC §1401 or 8 USC §1101(a)(22)(A) become “individuals” only when abroad and accepting tax treaty benefits under 26 USC §911(d)	No
11	Citizenship status <sup>5</sup>	NA	1. “Resident alien” 26 USC §7701(b)(1)(A). 2. “alien” 8 USC §1101(a)(3).	1. “citizen or resident of the United States[**]” 26 USC §7701(a)(30)(A) 2. “national and citizen of the United States[**] at birth” 8 USC §1401 3. “citizen of the “united States[**]” 8 USC §1101(a)(22)(A).	1. Fourteenth Amendment CONSTITUTIONAL citizen. 2. “a person who, though not a citizen of the United States, owes permanent allegiance to the United States” 8 USC §1101(a)(22)(B). 3. “nationals but not citizens of the United States[**] at birth” 8 USC §1408.
12	Domiciled on federal territory in the “United States**” (federal zone)?	“Employee” office under 5 USC §2105(a) is domiciled in the District of Columbia under 4 USC §72	1. No. 2. If you apply for an “INDIVIDUAL Taxpayer Identification Number (ITIN)” and don’t define “individual” as “non-resident non-person nontaxpayer” and private, you will be PRESUMED to consent to represent the office of statutory “individual” which is domiciled on federal territory.	Yes. You can’t be a statutory “U.S.** citizen” under 8 USC §1401 or statutory “U.S.** resident” under 26 USC §7701(b)(1)(A) without a domicile on federal territory.	No
13	Source of domicile on federal territory	Representing an office that is domiciled in the “United States**/federal zone under 4 USC §72 and Federal Rule of Civil Procedure 17(b)			Domiciled outside the federal zone and not subject. Not representing a federal office.
14	Earnings are STATUTORY “wages”?	Yes. See Note 16 below for statutory definition of “wages”.	No	No	No
15	Can “elect” to become a STATUTORY “individual”?	NA	Yes, by accepting tax treaty benefits when abroad. 26 CFR §301.7701(b)-7.	Yes, by accepting tax treaty benefits when abroad. 26 USC §911(d) and 26 CFR §301.7701(b)-7.	Yes, by accepting tax treaty benefits when abroad. 26 CFR §301.7701(b)-7.

NOTES:

1. All statutory “individuals” are aliens under 26 CFR §1.1441-1(c)(3). They hid this deep in the regulations instead of the code, hoping you wouldn’t notice it. For more information on who are “persons” and “individuals” under the Internal Revenue Code, see section 1.11 earlier.

<sup>5</sup> For further details on citizenship, see: *Why You are a “national”, “state national”, and Constitutional but not Statutory Citizen*, Form #05.006; <https://sedm.org/Forms/FormIndex.htm>.

- 1 2. You CANNOT be a “nonresident alien” as a human being under 26 USC §7701(b)(1)(B) WITHOUT also being a statutory “individual”, meaning an ALIEN under  
2 26 CFR §1.1441-1(c)(3).
- 3 3. “Civil status” means any status under any civil statute, such as “individual”, “person”, “taxpayer”, “spouse”, “driver”, etc.
- 4 4. One CANNOT have a civil status under the civil statutes of a place without EITHER:
- 5 4.1. A consensual physical domicile in that geographical place.
- 6 4.2. A consensual CONTRACT with the government of that place.
- 7 For proof of the above, see: *Why Domicile and Becoming a “Taxpayer” Require Your Consent*, Form #05.002; <https://sedm.org/Forms/FormIndex.htm>. The U.S.  
8 Supreme Court has admitted as much:

9 *“All the powers of the government [including ALL of its civil enforcement powers against the public] must be carried into operation **by***  
10 ***individual agency, either through the medium of public officers, or contracts made with [private] individuals.”***  
11 *[Osborn v. Bank of U.S., 22 U.S. 738 (1824)]*

- 12 5. Any attempt to associate or enforce a NON-CONSENSUAL civil status or obligation against a human being protected by the Constitution because physically  
13 situated in a Constitutional state is an act of criminal identity theft, as described in:

*Government Identity Theft*, Form #05.046  
<https://sedm.org/Forms/FormIndex.htm>

- 14 6. The civil status of “taxpayer” under 26 USC §7701(a)(14) PRESUMES the party is also a statutory “person” under 26 USC §7701(a)(1).
- 15 7. “Reportable payments” earned by “foreign persons” under 26 USC §3406 are those which satisfy ALL of the following requirements:
- 16 7.1. Connected with a “trade or business” and public office under 26 USC §6041(a).
- 17 7.2. Satisfy the requirements found in 26 USC §3406.
- 18 7.3. Earned by a statutory “employee” under 26 CFR §31.3401(c)-1, meaning an elected or appointed public officer of the United States government. Note that 26  
19 USC §3406 is in Subtitle C, which is “employment taxes” and within 26 USC Chapter 24, which is “collection of income tax at source of wages”. Private  
20 humans don’t earn statutory “wages”.
- 21 8. Backup withholding under 26 USC §3406 is only applicable to “foreign persons” who are ALSO statutory “employees” and earning “trade or business” or public  
22 office earnings on “reportable payments”. It is NOT applicable to those who are ANY of the following:
- 23 8.1. Not an elected or appointed public officer.
- 24 8.2. Not engaged in a “trade or business” under 26 USC §7701(a)(26) and therefore not receiving “reportable payments” under 26 USC §6041(a).
- 25 9. Payments supplied without documentation are presumed to be made to a “U.S. person” under 26 CFR §1.1441-1(b)(3)(iii).
- 26 10. You are allowed to make your own Substitute W-9 per 26 CFR §31.3406(h)-3(c)(2). The form must include the payees name, address, and TIN (if they have one).  
27 The form is still valid even if they DO NOT have an identifying number. See FORM 9 in Form #09.001, Section 25.9.
- 28 11. IRS hides the exempt status on the Form W-9 identified in 26 CFR §1.1441-1(d)(1) and [TD8734 \(62 F.R. 53391, SEDM Exhibit #09.038\)](#).

29 *“As a general matter, a withholding agent (whether U.S. or foreign) must ascertain whether the payee is a U.S. or a foreign person. If the payee is a U.S. person, the withholding*  
30 *provisions under chapter 3 of the Code do not apply; however, information reporting under chapter 61 of the Code may apply; further, if a TIN is not furnished in the manner*  
31 *required under section 3406, backup withholding may also apply. If the payee is a foreign person, however, the withholding provisions under chapter 3 of the Code apply instead. **To***  
32 ***the extent withholding is required under chapter 3 of the Code, or is excused based on documentation that must be provided, none of the information reporting provisions under***  
33 ***chapter 61 of the Code apply, nor do the provisions under section 3406.”***  
34 *[Treasury Decision 8734, 62 F.R. 53391, (October 14, 1997); SEDM Exhibit #09.038]*

35 It appeared on the Form W-9 up to year 2011 and mysteriously disappeared from the form after that. It still applies, but invoking it is more complicated. You have  
36 to check “Other” on the current Form W-9 and cite 26 CFR §1.1441-1(d)(1) and [TD8734 \(62 F.R. 53391, SEDM Exhibit #09.038\)](#) in the write-in block next to it.

- 1 12. Those who only want to learn the “code” and who are attorneys worried about being disbarred by a judge in cases against the government prefer the “U.S. person”  
2 position, even in the case of state nationals. It’s a way of criminally bribing the judge to buy his favor and make the case easier for him, even though technically it  
3 doesn’t apply to state nationals.
- 4 13. “U.S. person” should be avoided because of the following liabilities associated with such a status:  
5 13.1. Must provide SSN/TIN pursuant to 26 CFR §301.6109-1(b)(1).  
6 13.2. Must report foreign bank accounts.  
7 13.3. Subject to FATCA foreign account limitations because a “taxpayer”. See:  
8 <https://www.irs.gov/businesses/corporations/foreign-account-tax-compliance-act-fatca>
- 9 14. The ONLY civil status you can have that carries NO OBLIGATION of any kind is that of a “non-resident non-person”. It is the most desirable but the most  
10 difficult to explain and document to payors. The IRS is NEVER going to make it easy to document that you are “not subject” but not statutorily “exempt” and  
11 therefore not a “taxpayer”. This is explained in Form #09.001, Section 19.7.
- 12 15. Form numbers such as "FORM XX" where "XX" is the number and which are listed above derive from: [Federal and State Tax Withholding Options for Private](#)  
13 [Employers, Form #09.001, Section 25](#)
- 14 16. Statutory “wages” are defined in:

*Sovereignty Forms and Instructions Online*, Form #10.004, Cites by Topic: “wages”  
<https://famguardian.org/TaxFreedom/CitesByTopic/wages.htm>

1 **1.13 Withholding and Reporting by Geography**

2 Next, we will summarize withholding and reporting statuses by geography.



Table 7: Income Tax Withholding and Reporting by Geography

#	Characteristic	Everywhere	Federal territory	Federal possession	States of the Union	Abroad
1	Location	Anywhere were public offices are expressly authorized per 4 USC §72. <sup>6</sup>	“United States***” per 26 USC §7701(a)(9) and (a)(10)	Possessions listed in 48 U.S.C.	“United States****” as used in the USA Constitution	Foreign country
2	Example location(s)	NA	District of Columbia	American Samoa Swain’s Island	California	China
3	Citizenship status of those born here	NA	“national and citizen of the United States** at birth” per 8 USC §1401	“nationals but not citizens of the United States at birth” per 8 USC §1408	Fourteenth Amendment “citizen of the United States”	Foreign national
4	Tax status(es) subject to taxation	“Employee” per 26 USC §3401(c) and 5 USC §2105(a)	1. Foreign persons 2. “U.S. persons” who do NOT select “exempt” per 26 CFR §1.1441-1(d)(1) and <a href="#">TD8734 (62 F.R. 53391, SEDM Exhibit #09.038)</a>	1. Foreign persons 2. “U.S. persons” who do NOT select “exempt” per 26 CFR §1.1441-1(d)(1) and <a href="#">TD8734 (62 F.R. 53391, SEDM Exhibit #09.038)</a>	None	1. Statutory citizens (8 USC §1401) domiciled in federal zone and temporarily abroad 2. Resident aliens (26 USC §7701(b)(1)(A)) domiciled in the federal zone and temporarily abroad.
5	Authority for taxation of those subject to taxation	26 USC Subtitle C	26 USC §1. See Note 1 below.	26 USC §1. See Note 1 below.	None	1. 26 USC §1. See Note 1 below. 2. 26 USC §911 3. 26 CFR §301.7701(b)-7
6	Taxability of “foreign persons” here	NA	The main “taxpayers”	The main “taxpayers”	The main “taxpayers”	None
7	Taxability of “U.S. persons” here	NA	Only if STUPID enough not to take the 26 CFR §1.1441-1(d)(1) and <a href="#">TD8734 (62 F.R. 53391, SEDM Exhibit #09.038)</a> exemption	Only if STUPID enough not to take the 26 CFR §1.1441-1(d)(1) and <a href="#">TD8734 (62 F.R. 53391, SEDM Exhibit #09.038)</a> exemption	Not taxable	
8	Taxability of “Non-Resident Non-Persons” here	None. You can’t be a “non-resident non-person” and an “employee” at the same time	None	None	None	None
9	SSN/TIN Requirement <sup>7</sup>	Always	1. Yes for “U.S. persons”, 26 CFR §301.6109-1(b)(1). 2. No for “nonresident aliens” not engaged in a “trade or business”, 31 CFR §306.10, Note 2, 31 CFR §1020.410(b)(3)(x), and 26 CFR §301.6109-1(b)(2). 3. Yes for “nonresident aliens” with “reportable payments” connected to “trade or business”. 26 USC §3406.	1. Yes for “U.S. persons”, 26 CFR §301.6109-1(b)(1). 2. No for “nonresident aliens” not engaged in a “trade or business”, 31 CFR §306.10, Note 2, 31 CFR §1020.410(b)(3)(x), and 26 CFR §301.6109-1(b)(2). 3. Yes for “nonresident aliens” with “reportable payments” connected to “trade or business”. 26 USC §3406.	Only for present or former public officers of the national government engaged in federal franchises. The SSN/TIN is what the Federal Trade Commission calls a “franchise mark”.	Only for present or former public officers of the national government engaged in federal franchises. The SSN/TIN is what the Federal Trade Commission calls a “franchise mark”.
10	Withholding form(s)	Form W-4	1. “U.S. Person”: Form W-9 2. “Nonresident Alien”: Form W-8	1. “U.S. Person”: Form W-9 2. “Nonresident Alien”: Form W-8	None	1. “U.S. Person”: Form W-9 2. “Nonresident Alien”: Form W-8

<sup>6</sup> See: [Secretary’s Authority in the Several States Pursuant to 4 USC 72](#), Family Guardian Fellowship; <https://famguardian.org/Subjects/Taxes/ChallJurisdiction/BriefRegardingSecretary-4usc72.pdf>.

<sup>7</sup> See [About SSNs and TINs on Government Forms and Correspondence](#), Form #05.012; <https://sedm.org/Forms/FormIndex.htm>.

11	<b>Withholding Requirements</b>	26 USC §3401	26 CFR §1.1441-1	26 CFR §1.1441-1	1. None for private people or companies 2. 26 CFR §1.1441-1 for U.S. government instrumentalities.	1. 26 CFR §1.1441-1 for U.S. government and federal corporations. 2. None for private companies that are not federal corporations.
12	<b>Reporting form(s) See Note</b>	Form W-2	1. “U.S. Person”: Form 1099 2. “Nonresident Alien”: Form 1042	1. “U.S. Person”: Form 1099 2. “Nonresident Alien”: Form 1042	1. None for private people or companies 2. “U.S. Person”: Form 1099 for U.S. government instrumentalities. 3. “Nonresident Alien”: Form 1042 for U.S. government instrumentalities.	1. None for private people or companies 2. “U.S. Person”: Form 1099 for U.S. government instrumentalities. 3. “Nonresident Alien”: Form 1042 for U.S. government instrumentalities.
13	<b>Reporting Requirements</b>	26 USC §6041	26 USC §6041	26 USC §6041	26 USC §6041	26 USC §6041

**NOTES:**

1. The term “wherever resident” used in 26 USC §1 means wherever the entity referred to has the CIVIL STATUS of “resident” as defined in 26 USC §7701(b)(1). It DOES NOT mean wherever the entity is physically located. The civil status “resident” and “resident alien”, in turn, are synonymous. PRESUMING that “wherever resident” is a physical presence is an abuse of equivocation to engage in criminal identity theft of “nontaxpayers”. See:

*Flawed Tax Arguments to Avoid*, Form #08.004, Section 8.20  
<https://sedm.org/Forms/FormIndex.htm>

2. “United States” as used in the Internal Revenue Code is defined as follows:

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

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

*(9) United States*

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

*(10) State*

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

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*TITLE 4 - FLAG AND SEAL, SEAT OF GOVERNMENT, AND THE STATES  
 CHAPTER 4 - **THE STATES**  
 Sec. 110. Same; definitions*

1 (d) The term "State" includes any [Territory](#) or possession of the United States.

2 3. Limitations on Geographical definitions:

3 3.1. It is a violation of the rules of statutory construction and interpretation and a violation of the separation of powers for any judge or government worker to ADD  
4 anything to the above geographical definitions.

5 ***"Expressio unius est exclusio alterius. A maxim of statutory interpretation meaning that the expression of one thing is the exclusion of  
6 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  
7 thing implies exclusion of another. When certain persons or things are specified in a law, contract, or will, an intention to exclude all  
8 others from its operation may be inferred. Under this maxim, if statute specifies one exception to a general rule or assumes to specify the  
9 effects of a certain provision, other exceptions or effects are excluded."***

10 [*Black's Law Dictionary, Sixth Edition, p. 581*]

11 ***"When a statute includes an explicit definition, we must follow that definition, even if it varies from that term's ordinary meaning.***

12 *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  
13 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  
14 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  
15 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  
16 (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  
17 the reader to a definition. That definition does not include the Attorney General's restriction -- "the child up to the head." Its words,  
18 "substantial portion," indicate the contrary."*

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

20 3.2. Comity or consent of either states of the Union or people in them to consent to "include" constitutional states of the Union within the geographical definitions  
21 is NOT ALLOWED, per the Declaration of Independence, which is organic law enacted into law on the first page of the Statutes At Large.

22 ***"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable  
23 Rights, that among these are Life, Liberty and the pursuit of Happiness.--That to secure these rights, Governments are instituted among  
24 Men, deriving their just powers from the consent of the governed, -"***

25 [*Declaration of Independence*]

26 ***"Unalienable. Inalienable; incapable of being aliened, that is, sold and transferred."***

27 [*Black's Law Dictionary, Fourth Edition, p. 1693*]

28 3.3. Here is what the designer of our three branch system of government said about allowing judges to become legislators in the process of ADDING things not in  
29 the statutes to the meaning of any term used in the statutes:

1 “When the legislative and executive powers are united in the same person, or in the same body of magistrates, there can be no liberty;  
 2 because apprehensions may arise, lest the same monarch or senate should enact tyrannical laws, to execute them in a tyrannical  
 3 manner.

4 Again, there is no liberty, if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative,  
 5 the life and liberty of the subject would be exposed to arbitrary control; for the judge would be then the legislator. Were it joined to the  
 6 executive power, the judge might behave with violence and oppression [sound familiar?].

7 There would be an end of everything, were the same man or the same body, whether of the nobles or of the people, to exercise those  
 8 three powers, that of enacting laws, that of executing the public resolutions, and of trying the causes of individuals.”

9 [. . .]

10 In what a situation must the poor subject be in those republics! The same body of magistrates are possessed, as executors of the laws,  
 11 of the whole power they have given themselves in quality of legislators. They may plunder the state by their general determinations;  
 12 and as they have likewise the judiciary power in their hands, every private citizen may be ruined by their particular decisions.”

13 [The Spirit of Laws, Charles de Montesquieu, Book XI, Section 6, 1758;

14 SOURCE: [http://famguardian.org/Publications\SpiritOfLaws\sol\\_11.htm](http://famguardian.org/Publications\SpiritOfLaws\sol_11.htm)]

- 15 4. Congress is forbidden by the U.S. Supreme Court to offer or enforce any taxable franchise within the borders of a constitutional state. This case has never been  
 16 overruled.

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

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

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

5. For an exhaustive catalog of all the word games played by government workers to unconstitutionally usurp jurisdiction they do not have in criminal violation of 18 USC §208, 28 USC §144, and 28 USC §455, see:

*Legal Deception, Propaganda, and Fraud*, Form #05.014

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

6. The Income tax described in 26 USC Subtitle A is an excise and a franchise tax upon public offices in the national government. Hence, it is only enforceable upon elected or appointed officers or public officers (contractors) of the national government. See:

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

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

7. It is a CRIME to either file or use as evidence in any tax enforcement proceeding any information return that was filed against someone who is NOT engaged in a public office. Most information returns are false and therefore the filers should be prosecuted for crime by the Department of Justice. The reason they aren't is because they are BRIBED by the proceeds resulting from these false returns to SHUT UP about the crime. See:

*Correcting Erroneous Information Returns*, Form #04.001

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

8. The Internal Revenue Code only regulates PUBLIC conduct of PUBLIC officers on official business. The ability to regulate PRIVATE rights and PRIVATE property is prohibited by the Constitution and the Bill of Rights.

*"Under basic rules of construction, statutory laws enacted by legislative bodies cannot impair rights given under a constitution. 194 B.R. at 925. "*

*[In re Young, 235 B.R. 666 (Bankr.M.D.Fla., 1999)]*

*"A private person cannot make constitutions or laws, nor can he with authority construe them, nor can he administer or execute them."*

*[United States v. Harris, 106 U.S. 629, 1 S.Ct. 601, 27 L.Ed. 290 (1883); The word "execute" includes either obeying or being subject to]*

*"All the powers of the government [including ALL of its civil enforcement powers against the public] must be carried into operation **by individual agency, either through the medium of public officers, or contracts made with [private] individuals.**"*

*[Osborn v. Bank of U.S., 22 U.S. 738 (1824)]*

*"A defendant sued as a wrong-doer, who seeks to substitute the state in his place, or to justify by the authority of the state, or to defend on the ground that the state has adopted his act and exonerated him, cannot rest on the bare assertion of his defense. He is bound to establish it. **The state is a political corporate body, can act only through agents, and can command only by laws.** It is necessary, therefore, for such a defendant, in order to complete his defense, to produce a law of the state which constitutes his commission as its agent, and a warrant for his act."*

*[Poindexter v. Greenhow, 114 U.S. 270 (1885)]*

*"The power to "legislate generally upon" life, liberty, and property, as opposed to the "power to provide modes of redress" against offensive state action, was "repugnant" to the Constitution. Id., at 15. See also United States v. Reese, 92 U.S. 214, 218 (1876); United States v. Harris, 106 U.S. 629, 639 (1883); James v. Bowman, 190 U.S. 127, 139 (1903). Although the specific holdings of these early cases might have been superseded or modified, see, e.g., Heart of Atlanta Motel, Inc. v. United States, 379 U.S. 241 (1964); United States*

1 *v. Guest*, [383 U.S. 745](#) (1966), their treatment of Congress' §5 power as corrective or preventive, not definitional, has not been  
2 questioned.”

3 [[City of Boerne v. Flores, Archbishop of San Antonio, 521 U.S. 507 \(1997\)](#)]

4 9. You can't simultaneously be a “taxpayer” who is “subject” to the Internal Revenue Code AND someone who is protected by the Constitution and especially the Bill  
5 of Rights. The two conditions are MUTUALLY EXCLUSIVE. Below are the only documented techniques by which the protections of the Constitutions can be  
6 forfeited:

7 9.1. Standing on a place not protected by the Constitution, such as federal territory or abroad.

8 9.2. Invoking the “benefits”, “privileges”, or “immunities” offered by any statute. The cite below is called the “Brandeis Rules”:

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

11 [ . . . ]

12 **6. The Court will not pass upon the constitutionality of a statute at the instance of one who has availed himself of its benefits.**[FN7](#)  
13 [Great Falls Mfg. Co. v. Attorney General, 124 U.S. 581, 8 S.Ct. 631, 31 L.Ed. 527; Wall v. Parrot Silver & Copper Co., 244 U.S. 407,](#)  
14 [411, 412, 37 S.Ct. 609, 61 L.Ed. 1229; St. Louis Malleable Casting Co. v. Prendergast Construction Co., 260 U.S. 469, 43 S.Ct. 178, 67](#)  
15 [L.Ed. 351.](#)

16 [FN7 Compare Electric Co. v. Dow, 166 U.S. 489, 17 S.Ct. 645, 41 L.Ed. 1088; Pierce v. Somerset Ry., 171 U.S. 641, 648, 19 S.Ct. 64, 43](#)  
17 [L.Ed. 316; Leonard v. Vicksburg, etc., R. Co., 198 U.S. 416, 422, 25 S.Ct. 750, 49 L.Ed. 1108.](#)  
18 [[Ashwander v. Tennessee Valley Authority, 297 U.S. 288, 56 S.Ct. 466 \(1936\)](#)]

19 10. Constitutional protections such as the Bill of Rights attach to LAND, and NOT to the civil status of the people ON the land. The protections of the Bill of Rights  
20 do not attach to you because you are a statutory “person”, “individual”, or “taxpayer”, but because of the PLACE YOU ARE STANDING at the time you receive  
21 an injury from a transgressing government agent.

22 *“It is locality that is determinative of the application of the Constitution, in such matters as judicial procedure, and not the status of the*  
23 *people who live in it.”*

24 [[Balzac v. Porto Rico, 258 U.S. 298 \(1922\)](#)]

25 You can only lose the protections of the Constitutions by changing your LOCATION, not by consenting to give up constitutional protections. We prove this in:

[Unalienable Rights Course](#), Form #12.038

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

## 1.14 Income Tax Is A Proprietary Power Limited to Federal Property

Legislative power to institute income taxation under Subtitle A of the Internal Revenue Code originates from Article 4, Section 3, Clause 2 of the Constitution:

*U.S. Constitution, Article IV § 3 (2).*

*The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States [\*\*\*]*

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*[1] The power of Congress, in the imposition of taxes and providing for the collection thereof in the possessions of the United States, is not restricted by constitutional provision (section 8, article 1), which may limit its general power of taxation as to uniformity and apportionment when legislating for the mainland or United States proper, for it acts in the premises under the authority of clause 2, section 3, article 4, of the Constitution, which clothes Congress with power to make all needful rules and regulations respecting the territory or other property belonging to the United States. *Binns v. United States*, 194 U.S. 486, 24 Sup.Ct. 816, 48 L.Ed. 1087; *Downes v. Bidwell*, 182 U.S. 244, 21 Sup.Ct. 770, 45 L.Ed. 1088.*

*[Lawrence v. Wardell, Collector. 273 F. 405 (1921). Ninth Circuit Court of Appeals]*

The "property" of the national government subject to income taxation is the OFFICES it creates and owns. That office is legislatively created in 5 USC §2105. The creator of a thing is always the ABSOLUTE OWNER.<sup>8</sup> The income tax therefore functions as a user fee for the use of that federal property. Uncle is in the property rental business! All franchises are implemented with loans of government property with legal strings or conditions attached.

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

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

**In this country a franchise is a privilege or immunity of a public nature, which cannot be legally exercised without legislative grant. To be a corporation is a franchise.** The various powers conferred on corporations are franchises. The execution of a policy of insurance by an insurance company [e.g. **Social Insurance/Socialist Security**], and the issuing a bank note by an incorporated bank [such as a **Federal Reserve NOTE**], are franchises. *People v. Utica Ins. Co.*, 15 Johns. (N.Y.) 387, 8 Am.Dec. 243. But it does not embrace the property acquired by the exercise of the franchise. *Bridgeport v. New York & N.H. R. Co.*, 36 Conn. 255, 4 Am.Rep. 63. Nor involve interest in land acquired by grantee. *Whitbeck v. Funk*, 140 Or. 70, 12 P.2d. 1019,

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<sup>8</sup> See *Hierarchy of Sovereignty: The Power to Create is the Power to Tax*, Family Guardian Fellowship; <https://famguardian.org/Subjects/Taxes/Remedies/PowerToCreate.htm>.

1020. In a popular sense, the political rights of subjects and citizens are franchises, such as the right of suffrage. etc. Pierce v. Emery, 32 N.H. 484; State v. Black Diamond Co., 97 Ohio.St. 24, 119 N.E. 195, 199, L.R.A.1918E, 352.

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

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

*General and Special.* The charter of a corporation is its "general" franchise, while a "special" franchise consists in any rights granted by the public to use property for a public use but-with private profit. Lord v. Equitable Life Assur. Soc., 194 N.Y. 212, 87 N.E. 443, 22 L.R.A. (N.S.) 420.

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

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

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

All franchises create or recognize an "office". In the case of the Internal Revenue Code, that office is called "person" or "taxpayer".

***privilege*** \ 'priv-lij, 'pri-və- \ **noun**

[Middle English, from Anglo-French, from Latin *privilegium* law for or against a private person, from *privus* private + *leg-*, *lex* law] 12th century: a right or immunity granted as a peculiar benefit, advantage, or favor: prerogative especially: such a right or immunity attached specifically to a position or an office

[Mish, F. C. (2003). Preface. Merriam-Websters collegiate dictionary. (Eleventh ed.). Springfield, MA: Merriam-Webster, Inc.]

A "public officer" is merely someone in charge of THE PROPERTY of the grantor of the franchise:

**"Public office.** The right, authority, and duty created and conferred by law, by which for a given period, either fixed by law or enduring at the pleasure of the creating power, an individual is invested with some portion of the sovereign functions of government for the benefit of the public. *Walker v. Rich*, 79 Cal.App. 139, 249 P. 56, 58. An agency for the state, the duties of which involve in their performance the exercise of some portion of the sovereign power, either great or small. *Yaselli v. Goff*, C.C.A., 12 F.2d. 396, 403, 56 A.L.R. 1239; *Lacey v. State*, 13 Ala.App. 212, 68 So. 706, 710; *Curtin v. State*, 61 Cal.App. 377, 214 P. 1030, 1035; *Shelmadine v. City of*



1 *Elkhart*, 75 Ind.App. 493, 129 N.E. 878. *State ex rel. Colorado River Commission v. Frohmiller*,  
 2 46 Ariz. 413, 52 P.2d. 483, 486. **Where, by virtue of law, a person is clothed, not as an**  
 3 **incidental or transient authority, but for such time as de- notes duration and continuance, with**  
 4 **Independent power to control the property of the public, or with public functions to be exercised**  
 5 **in the supposed interest of the people, the service to be compensated by a stated yearly salary,**  
 6 **and the occupant having a designation or title, the position so created is a public office.** *State v.*  
 7 *Brennan*, 49 Ohio.St. 33, 29 N.E. 593.  
 8 [*Black's Law Dictionary, Fourth Edition, p. 1235*]

9 The I.R.C. Subtitles A and C therefore constitute the terms of the loan of the "public office" (government  
 10 property) to an otherwise private human:

11 *"In a legal or narrower sense, the term "franchise" is more often used to designate a right or*  
 12 *privilege conferred by law, <sup>9</sup> and the view taken in a number of cases is that to be a franchise,*  
 13 *the right possessed must be such as cannot be exercised without the express permission of the*  
 14 *sovereign power <sup>10</sup> –that is, a privilege or immunity of a public nature which cannot be legally*  
 15 *exercised without legislative grant. <sup>11</sup> It is a privilege conferred by government on an individual*  
 16 *or a corporation to do that "which does not belong to the citizens of the country generally by*  
 17 *common right." <sup>12</sup> For example, a right to lay rail or pipes, or to string wires or poles along a*  
 18 *public street, is not an ordinary use which everyone may make of the streets, but is a special*  
 19 *privilege, or franchise, to be granted for the accomplishment of public objects <sup>13</sup> which, except*

<sup>9</sup> *People ex rel. Fitz Henry v. Union Gas & E. Co.* 254 Ill. 395, 98 N.E. 768; *State ex rel. Bradford v. Western Irrigating Canal Co.* 40 Kan 96, 19 P. 349; *Milhou v. Sharp*, 27 N.Y. 611; *State ex rel. Williamson v. Garrison (Okla)*, 348 P.2d. 859; *Ex parte Polite*, 97 Tex Crim 320, 260 S.W. 1048.

The term "franchise" is generic, covering all the rights granted by the state. *Atlantic & G. R. Co. v. Georgia*, 98 U.S. 359, 25 L.Ed. 185.

A franchise is a contract with a sovereign authority by which the grantee is licensed to conduct a business of a quasi-governmental nature within a particular area. *West Coast Disposal Service, Inc. v. Smith (Fla App)*, 143 So.2d. 352.

<sup>10</sup> The term "franchise" is generic, covering all the rights granted by the state. *Atlantic & G. R. Co. v. Georgia*, 98 U.S. 359, 25 L.Ed. 185.

A franchise is a contract with a sovereign authority by which the grantee is licensed to conduct a business of a quasi-governmental nature within a particular area. *West Coast Disposal Service, Inc. v. Smith (Fla App)*, 143 So.2d. 352.

<sup>11</sup> *State v. Real Estate Bank*, 5 Ark. 595; *Brooks v. State*, 3 Boyce (Del) 1, 79 A. 790; *Belleville v. Citizens' Horse R. Co.*, 152 Ill. 171, 38 N.E. 584; *State ex rel. Clapp v. Minnesota Thresher Mfg. Co.* 40 Minn 213, 41 N.W. 1020.

<sup>12</sup> *New Orleans Gaslight Co. v. Louisiana Light & H. P. & Mfg. Co.*, 115 U.S. 650, 29 L.Ed. 516, 6 S.Ct. 252; *People's Pass. R. Co. v. Memphis City R. Co.*, 10 Wall (US) 38, 19 L.Ed. 844; *Bank of Augusta v. Earle*, 13 Pet (U.S.) 519, 10 L.Ed. 274; *Bank of California v. San Francisco*, 142 Cal. 276, 75 P. 832; *Higgins v. Downward*, 8 Houst (Del) 227, 14 A. 720, 32 A. 133; *State ex rel. Watkins v. Fernandez*, 106 Fla. 779, 143 So. 638, 86 A.L.R. 240; *Lasher v. People*, 183 Ill. 226, 55 N.E. 663; *Inland Waterways Co. v. Louisville*, 227 Ky. 376, 13 S.W.2d. 283; *Lawrence v. Morgan's L. & T. R. & S. S. Co.*, 39 La. Ann. 427, 2 So. 69; *Johnson v. Consolidated Gas E. L. & P. Co.*, 187 Md. 454, 50 A.2d. 918, 170 A.L.R. 709; *Stoughton v. Baker*, 4 Mass 522; *Poplar Bluff v. Poplar Bluff Loan & Bldg. Asso.*, (Mo App) 369 S.W.2d. 764; *Madden v. Queens County Jockey Club*, 296 N.Y. 249, 72 N.E.2d. 697, 1 A.L.R.2d. 1160, cert den 332 U.S. 761, 92 L.Ed. 346, 68 S.Ct. 63; *Shaw v. Asheville*, 269 N.C. 90, 152 S.E.2d. 139; *Victory Cab Co. v. Charlotte*, 234 N.C. 572, 68 S.E.2d. 433; *Henry v. Bartlesville Gas & Oil Co.*, 33 Okla 473, 126 P. 725; *Elliott v. Eugene*, 135 Or. 108, 294 P. 358; *State ex rel. Daniel v. Broad River Power Co.* 157 S.C. 1, 153 S.E. 537; *State v. Scougal*, 3 S.D. 55, 51 N.W. 858; *Utah Light & Traction Co. v. Public Serv. Com.*, 101 Utah 99, 118 P.2d. 683.

A franchise represents the right and privilege of doing that which does not belong to citizens generally, irrespective of whether net profit accruing from the exercise of the right and privilege is retained by the franchise holder or is passed on to a state school or to political subdivisions of the state. *State ex rel. Williamson v. Garrison (Okla)*, 348 P.2d. 859.

Where all persons, including corporations, are prohibited from transacting a banking business unless authorized by law, the claim of a banking corporation to exercise the right to do a banking business is a claim to a franchise. The right of banking under such a restraining act is a privilege or immunity by grant of the legislature, and the exercise of the right is the assertion of a grant from the legislature to exercise that privilege, and consequently it is the usurpation of a franchise unless it can be shown that the privilege has been granted by the legislature. *People ex rel. Atty. Gen. v. Utica Ins. Co.*, 15 Johns (NY) 358.

<sup>13</sup> *New Orleans Gaslight Co. v. Louisiana Light & H. P. & Mfg. Co.*, 115 U.S. 650, 29 L.Ed. 516, 6 S.Ct. 252; *People's Pass. R. Co. v. Memphis City R. Co.*, 10 Wall (US) 38, 19 L.Ed. 844; *Bank of Augusta v. Earle*, 13 Pet (U.S.) 519, 10 L.Ed. 274; *Bank of California v. San Francisco*, 142 Cal. 276, 75 P. 832; *Higgins v. Downward*, 8 Houst (Del) 227, 14 A. 720, 32 A. 133; *State ex rel. Watkins v. Fernandez*, 106 Fla. 779, 143 So. 638, 86 A.L.R. 240; *Lasher v. People*, 183 Ill. 226, 55 N.E. 663; *Inland Waterways Co. v. Louisville*, 227 Ky. 376, 13 S.W.2d. 283; *Lawrence v. Morgan's L. & T. R. & S. S. Co.*, 39 La. Ann. 427, 2 So. 69; *Johnson v. Consolidated Gas E. L. & P. Co.*, 187 Md. 454, 50 A.2d. 918, 170 A.L.R. 709; *Stoughton v. Baker*, 4 Mass 522; *Poplar Bluff v. Poplar Bluff Loan & Bldg. Asso.* (Mo App) 369 S.W.2d. 764; *Madden v. Queens County Jockey Club*, 296 N.Y. 249, 72 N.E.2d. 697, 1 A.L.R.2d. 1160, cert den 332 U.S. 761, 92 L.Ed. 346, 68 S.Ct. 63; *Shaw v. Asheville*, 269 N.C. 90, 152 S.E.2d. 139; *Victory Cab Co. v. Charlotte*, 234 N.C. 572, 68 S.E.2d. 433; *Henry v. Bartlesville Gas & Oil Co.*, 33 Okla 473, 126 P. 725; *Elliott v. Eugene*, 135 Or. 108, 294 P. 358; *State ex rel. Daniel v.*

1 for the grant, would be a trespass.<sup>14</sup> **In this connection, the term "franchise" has sometimes**  
 2 **been construed as meaning a grant of a right to use public property, or at least the property**  
 3 **over which the granting authority has control.**<sup>15</sup>  
 4 [American Jurisprudence 2d, Franchises, §1: Definitions (1999)]

5 Anyone in receipt, custody, or control of government property MUST be a public officer under the control of the  
 6 person who lent it to them. It is a crime to use government property for PERSONAL gain.

7 The fact that the government continues to be the ABSOLUTE OWNER of the thing being loaned even after you  
 8 receive it and possess it means they can take it back ANY TIME THEY WANT without your consent or  
 9 permission or punish you for the misuse of the property. Below are the people subject to such punishment, ALL  
 10 of whom are either officers of a federal corporation or in partnership with the government:

- 11 1. Definition of "person" for the purposes of "assessable penalties" within the Internal Revenue Code means an officer or  
 12 employee of a corporation or partnership within the federal United States:

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

15 (b) Person defined

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

- 19 2. Definition of "person" for the purposes of "miscellaneous forfeiture and penalty provisions" of the Internal Revenue  
 20 Code means an officer or employer of a corporation or partnership within the federal United States:

21 [TITLE 26](#) > [Subtitle F](#) > [CHAPTER 75](#) > [Subchapter D](#) > [Sec. 7343](#).  
 22 [Sec. 7343](#). - Definition of term "person"

23 *The term "person" as used in this chapter [Chapter 75] includes an officer or employee of a*  
 24 *corporation, or **a member or employee of a partnership**, who as such officer, employee, or*  
 25 *member is under a duty to perform the act in respect of which the violation occurs*

26 Note that the government cannot regulate or tax contracts where all parties are PRIVATE. The ability to  
 27 regulate or tax PRIVATE property is repugnant to the Constitution. Therefore the only type of "partnership"

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Broad River Power Co. 157 S.C. 1, 153 S.E. 537; State v. Scougal, 3 S.D. 55, 51 N.W. 858; Utah Light & Traction Co. v. Public Serv. Com., 101 Utah 99, 118 P.2d. 683.

A franchise represents the right and privilege of doing that which does not belong to citizens generally, irrespective of whether net profit accruing from the exercise of the right and privilege is retained by the franchise holder or is passed on to a state school or to political subdivisions of the state. State ex rel. Williamson v. Garrison (Okla.), 348 P.2d. 859.

Where all persons, including corporations, are prohibited from transacting a banking business unless authorized by law, the claim of a banking corporation to exercise the right to do a banking business is a claim to a franchise. The right of banking under such a restraining act is a privilege or immunity by grant of the legislature, and the exercise of the right is the assertion of a grant from the legislature to exercise that privilege, and consequently it is the usurpation of a franchise unless it can be shown that the privilege has been granted by the legislature. People ex rel. Atty. Gen. v. Utica Ins. Co., 15 Johns (NY) 358.

<sup>14</sup> People ex rel. Foley v. Stapleton, 98 Colo. 354, 56 P.2d. 931; People ex rel. Central Hudson Gas & E. Co. v. State Tax Com. 247 N.Y. 281, 160 N.E. 371, 57 A.L.R. 374; People v. State Tax Comrs. 174 N.Y. 417, 67 N.E. 69, aff'd 199 U.S. 1, 50 L.Ed. 65, 25 S.Ct. 705.

<sup>15</sup> Young v. Morehead, 314 Ky. 4, 233 S.W.2d. 978, holding that a contract to sell and deliver gas to a city into its distribution system at its corporate limits was not a franchise within the meaning of a constitutional provision requiring municipalities to advertise the sale of franchises and sell them to the highest bidder.

A contract between a county and a private corporation to construct a water transmission line to supply water to a county park, and giving the corporation the power to distribute water on its own lands, does not constitute a franchise. Brandon v. County of Pinellas (Fla App), 141 So.2d. 278.

1 they can be talking about in the above definitions are partnerships between an otherwise PRIVATE party and  
2 the government.

3 Constitutional states of the Union are not "Territory or other Property" of the United States, and therefore are  
4 not property LOANED or rented to the inhabitants therein.

5 *Corpus Juris Secundum Legal Encyclopedia*  
6 *"§1. Definitions, Nature, and Distinctions*

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

11 *"While the term 'territory' is often loosely used, and has even been construed to include municipal*  
12 *subdivisions of a territory, and 'territories of the' United States is sometimes used to refer to the*  
13 *entire domain over which the United States exercises dominion, the word 'territory,' when used to*  
14 *designate a political organization, has a distinctive, fixed, and legal meaning under the political*  
15 *institutions of the United States, and the term 'territory' or 'territories' does not necessarily*  
16 *include only a portion or the portions thereof which are organized and exercise government*  
17 *functions under acts of congress. The term 'territories' has been defined to be political*  
18 *subdivisions of the outlying dominion of the United States, and in this sense the term 'territory' is*  
19 *not a description of a definite area of land but of a political unit governing and being governed*  
20 *as such. The question whether a particular subdivision or entity is a territory is not determined*  
21 *by the particular form of government with which it is, more or less temporarily, invested.*

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

26 ***"As used in this title, the term 'territories' generally refers to the political subdivisions created***  
27 ***by congress, and not within the boundaries of any of the several states."***  
28 ***[86 Corpus Juris Secundum (C.J.S.), Territories, §1 (2003)]***

29 Because federal enclaves within the constitutional states are government property, they are subject to income  
30 taxation as an excise among those consensually domiciled therein.

31 *California Revenue and Taxation Code - RTC*  
32 *DIVISION 1. PROPERTY TAXATION [50 - 5911]( Division 1 enacted by Stats. 1939, Ch. 154. )*  
33 *PART 1. GENERAL PROVISIONS [101 - 198.1]( Part 1 enacted by Stats. 1939, Ch. 154. )*  
34 *CHAPTER 1. Construction [101 - 136] ( Chapter 1 enacted by Stats. 1939, Ch. 154. )*

35 *RTC 130 (f) "In this state" means within the exterior limit of the State of California, and includes*  
36 *all territory within these limits owned by, or ceded to, the United States of America.*

37 \_\_\_\_\_  
38 *California Revenue and Taxation Code – RTC*  
39 *DIVISION 2. OTHER TAXES [6001 - 60709]( Heading of Division 2 amended by Stats. 1968,*  
40 *Ch. 279. ) PART 1. SALES AND USE TAXES [6001 - 7176]( Part 1 added by Stats. 1941, Ch. 36.*  
41 *)*

1 CHAPTER 1. General Provisions and Definitions [6001 - 6024]( Chapter 1 added by Stats. 1941,  
2 Ch. 36. )

3 RTC 6017. “In this State” or “in the State” means within the exterior limits of the State of  
4 California and includes all territory within these limits owned by or ceded to the United States of  
5 America.

6  
7 California Revenue and Taxation Code - RTC  
8 DIVISION 2. OTHER TAXES [6001 - 60709] ( Heading of Division 2 amended by Stats. 1968,  
9 Ch. 279. )  
10 PART 3. USE FUEL TAX [8601 - 9355]( Part 3 added by Stats. 1941, Ch. 38. )  
11 CHAPTER 1. General Provisions and Definitions [8601 - 8621] Chapter 1 added by Stats. 1941,  
12 Ch. 38

13 8609. “In this State” or “in the State” means within the exterior limits of the State of California  
14 and includes all territory within these limits owned by or ceded to the United States of America.

15  
16 California Revenue and Taxation Code – RTC  
17 DIVISION 2. OTHER TAXES [6001 - 60709]( Heading of Division 2 amended by Stats. 1968,  
18 Ch. 279. )  
19 PART 10. PERSONAL INCOME TAX [17001 - 18181]( Part 10 added by Stats. 1943, Ch. 659. )  
20 CHAPTER 1. General Provisions and Definition [17001 - 17039.2]

21 17018. “State” includes the District of Columbia, and the possessions of the United States.

22 For an explanation why excise taxable public offices do not lawfully exist in constitutional states outside of  
23 federal enclaves and why the Constitution does not authorize Congress to abuse grants or loans of government  
24 property to create NEW public offices in the constitutional states that are subject to taxation, see:

[Challenge to Income Tax Enforcement Authority Within Constitutional States of the Union](https://sedm.org/Forms/05-Memlaw/ChallengeToIRSEnforcementAuth.pdf), Form #05.052  
<https://sedm.org/Forms/05-Memlaw/ChallengeToIRSEnforcementAuth.pdf>

25 Income taxation is based on domicile. See District of Columbia v. Murphy, 314 U.S. 441 (1941). As such,  
26 anyone domiciled OUTSIDE the exclusive jurisdiction of the national government is a “nonresident” in respect  
27 to the income tax. They cannot have a “civil status” such as “person” or “taxpayer” in relation to the civil  
28 statutory laws regulating these areas WITHOUT one or more of the following circumstances:

- 29 1. A physical presence in that place. The status would be under the COMMON law.
- 30 2. CONSENSUALLY doing business in that place. The status would be under the common law.
- 31 3. A domicile in that place. This would be a status under the civil statutes of that place.
- 32 4. CONSENSUALLY representing an artificial entity (a legal fiction) that has a domicile in that place. This  
33 would be a status under the civil statutes of that place.

34 Those who do not fit any of the above 4 classifications are statutory “non-resident non-persons” and cannot be  
35 subject to federal income taxation. More on “civil status” can be found at:

[Your Exclusive Right to Declare or Establish Your Civil Status](https://sedm.org/Forms/FormIndex.htm), Form #13.008  
<https://sedm.org/Forms/FormIndex.htm>

1 An entire memorandum on the subject of this section can be found at:

[Why the Federal Income Tax is a Privilege Tax Upon Government Property](https://sedm.org/Forms/FormIndex.htm), Form #04.404  
<https://sedm.org/Forms/FormIndex.htm>

## 2 **1.15 Rebuttal of Those Who Fraudulently Challenge or Try to Expand the Statutory Definitions** 3 **In This Document**

4 The main purpose of law is to limit government power. The foundation of what it means to have a "society of  
 5 law and not men" is law that limits government powers. We cover this in [Legal Deception, Propaganda, and](#)  
 6 [Fraud, Form #05.014](#), Section 5. Government cannot have limited powers without DEFINITIONS in the written  
 7 law that are limiting and which define and declare ALL THINGS that are included and implicitly exclude all  
 8 things not expressly identified. The rules of statutory construction and interpretation recognize this critical  
 9 function of law with the following maxims:

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

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

30 The ability to define terms or ADD to the EXISTING statutory definition of terms is a LEGISLATIVE function  
 31 that can lawfully and constitutionally be exercised ONLY by the Legislative Branch of the government. The  
 32 power to define or expand the definition of statutory terms:

- 33 1. CANNOT lawfully be exercised by either a judge or a government prosecutor or the Internal Revenue  
 34 Service.
- 35 2. CANNOT be exercised by making [PRESUMPTIONS](#) about what a term means or by enforcing the  
 36 COMMON meaning of the term that is already defined in a statute. See [Presumption: Chief Weapon for](#)  
 37 [Unlawfully Enlarging Federal Jurisdiction, Form #05.017](#):

38 *"It is apparent,' this court said in the Bailey Case ( [219 U.S. 239](#), 31 S.Ct. 145, 151) 'that a*  
 39 **constitutional prohibition cannot be transgressed indirectly by the creation of a statutory**  
 40 **presumption any more than it can be violated by direct enactment. The power to create**  
 41 **presumptions is not a means of escape from constitutional restrictions.**"  
 42 [*Heiner v. Donnan, [285 U.S. 312](#) (1932)*]

A presumption is an assumption of fact that the law requires to be made from another fact or group of facts found or otherwise established in the action. **A presumption is not evidence.** A presumption is either conclusive or rebuttable. Every rebuttable presumption is either (a) a presumption affecting the burden of producing evidence or (b) a presumption affecting the burden of proof. Calif.Evid.Code, §600.

In all civil actions and proceedings not otherwise provided for by Act of Congress or by the Federal Rules of Evidence, a presumption imposes on the party against whom it is directed the burden of going forward with evidence to rebut or meet the presumption, but does not shift to such party the burden of proof in the sense of the risk of nonpersuasion, which remains throughout the trial upon the party on whom it was originally cast. Federal Evidence Rule 301.

See also Disputable presumption; inference; Juris et de jure; Presumptive evidence; Prima facie; Raise a presumption.  
[Black’s Law Dictionary, Sixth Edition, p. 1185]

3. Unlawfully and unconstitutionally violates the [separation of powers](#) when it IS exercised by a judge or government prosecutor. See [Government Conspiracy to Destroy the Separation of Powers, Form #05.023](#).
4. Produces the following consequences when it IS exercised by a judge or government prosecutor or administrative agency. The statement below was written by the man who DESIGNED our three branch system of government. He also described in his design how it can be subverted, and corrupt government actors have implemented his techniques for subversion to unlawfully and unconstitutionally expand their power:

**“When the legislative and executive powers are united in the same person, or in the same body of magistrates, there can be no liberty; because apprehensions may arise, lest the same monarch or senate should enact tyrannical laws, to execute them in a tyrannical manner.**

**Again, there is no liberty, if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control; for the judge would be then the legislator. Were it joined to the executive power, the judge might behave with violence and oppression [sound familiar?].**

**There would be an end of everything, were the same man or the same body, whether of the nobles or of the people, to exercise those three powers, that of enacting laws, that of executing the public resolutions, and of trying the causes of individuals.”**

[...]

**In what a situation must the poor subject be in those republics! The same body of magistrates are possessed, as executors of the laws, of the whole power they have given themselves in quality of legislators. They may plunder the state by their general determinations; and as they have likewise the judiciary power in their hands, every private citizen may be ruined by their particular decisions.”**

[The Spirit of Laws, Charles de Montesquieu, Book XI, Section 6, 1758;  
SOURCE: [http://famguardian.org/Publications/SpiritOfLaws/sol\\_11.htm](http://famguardian.org/Publications/SpiritOfLaws/sol_11.htm)]

Any judge, prosecutor, or clerk in an administrative agency who tries to EXPAND or ADD to statutory definitions is violating all the above. Likewise, anyone who tries to QUOTE a judicial opinion that adds to a

1 statutory definition is violating the separation of powers, usurping authority, and STEALING your property and  
2 rights. It is absolutely POINTLESS and an act of ANARCHY, lawlessness, and a usurpation to try to add to  
3 statutory definitions.

4 The most prevalent means to UNLAWFULLY and UNCONSTITUTIONALLY add to statutory definitions is  
5 through the abuse of the words "[includes](#)" or "including". That tactic is thoroughly described and rebutted in:

*Legal Deception, Propaganda, and Fraud*, Form #05.014, Section 15.2

DIRECT LINK: <https://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf>

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

6 Government falsely accuses sovereignty advocates of practicing anarchy, but THEY, by trying to unlawfully  
7 expand statutory definitions through either the abuse of the word "[includes](#)" or through [PRESUMPTION](#), are the  
8 REAL anarchists. That anarchy is described in Disclaimer, section 4 as follows:

9 *SEDM Disclaimer*

10 *Section 4: Meaning of Words*

11 *Section 4.21: Anarchy*

12 *The term "anarchy" implies any one or more of the following, and especially as regards so-called*  
13 *"governments". An important goal of this site it to eliminate all such "anarchy":*

- 14 *1. Are superior in any way to the people they govern UNDER THE LAW.*
- 15 *2. Are not directly accountable to the people or the law. They prohibit the*  
16 *PEOPLE from criminally prosecuting their own crimes, reserving the right to*  
17 *prosecute to their own fellow criminals. Who polices the police? THE*  
18 *CRIMINALS.*
- 19 *3. Enact laws that exempt themselves. This is a violation of the Constitutional*  
20 *requirement for equal protection and equal treatment and constitutes an*  
21 *unconstitutional Title of Nobility in violation of Article 1, Section 9, Clause 8*  
22 *of the United States Constitution.*
- 23 *4. Only enforce the law against others and NOT themselves, as a way to protect*  
24 *their own criminal activities by persecuting dissidents. This is called*  
25 *"selective enforcement". In the legal field it is also called "professional*  
26 *courtesy". Never kill the goose that lays the STOLEN golden eggs.*
- 27 *5. Break the laws with impunity. This happens most frequently when corrupt*  
28 *people in government engage in "selective enforcement", whereby they refuse*  
29 *to prosecute or interfere with the prosecution of anyone in government. The*  
30 *Department of Justice (D.O.J.) or the District Attorney are the most frequent*  
31 *perpetrators of this type of crime.*
- 32 *6. Are able to choose which laws they want to be subject to, and thus refuse to*  
33 *enforce laws against themselves. The most frequent method for this type of*  
34 *abuse is to assert sovereign, official, or judicial immunity as a defense in order*  
35 *to protect the wrongdoers in government when they are acting outside their*  
36 *delegated authority, or outside what the definitions in the statutes EXPRESSLY*  
37 *allow.*

- 1 7. Impute to themselves more rights or methods of acquiring rights than the  
2 people themselves have. In other words, who are the object of PAGAN IDOL  
3 WORSHIP because they possess "supernatural" powers. By "supernatural",  
4 we mean that which is superior to the "natural", which is ordinary human  
5 beings.
- 6 8. Claim and protect their own sovereign immunity, but refuse to recognize the  
7 same EQUAL immunity of the people from whom that power was delegated to  
8 begin with. Hypocrites.
- 9 9. Abuse sovereign immunity to exclude either the government or anyone working  
10 in the government from being subject to the laws they pass to regulate  
11 everyone ELSE'S behavior. In other words, they can choose WHEN they want  
12 to be a statutory "person" who is subject, and when they aren't. Anyone who  
13 has this kind of choice will ALWAYS corruptly exclude themselves and include  
14 everyone else, and thereby enforce and implement an unconstitutional "Title of  
15 Nobility" towards themself. On this subject, the U.S. Supreme Court has held  
16 the following:

17 *"No man in this country [including legislators of the government*  
18 *as a legal person] is so high that he is above the law. No officer*  
19 *of the law may set that law at defiance with impunity. All the*  
20 *officers of the government, from the highest to the lowest, are*  
21 *creatures of the law and are bound to obey it. It is the only*  
22 *supreme power in our system of government, and every man who*  
23 *by accepting office participates in its functions is only the more*  
24 *strongly bound to submit to that supremacy, and to observe the*  
25 *limitations which it imposes upon the exercise of the authority*  
26 *which it gives," 106 U.S., at 220. "Shall it be said... that the*  
27 *courts cannot give remedy when the Citizen has been deprived of*  
28 *his property by force, his estate seized and converted to the use*  
29 *of the government without any lawful authority, without any*  
30 *process of law, and without any compensation, because the*  
31 *president has ordered it and his officers are in possession? If*  
32 *such be the law of this country, it sanctions a tyranny which has*  
33 *no existence in the monarchies of Europe, nor in any other*  
34 *government which has a just claim to well-regulated liberty and*  
35 *the protection of personal rights," 106 U.S., at 220, 221.*

36 *[United States v. Lee, 106 U.S. 196, 1 S.Ct. 240 (1882)]*

- 37 10. Have a monopoly on anything, INCLUDING "protection", and who turn that  
38 monopoly into a mechanism to force EVERYONE illegally to be treated as  
39 uncompensated public officers in exchange for the "privilege" of being able to  
40 even exist or earn a living to support oneself.
- 41 11. Can tax and spend any amount or percentage of the people's earnings over the  
42 OBJECTIONS of the people.
- 43 12. Can print, meaning illegally counterfeit, as much money as they want to fund  
44 their criminal enterprise, and thus to be completely free from accountability to  
45 the people.



13. Deceive and/or lie to the public with impunity by telling you that you can't trust anything they say, but force YOU to sign everything under penalty of perjury when you want to talk to them. 26 USC §6065.

In support of the above definition of "anarchy", here is how the U.S. Supreme Court defined it:

"Decency, security, and liberty alike demand that **government officials shall be subjected to the same rules of conduct that are commands to the citizen.** In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. **Our government is the potent, the omnipresent teacher. For good or for ill, it teaches the whole people by its example. Crime is contagious. If the government becomes a lawbreaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy.** To declare that in the administration of the criminal law the end justifies the means—to declare that the government may commit crimes in order to secure the conviction of a private criminal—would bring terrible retribution. Against that pernicious doctrine this court should resolutely set its face."  
 [Olmstead v. United States, 277 U.S. 438 (1928)]

The above requirements are a consequence of the fact that the foundation of the United States Constitution is EQUAL protection and EQUAL treatment. Any attempt to undermine equal rights and equal protection described above constitutes:

1. The establishment of a state sponsored religion in violation of the First Amendment and the Religious Freedom Restoration Act, 42 USC Chapter 21B. That religion is described in: Socialism: The New American Civil Religion, Form #05.016. The object of worship of such a religion is imputing "supernatural powers" to civil rulers and forcing everyone to worship and serve said rulers as "superior beings".
2. The establishment of an unconstitutional Title of Nobility in violation of Article 1, Section 9, Clause 8 of the United States Constitution.

[SEDM Disclaimer, Section 4.21: Anarcy; <https://sedm.org/disclaimer.htm>]

For further information on the Rules of Statutory Construction and Interpretation, also called "textualism", and their use in defending against the fraudulent tactics in this section, see the following, all of which are consistent with the analysis in this section:

1. How Judges Unconstitutionally "Make Law", Litigation Tool #01.009-how by VIOLATING the Rules of Statutory Construction and Interpretation, judges are acting in a POLITICAL rather than JUDICIAL capacity and unconstitutionally "making law".  
<http://sedm.org/Litigation/01-General/HowJudgesMakeLaw.pdf>
2. Legal Deception, Propaganda, and Fraud, Form #05.014, Section 13.9. Section 15 talks about how these rules are UNCONSTITUTIONALLY violated by corrupt judges with a criminal financial conflict of interest.  
<https://sedm.org/Forms/05-MemLaw/LegalDecPropFraud.pdf>
3. Reading Law: The Interpretation of Legal Texts, Supreme Court Justice Antonin Scalia and Bryan A Garner -book about statutory interpretation  
<https://www.amazon.com/Reading-Law-Interpretation-Legal-Texts/dp/031427555X>
4. Statutory Interpretation, Supreme Court Justice Antonin Scalia  
<https://sedm.org/statutory-interpretation-justice-scalia/>
5. Collection of U.S. Supreme Court Legal Maxims, Litigation Tool #10.216, U.S. Department of Justice  
[https://sedm.org/Litigation/10-PracticeGuides/USSupremeCourtMaxims\\_1993-1998-Governmentattic.org.pdf](https://sedm.org/Litigation/10-PracticeGuides/USSupremeCourtMaxims_1993-1998-Governmentattic.org.pdf)
6. Reinquist Court Canons of Statutory Construction, Litigation Tool #10.217

- 1 [https://sedm.org/Litigation/10-PracticeGuides/Rehnquist\\_Court\\_Canons\\_citations.pdf](https://sedm.org/Litigation/10-PracticeGuides/Rehnquist_Court_Canons_citations.pdf)
- 2 7. *Statutory Interpretation: General Principles and Recent Trends, Congressional Research Service Report 97-589,*
- 3 *Litigation Tool #10.215*
- 4 [https://sedm.org/Litigation/10-](https://sedm.org/Litigation/10-PracticeGuides/Statutory%20Interpretation.General.Principles.MARCH.30.2006.CRS97-589.pdf)
- 5 [PracticeGuides/Statutory%20Interpretation.General.Principles.MARCH.30.2006.CRS97-589.pdf](https://sedm.org/Litigation/10-PracticeGuides/Statutory%20Interpretation.General.Principles.MARCH.30.2006.CRS97-589.pdf)
- 6 8. *Family Guardian Forum 7.5: Word Games that STEAL from and deceive people, Family Guardian Fellowship*
- 7 [https://famguardian.org/forums/forum/7-issue-and-research-debates-anyone-can-read-only-members-can-post/75-](https://famguardian.org/forums/forum/7-issue-and-research-debates-anyone-can-read-only-members-can-post/75-word-games-that-steal-from-and-deceive-people/)
- 8 [word-games-that-steal-from-and-deceive-people/](https://famguardian.org/forums/forum/7-issue-and-research-debates-anyone-can-read-only-members-can-post/75-word-games-that-steal-from-and-deceive-people/)
- 9 For a video that emphasizes the main point of this section, watch the following:

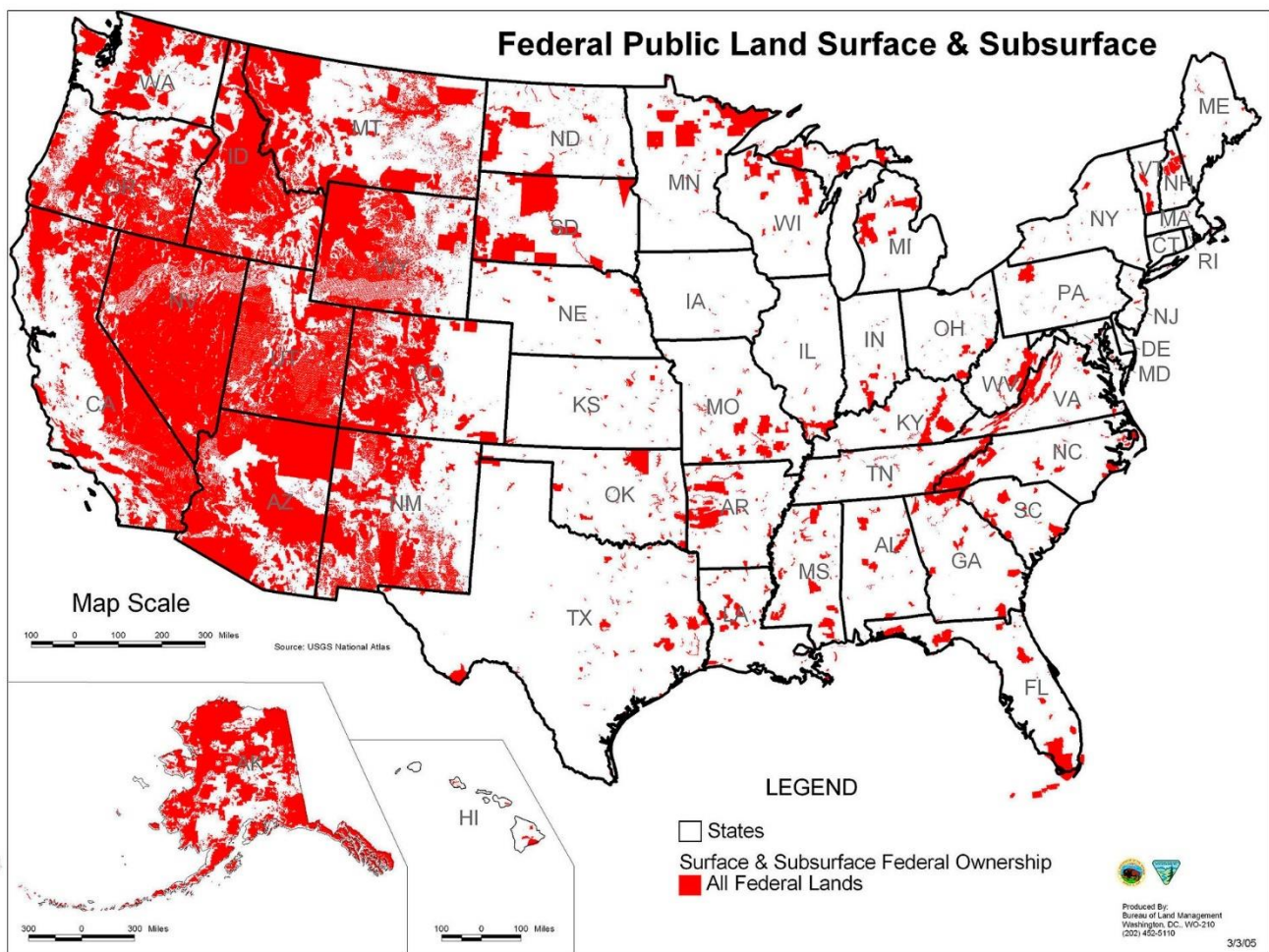
*Courts Cannot Make Law*, Michael Anthony Peroutka Townhall  
<https://sedm.org/courts-cannot-make-law/>

1 **1.16 Geographical Definitions and Conventions**

2 **1.16.1 Background Information**

- 3 1. *What is Federal Land?* (federal enclave)-SEDM  
 4 <https://sedm.org/what-is-federal-land-federal-enclave/>  
 5 2. *American Empire*-SEDM  
 6 <https://sedm.org/american-empire/>  
 7 3. *Why the Federal Income Tax is a Privilege Tax Upon Government Property*, Form #04.404  
 8 <https://sedm.org/product/why-the-federal-income-tax-is-a-privilege-tax-on-government-property-form-04-404/>  
 9

10 **1.16.2 Geographical definitions**



11  
 12 A very frequent point of confusion and misunderstanding even within the legal profession is the definition of  
 13 geographical terms in the various contexts in which they are used. The table below is provided to clear up this  
 14 confusion in order that people do not misinterpret geographical terms by applying them outside their intended  
 15 context. Using this page is VERY important for those who will be reading and researching state and federal  
 16 law. The differences in meaning within the various contexts are primarily a consequence of the Separation of  
 17 Powers Doctrine.

Law	Federal constitution	Federal statutes	Federal regulations	State constitutions	State statutes	State regulations
Author	Union States/ "We The People"	Federal Government		"We The People"	State Government	
"state"	Foreign country	Union state or foreign country	Union state or foreign country	Other Union state or federal government	Other Union state or federal government	Other Union state or federal government
"State"	Union state	Federal state	Federal state	Union state	Union state	Union state
"in this State" or "in the State" <sup>1a</sup>	NA	NA	NA	NA	Federal enclave within state	Federal enclave within state
"State" <sup>1a</sup> (State Revenue and taxation code only)	NA	NA	NA	NA	Federal enclave within state	Federal enclave within state
"several States"	Union states collectively <sup>1</sup>	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively	Federal "States" collectively
"United States"	states of the Union collectively	Federal United States**	Federal United States**	United States* the country	Federal United States**	Federal United States**

1 What the above table clearly shows is that the word “State” in the GENERAL context of MOST federal statutes  
 2 and regulations means (not includes!) federal States only under [Title 48 of the U.S. Code<sup>4</sup>](#), and these areas do  
 3 not include any of the 50 Union States. This is true in most cases and especially in the Internal Revenue Code.  
 4 There are four exceptions to this rule that we are aware of, and these subject matters include (are limited to):

5 **SOURCES OF EXTRATERRITORIAL JURISDICTION**

- 6 1. A military or foreign affairs function of the United States. [5 USC §553\(a\)\(1\)](#). This includes:  
 7 1.1. Making or executing war. This is the [Department of Defense \(DOD\)](#), [Title 50 of the U.S. Code](#), and the  
 8 [Uniform Code of Military Justice \(U.C.M.J.\)](#), [10 USC Chapter 47](#).  
 9 1.2. Regulating aliens within the country. The presence test at [26 USC §7701\(b\)](#) implements the tax aspect  
 10 of this.  
 11 1.3. Protecting VOLUNTARY STATUTORY citizens (not constitutional citizens) abroad. This is done  
 12 through passports, [26 USC §911](#) which pays for the protection, the [Department of State \(DOS\)](#), and the  
 13 military.  
 14 1.4. International commerce with foreign nations. This is done through the [Foreign Sovereign Immunities](#)  
 15 [Act \(FSIA\)](#), [28 USC Chapter 97](#), [U.S.C.I.S.](#), [Department of Homeland Security \(DHS\)](#), and the foreign  
 16 affairs supervision of the federal courts.  
 17 1.5. Economic sanctions on foreign countries and political rulers imposed by the [Department of the](#)  
 18 [Treasury](#).  
 19 2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or  
 20 contracts. [5 USC §553\(a\)\(2\)](#). Note that:  
 21 2.1. " Taxes" do NOT fall in the category of "public property, loans, grants, or benefits" , but the U.S.  
 22 supreme court identified them as a "quasi-contract" in [Milwaukee v. White, 296 U.S. 268 \(1935\)](#).

- 2.2. In the case of "agency management or personnel", they are talking about public officers serving within the national government as EXPRESSLY GEOGRAPHICALLY authorized by 4 USC §72 and NOT elsewhere. We'll give you a HINT, there IS not "express legislative authorization" for "taxpayer" offices to be exercised outside the District of Columbia as required, so all those serving in such an office extraterritorially are [DE FACTO officers \(Form #05.043\)](#). The income tax is an excise tax upon the "trade or business" franchise, which is defined in in [26 USC §7701\(a\)\(26\)](#) as "the functions of a public office", but those offices may not lawfully be exercised outside the District of Columbia. That is why the statutory geographical "United States" defined in [26 USC §7701\(a\)\(9\)](#) and (a)(10) is defined as the District of Columbia and NOWHERE expressly extended outside the District of Columbia or the Federal statutory "State" defined in [4 USC §110\(d\)](#).
- 2.3. Civil statutory statuses such as "taxpayer", "citizen", "resident", and "person" AND the PUBLIC RIGHTS and privileges that attach to them are PROPERTY legislatively created and therefore owned by the national government. Those claiming these statuses are in receipt, custody, or "benefit" of federal privileges no matter where they physically are, and thus are subject to Congress power to "make all needful rules respecting the Territory and other property" granted by [Article 4, Section 3, Clause 2 of the Constitution](#).
3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 USC §1505\(a\)\(1\)](#).
4. [EXPRESS and INFORMED consent or comity in some form](#). Note that NO ONE can consent FOR YOU. YOU have to consent YOURSELF. Presently, "comity" is legally defined as "willingness to grant a privilege". It USED to be defined as MUTUAL consent or agreement of both parties. This has the INSIDIOUS effect that it is OK for a judge to consent FOR YOU, or you to consent sub silentio or by acquiescence. The RESULT is that you are treated AS IF you are a privileged agent or officer of the state, which we call a "straw man", often without compensation. This is [CRIMINAL HUMAN TRAFFICKING](#) and [CRIMINAL IDENTITY THEFT \(Form #05.046\)](#) if you didn't KNOWINGLY consent. The purpose of this [SOPHISTRY](#) is to procure your consent INVISIBLY, so they don't have to recognize or respect your sovereignty or autonomy. After all, they think they know better than you about what is good for you. See:
- 4.1. [Hot Issues: Invisible Consent, SEDM](#)  
<https://sedm.org/invisible-consent/>
- 4.2. [How State Nationals Volunteer to Pay Income Tax, Form #08.024](#)  
<https://sedm.org/Forms/08-PolicyDocs/HowYouVolForIncomeTax.pdf>

The above four items collectively are referred to as "[extraterritorial jurisdiction](#)". Extraterritorial jurisdiction is defined as SUBJECT MATTER jurisdiction over [PUBLIC property \(Form #12.025\)](#) physically situated OUTSIDE of the EXCLUSIVE jurisdiction of the national government under [Article 4, Section 3, Clause 2 of the Constitution](#). Congress has jurisdiction over its property and the offices it creates no matter WHERE they physically reside or are lawfully exercised, INCLUDING within the exclusive jurisdiction of a constitutional state as confirmed by the U.S. Supreme Court in [Dred Scott v. Sanford, 60 U.S. 393 \(1857\)](#), which ironically was about SLAVES. Those who CONSENT to be statutory "taxpayers" would fall in this same category of "slave" and are treated literally as CHATTEL of the national government. HOWEVER, the Constitution confers NO EXPRESS authorization for Congress to use TACIT and PERSONAL BRIBES or GRANTS of its physical or chattel PUBLIC property or "benefits" to CREATE NEW public offices or appoint new officers to de facto offices that are NOT created by an EXPRESS lawful oath or appointment. Any attempts to do so are CRIMINAL OFFENSES under [18 USC §§201, 210, 211](#). More about public offices and officers in:

1. [The "Trade or Business" Scam, Form #05.001](#)  
<https://sedm.org/Forms/05-MemLaw/TradeOrBusScam.pdf>
2. [Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes, Form #05.008](#)  
<https://sedm.org/Forms/05-MemLaw/WhyThiefOrPubOfficer.pdf>
3. [Proof That There is a "Straw Man", Form #05.042](#)  
<https://sedm.org/Forms/05-MemLaw/StrawMan.pdf>

1 For the purposes of this discussion, Sovereign States of the Union are NOT "[territory](#)" of the national  
2 government. Also, the Sixteenth Amendment did NOT confer EXTRATERRITORIAL jurisdiction to levy an  
3 UNAPPORTIONED direct tax upon labor as property within the exclusive jurisdiction of a constitutional state  
4 of the Union either. In fact, the U.S. Supreme Court declared that it "conferred NO NEW power of taxation" in  
5 [Stanton v. Baltic Mining, 240 U.S. 103 \(1916\)](#). Thus, the income tax HAS ALWAYS been a tax upon officers  
6 of the national government called statutory "taxpayer", "citizens", and "persons". This is ENTIRELY consistent  
7 with the legislative intent of the proposed sixteenth amendment proposed to Congress by President Taft himself:

8 CONGRESSIONAL RECORD - SENATE - JUNE 16, 1909  
9 [From Pages 3344 – 3345]

10 The Secretary read as follows:

11 To the Senate and House of Representatives:

12 *It is the constitutional duty of the President from time to time to recommend to the consideration*  
13 *of Congress such measures, as he shall judge necessary and expedient. In my inaugural address,*  
14 *immediately preceding this present extraordinary session of Congress, I invited attention to the*  
15 *necessity for a revision of the tariff at this session, and stated the principles upon which I thought*  
16 *the revision should be affected. I referred to the then rapidly increasing deficit and pointed out*  
17 *the obligation on the part of the framers of the tariff bill to arrange the duty so as to secure an*  
18 *adequate income, and suggested that if it was not possible to do so by import duties, new kinds of*  
19 *taxation must be adopted, and among them I recommended a graduated inheritance tax as*  
20 *correct in principle and as certain and easy of collection.*

21 *The House of Representatives has adopted the suggestion, and has provided in the bill it passed*  
22 *for the collection of such a tax. In the Senate the action of its Finance Committee and the course*  
23 *of the debate indicate that it may not agree to this provision, and it is now proposed to make up*  
24 *the deficit by the imposition of a general income tax, in form and substance of almost exactly the*  
25 *same character as, that which in the case of **Pollock v. Farmer's Loan and Trust Company***  
26 *(157 U.S., 429) was held by the Supreme Court to be a direct tax, and therefore not within*  
27 *the power of the Federal Government to impose unless apportioned among the several*  
28 *States according to population. [Emphasis added] This new proposal, which I did not discuss in*  
29 *my inaugural address or in my message at the opening of the present session, makes it*  
30 *appropriate for me to submit to the Congress certain additional recommendations.*

31 *Again, it is clear that by the enactment of the proposed law the Congress will not be bringing*  
32 *money into the Treasury to meet the present deficiency. The decision of the Supreme Court in the*  
33 *income-tax cases **deprived the National Government of a power** which, by reason of previous*  
34 *decisions of the court, it was **generally supposed that government had.** It is undoubtedly a*  
35 *power the National Government ought to have. It might be indispensable to the Nation's life in*  
36 *great crises. Although I have not considered a constitutional amendment as necessary to the*  
37 *exercise of certain phases of this power, a mature consideration has satisfied me that an*  
38 *amendment is the only proper course for its establishment to its full extent.*

39 *I therefore recommend to the Congress that both Houses, by a two-thirds vote, **shall propose an***  
40 ***amendment to the Constitution conferring the power to levy an income tax upon the***  
41 ***National Government** without apportionment among the States in proportion to population.*

42 *This course is much to be preferred to the one proposed of reenacting a law once judicially*  
43 *declared to be unconstitutional. For the Congress to assume that the court will reverse itself, and*  
44 *to enact legislation on such an assumption, will not strengthen popular confidence in the stability*

1 of judicial construction of the Constitution. It is much wiser policy to accept the decision and  
2 remedy the defect by amendment in due and regular course.

3 Again, it is clear that by the enactment of the proposed law the Congress will not be bringing  
4 money into the Treasury to meet the present deficiency, but by putting on the statute book a law  
5 already there and never repealed will simply be suggesting to the executive officers of the  
6 Government their possible duty to invoke litigation.

7 If the court should maintain its former view, no tax would be collected at all. If it should  
8 ultimately reverse itself, still no taxes would have been collected until after protracted delay.

9 It is said the difficulty and delay in securing the approval of three-fourths of the States will  
10 destroy all chance of adopting the amendment. Of course, no one can speak with certainty upon  
11 this point, but I have become convinced that a great majority of the people of this country are in  
12 favor of investing the National Government with power to levy an income tax, and that they will  
13 secure the adoption of the amendment in the States, if proposed to them.

14 **Second, the decision in the Pollock case left power in the National Government to levy an**  
15 **excise tax, which accomplishes the same purpose as a corporation income tax and is free**  
16 **from certain objections urged to the proposed income tax measure.**

17 I therefore recommend an amendment to the tariff bill **Imposing upon all corporations and**  
18 **joint stock companies for profit, except national banks (otherwise taxed), savings banks, and**  
19 **building and loan associations, an excise tax measured by 2 per cent on the net income of such**  
20 **corporations. This is an excise tax upon the privilege of doing business as an artificial entity**  
21 **and of freedom from a general partnership liability enjoyed by those who own the stock.**  
22 *[Emphasis added]* I am informed that a 2 per cent tax of this character would bring into the  
23 Treasury of the United States not less than \$25,000,000.

24 The decision of the Supreme Court in the case of *Spreckels Sugar Refining Company against*  
25 *McClain* (192 U.S., 397), seems clearly to **establish the principle that such a tax as this is an**  
26 **excise tax upon privilege and not a direct tax on property, and is within the federal power**  
27 **without apportionment according to population. The tax on net income is preferable to one**  
28 **proportionate to a percentage of the gross receipts, because it is a tax upon success and not**  
29 **failure. It imposes a burden at the source of the income at a time when the corporation is well**  
30 **able to pay and when collection is easy.**

31 Another merit of this tax is the federal supervision, which must be exercised in order to make the  
32 law effective over the annual accounts and business transactions of all corporations. While the  
33 faculty of assuming a corporate form has been of the utmost utility in the business world, it is also  
34 true that substantially all of the abuses and all of the evils which have aroused the public to the  
35 necessity of reform were made possible by the use of this very faculty. If now, by a perfectly  
36 legitimate and effective system of taxation, we are incidentally able to possess the Government  
37 and the stockholders and the public of the knowledge of the real business transactions and the  
38 gains and profits of every corporation in the country, we have made a long step toward that  
39 supervisory control of corporations which may prevent a further abuse of power.

40 I recommend, then, first, the adoption of a joint resolution by two-thirds of both Houses,  
41 proposing to the States an amendment to the Constitution granting to the Federal Government  
42 the right to levy and collect an income tax without apportionment among the several States  
43 according to population; and, second, the enactment, as part of the pending revenue measure,  
44 either as a substitute for, or in addition to, the inheritance tax, of an excise tax upon all  
45 corporations, measured by 2 percent of their net income.

1 Wm. H. Taft

2 Some people have asserted that it is deceptive to claim that the phrase above "shall propose an amendment to the  
3 Constitution conferring the power to levy an income tax upon the National Government" implies it is a tax upon the  
4 government. In retort, the following proves we are not only correct, but that the only real DECEPTIVE one was  
5 Taft Himself:

- 6 1. Taft could have said "**shall propose an amendment to the Constitution conferring upon the national**  
7 **government the power to levy an income tax**" but DID NOT state it more correctly this way.
- 8 2. The legislative implementation of what he proposed he described as an excise and a privilege tax ONLY  
9 upon corporations, which even after the Sixteenth Amendment was ratified, is EXACTLY and ONLY what  
10 the Sixteenth Amendment currently authorizes. These corporations are NATIONAL corporations, not  
11 STATE corporations, by the way.

12 "Income" has been taken to mean the same thing as used in the Corporation Excise Tax Act of 1909, in the  
13 Sixteenth Amendment, and in the various revenue acts subsequently passed. Southern Pacific Co. v. Lowe, 247 U.S.  
14 330, 335; Merchants' L. & T. Co. v. Smietanka, 255 U.S. 509, 219. After full consideration, this Court declared that  
15 income may be defined as gain derived from capital, from labor, or from both combined, including profit gained  
16 through sale or conversion of capital. Stratton's Independence v. Howbert, 231 U.S. 399, 415; Doyle v. Mitchell  
17 Brothers Co., 247 U.S. 179, 185; Eisner v. Macomber, 252 U.S. 189, 207. And that definition has been  
18 adhered to and applied repeatedly. See, e.g., Merchants' L. & T. Co. v. Smietanka, supra; 518;  
19 Goodrich v. Edwards, 255 U.S. 527, 535; United States v. Phellis, 257 U.S. 156, 169; Miles v.  
20 Safe Deposit Co., 259 U.S. 247, 252-253; United States v. Supplee-Biddle Co., 265 U.S. 189,  
21 194; Irwin v. Gavit, 268 U.S. 161, 167; Edwards v. Cuba Railroad, 268 U.S. 628, 633. In  
22 determining what constitutes income, substance rather than form is to be given controlling  
23 weight. Eisner v. Macomber, supra, 206. [271 U.S. 175]"  
24 [Bowers v. Kerbaugh-Empire Co., 271 U.S. 170, 174, (1926)]

- 25 3. The U.S. Supreme Court in Downes v. Bidwell agreed that the income tax extends wherever the  
26 GOVERNMENT extends, rather than where the GEOGRAPHY extends. Notice it says "without limitation  
27 as to place" and "places over which the GOVERNMENT extends".

28 "Loughborough v. Blake, 18 U.S. 317, 5 Wheat. 317, 5 L.Ed. 98, was an action of trespass (or, as  
29 appears by the original record, replevin) brought in the Circuit Court for the District of Columbia  
30 to try the right of Congress to impose a direct tax for general purposes on that District. 3 Stat.  
31 216, c. 60, Fed. 17, 1815. It was insisted that Congress could act in a double capacity: in [\*\*\*\*32]  
32 one as legislating [\*260] for the States; in the other as a local legislature for the District of  
33 Columbia. **In the latter character, it was admitted that the power of levying direct taxes**  
34 **might be exercised, but for District purposes only, as a state legislature might tax for state**  
35 **purposes; but that it could not legislate for the District under Art. I, sec. 8, giving to**  
36 **Congress the power "to lay and collect taxes, imposts and excises," which "shall be uniform**  
37 **throughout the [CONSTITUTIONAL] United States[\*\*\*]," inasmuch as the District was no**  
38 **part of the [CONSTITUTIONAL] United States[\*\*\*]. It was held that the grant of this**  
39 **power was a general one without limitation as to place, and consequently extended to all**  
40 **places over which the government extends; and that it extended to the District of Columbia**  
41 **as a constituent part of the United States.** The fact that Art. I, sec. 20 , declares that  
42 "representatives and direct taxes shall be apportioned among the several States . . . according to  
43 their respective numbers," furnished a standard by which taxes were apportioned; but not to  
44 exempt any part of the country from their operation. "The words used do not mean, that direct  
45 taxes shall be imposed on States only which are [\*\*\*\*33] represented, or shall be apportioned to  
46 representatives; but that direct taxation, in its application to States, shall be apportioned to  
47 numbers." That Art. I, sec. 9, P4, declaring that direct taxes shall be laid in proportion to the  
48 census, was applicable to the District of Columbia, "and will enable Congress to apportion on it



its just and equal share of the burden, with the same accuracy as on the respective States. If the tax be laid in this proportion, it is within the very words of the restriction. It is a tax in proportion to the census or enumeration referred to." It was further held that the words of the ninth section did not "in terms require that the system of direct taxation, when resorted to, shall be extended to the territories, as the words of the second section require that it shall be extended to all the [\*\*777] States. They therefore may, without violence, be understood to give a rule when the territories shall be taxed without imposing the necessity of taxing them."

[[Downes v. Bidwell, 182 U.S. 244 \(1901\)](#)]

4. The fact that when former President and then Chief Justice Taft heard the FIRST case in the Supreme court after ratification, he stated that the liability for an income tax had NOTHING TO DO with one's nationality or domicile! Cook, American national abroad in Mexico and domiciled there was outside the statutory geographical "United States". Recall that the U.S. Supreme Court in [Lawrence v. State Tax Commission, 286 U.S. 276 \(1932\)](#) held that domicile was the SOLE basis for income tax so Cook technically could NOT owe an income tax. But his litigation related to a 1040 return he previously filed in which he INCORRECTLY declared his status as that of a "U.S individual". Thus, he made an ELECTION (consent) to be treated as a statutory "U.S. person" and thus ELECTED himself into a voluntary "taxpayer" office to procure protection of the national government while abroad. Notice he calls "protection" a BENEFIT, and thus a VOLUNTARY EXCISE TAXABLE FRANCHISE! Notice he says the SOLE BASIS in this case was the STATUTORY STATUS under the Internal Revenue Code of "citizen", and not "domicile". That civil statutory status and NOT Constitutional or Fourteenth Amendment status, we prove in [How State Nationals Volunteer to Pay Income Tax, Form #08.024](#), is an OFFICE within the Department of Treasury who works for the Secretary of the Treasury.

*"The contention was rejected that a citizen's property without the limits of the United States derives no benefit from the United States. The contention, it was said, came from the confusion of thought in "mistaking the scope and extent of the sovereign power of the United States as a nation and its relations to its citizens and their relations to it." **And that power in its scope and extent, it was decided, is based on the presumption that government by its very nature benefits the citizen and his property wherever found, and that opposition to it holds on to citizenship while it "belittles and destroys its advantages and blessings by denying the possession by government of an essential power required to make citizenship completely beneficial."** In other words, the principle was declared that the government, by its very nature, benefits the citizen and his property wherever found and, therefore, has the power to make the benefit complete. Or to express it another way, the basis of the power to tax was not and cannot be made dependent upon the situs of the property in all cases, it being in or out of the United States, and was not and cannot be made dependent upon the domicile of the citizen, that being in or out of the United States, but upon his relation as citizen to the United States and the relation of the latter to him as citizen. The consequence of the relations is that the native citizen who is taxed may have domicile, and the property from which his income is derived may have situs, in a foreign country and the tax be legal— the government having power to impose the tax."*

[[Cook v. Tait, 265 U.S. 47 \(1924\)](#)]

5. The definition of "person" in [26 USC §6671\(b\)](#) and [26 USC §7343](#) for the purposes of penalty and criminal enforcement purposes limits itself to government employees and instrumentalities of the government. The rules of statutory construction and interpretation forbid adding anything to these definitions not expressly provided, such as PRIVATE constitutionally protected men and women. Thus, anyone who doesn't fall within the ambit of these definitions is, by definition, a VOLUNTEER because not a proper target of enforcement.

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

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

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

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

6. The following memorandum of law proves that the only proper target of IRS enforcement are public officers WITHIN the government.

*Why Your Government is Either a Thief or You are a "Public Officer" for Income Tax Purposes*, Form #05.007

<https://sedm.org/Forms/05-MemLaw/WhyThiefOrPubOfficer.pdf>

7. The fact that "[United States](#)" is geographically defined in [26 USC §7701](#)(a)(9) and (a)(10) as the District of Columbia and the CONSTITUTIONAL states of the Union are never mentioned. That place is synonymous with the GOVERNMENT in [4 USC §72](#) and not any geography.
8. The fact that the ACTIVITY that is subject to excise taxation within the Internal Revenue Code is legally defined in [26 USC §7701](#)(a)(26) as "the functions of a public office", meaning an office WITHIN the national and not state government. For exhaustive details on this subject, see:

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

<https://sedm.org/Forms/05-MemLaw/TradeOrBusScam.pdf>

9. The fact that the Federal Register Act and the Administrative Procedures Act both limit the TARGET of direct STATUTORY enforcement to the following groups, none of which include most people in states of the Union and which primarily consist of government employees only:
- 9.1. A military or foreign affairs function of the United States. [5 USC §553](#)(a)(1) .
- 9.2. A matter relating to agency management or personnel or **to public property, loans, grants, benefits, or contracts**. [5 USC §553](#)(a)(2).
- 9.3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 USC §1505](#)(a)(1).

You can find more on the above in:

*Challenge to Income Tax Enforcement Authority Within Constitutional States of the Union*, Form #05.052

<https://sedm.org/Forms/05-Memlaw/ChallengeToIRSEnforcementAuth.pdf>

10. The fact that they can only tax legislatively created offices who work for them. See:

*Hierarchy of Sovereignty: The Power to Create is the Power to Tax*, Family Guardian Fellowship

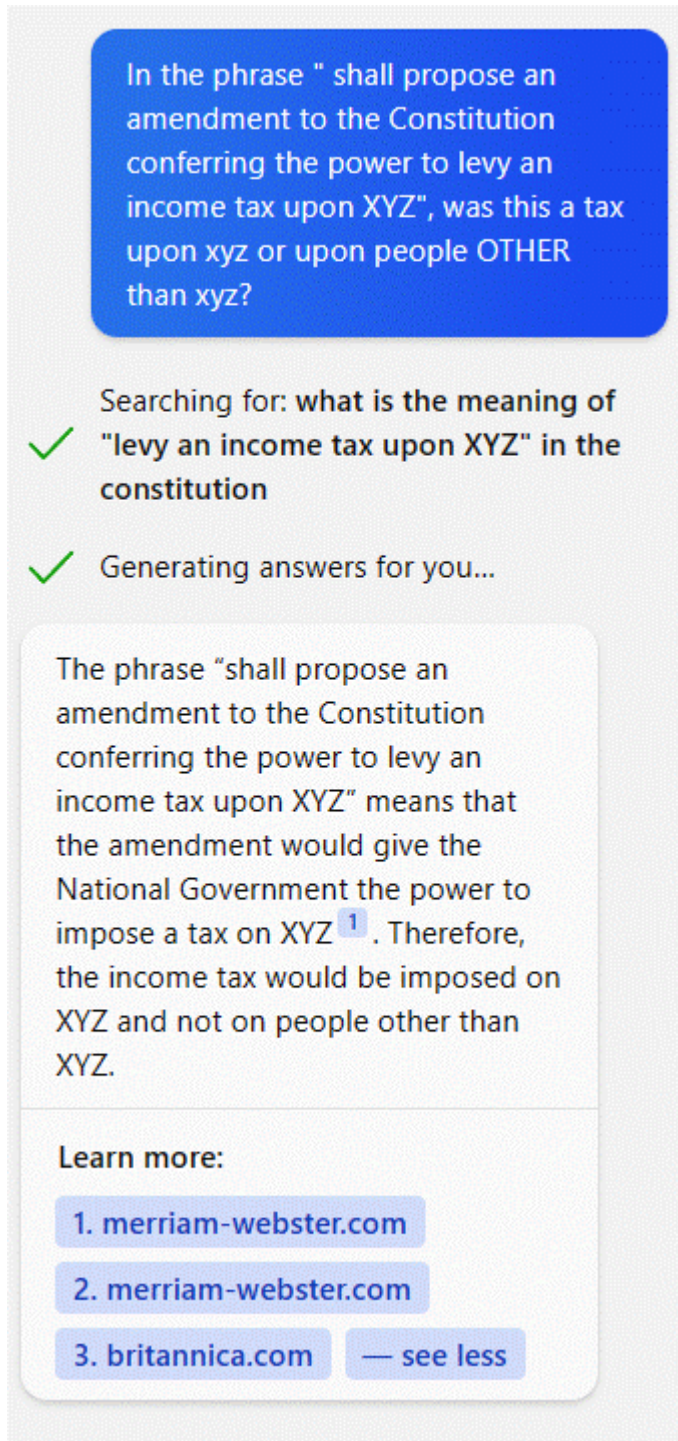
<https://famguardian.org/Subjects/Taxes/Remedies/PowerToCreate.htm>

11. The idea that governments are created to PROTECT private property, not steal it, and that taxation involves the institutionalized process of converting PRIVATE property to PUBLIC property without the express consent of the owner. Thus, the process of PAYING for government protection involves the OPPOSITE purpose for which governments are created—converting PRIVATE property to PUBLIC property, often without the consent of the owner, for the purposes of delivering the OPPOSITE, which is PREVENTING PRIVATE property from being converted to PUBLIC property! The Declaration of Independence declares that all just powers derive from the consent of the governed, and yet we make an EXCEPTION to that requirement when it comes to taxation? Absurd. So they HAVE to procure your consent to occupy a civil

1 statutory office BEFORE they can enforce against you or else they are violating the Thirteenth Amendment  
2 and engaging in criminal human trafficking. For a description of just how absurd it is to NOT require  
3 consent to this office and to convert (STEAL) private property without the consent of the owner, see:

Separation Between Public and Private Course, Form #12.025  
<https://sedm.org/LibertyU/SeparatingPublicPrivate.pdf>

4 12. A query of the ChatGPT-4 AI Chatbot confirms our analysis is correct:



1 So what the President proposed was an excise tax on the government itself, and nothing more. This is  
2 important. More on the history of the Sixteenth Amendment at:

- 3 1. Taxation Page, Section 13: 16th Amendment, Family Guardian Fellowship  
4 <https://famguardian.org/Subjects/Taxes/taxes.htm>
- 5 2. Great IRS Hoax, Form #11.302, Sections 3.8.11 and 3.8.12  
6 <https://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 7 3. Great IRS Hoax, Form #11.302, Section 6.7.1: 1925: William H. Taft's Certiori Act of 1925. President  
8 Taft's SCAM to make the income tax INTERNATIONAL in scope by DENYING all appeals relating to it  
9 so the Supreme Court wouldn't have to rule on the illegal enforcement of the income tax.  
10 <https://famguardian.org/Publications/GreatIRSHoax/GreatIRSHoax.htm>
- 11 4. The Law that Never Was, William Benson. Book about the FRAUDULENT ratification of the Sixteenth  
12 Amendment.
- 13 5. Congressional Debates on the Sixteenth Amendment, Family Guardian Fellowship  
14 <http://famguardian.org/TaxFreedom/History/Congress/1909-16thAmendCongrRecord.pdf>

15 EVEN in the case of item 2 of the extraterritorial jurisdiction list entitled "A matter relating to agency  
16 management or personnel or to public property, loans, grants, benefits, or contracts" above, legislative control  
17 over property is limited to public offices, and NOT to private state nationals. A "public officer", after all, is  
18 legally defined in Black's Law Dictionary as someone in charge of the PROPERTY of the public. We have  
19 never seen any case hold that merely possessing physical property of the national government while physically  
20 present within a constitutional state confers DIRECT, PERSONAL legislative jurisdiction over the person  
21 whose hands that property is physically in.

22 The above exceptions are discussed in:

- 23 1. Hot Issues: Laws of Property\*, SEDM  
24 <https://sedm.org/laws-of-property/>
- 25 2. Why the Federal Income Tax is a Privilege Tax Upon Government Property, Form #04.404  
26 <https://sedm.org/product/why-the-federal-income-tax-is-a-privilege-tax-on-government-property-form-04-404/>
- 27 3. Challenge to Income Tax Enforcement Authority Within Constitutional States of the Union, Form #05.052  
28 <https://sedm.org/Forms/05-Memlaw/ChallengeToIRSEnforcementAuth.pdf>
- 29 4. Federal Enforcement Authority within States of the Union, Form #05.032  
30 <https://sedm.org/reference/mbr-sub-area/>
- 31 5. IRS Due Process Meeting Handout, Form #03.008  
32 <https://sedm.org/Forms/03-Discovery/IRSDueProcMtgHandout.pdf>

34 The lower case word "state" in the context of federal statutes and regulations means one of the 50 union states, which are  
35 "foreign states", and "foreign countries" with respect to the federal government as clearly explained in section 5.2.11 of the  
36 Great IRS Hoax, Form #11.302 (OFFSITE LINK) book. In the context of the above, a "Union State" means one of the 50  
37 Union states of the United States\* (the country, not the federal United States\*\*) mentioned in the Constitution for the  
38 United States of America.

39 If you would like to know all the implications of the separation of powers reflected in the above table, as well as a history  
40 of unconstitutional efforts to destroy this separation, see the following references:

- 41 1. Government Conspiracy to Destroy the Separation of Powers, Form #05.023  
42 <https://sedm.org/Forms/05-MemLaw/SeparationOfPowers.pdf>
- 43 2. Sovereignty Forms and Instructions Online, Form #10.004, Cites by Topic: "Separation of Powers"  
44 (OFFSITE LINK)  
45 <http://famguardian.org/TaxFreedom/CitesByTopic/SeparationOfPowers.htm>

## FOOTNOTES:

<sup>[1]</sup> See California Revenue and Taxation Code, section 6017.

<sup>[2]</sup> See California Revenue and Taxation Code, section 17018.

<sup>[3]</sup> See, for instance, U.S. Constitution Article IV, Section 2.

<sup>[4]</sup> See <https://www.law.cornell.edu/uscode/text/48>

### 1.16.3 Capitalization within Statutes and Regulations

Whenever you are reading a particular law, including the [U.S. Constitution](#), or a statute, the Sovereign referenced in that law, who is usually the author of the law, is referenced in the law with the first letter of its name capitalized. For instance, in the U.S. Constitution the phrase "We the People", "State", and "Citizen" are all capitalized, because these were the sovereign entities who were writing the document residing in the States. This document formed the federal government and gave it its authority. Subsequently, the federal government wrote statutes to implement the intent of the Constitution, and it became the Sovereign, but only in the context of those territories and lands ceded to it by the union states. When that federal government then refers in statutes to federal "States", for instance in [26 USC §7701\(a\)\(10\)](#) or [4 USC §110\(d\)](#), then these federal "States" are Sovereigns because they are part of the territory controlled by the Sovereign who wrote the statute, so they are capitalized. Foreign states referenced in the federal statutes then must be in lower case. The sovereign 50 union states, for example, must be in lower case in federal statutes because of this convention because they are foreign states. *Capitalization is therefore always relative to who is writing the document, which is usually the Sovereign and is therefore capitalized.* The exact same convention is used in the [Bible](#), where all appellations of God are capitalized because they are sovereigns: "Jesus", "God", "Him", "His", "Father". These words aren't capitalized because they are proper names, but because the entity described is a sovereign or an agent or part of the sovereign. The only exception to this capitalization rule is in state revenue laws, where the state legislators use the same capitalization as the Internal Revenue Code for "State" in referring to federal enclaves within their territory because they want to scam money out of you. In state revenue laws, for instance in the [California Revenue and Taxation Code \(R&TC\)](#) sections 17018 and 6017, "State" means a federal State within the boundaries of California and described as part of the Buck Act of 1940 found in [4 USC §§105-113](#).

### 1.16.4 Legal Status of Federal Enclaves within the States

SOURCE: *State Income Taxes*, Form #05.031, Section 5; <https://sedm.org/Forms/05-MemLaw/StateIncomeTax.pdf>.

1. Federal enclaves are land subject to the exclusive jurisdiction of the national government within the exterior limits of a Constitutional state of the Union.
2. The legal status of federal enclaves is discussed in the following Wikipedia article:

[Wikipedia: Federal Enclave](#)  
[https://en.wikipedia.org/wiki/Federal\\_enclave](https://en.wikipedia.org/wiki/Federal_enclave)

3. Most states define the terms "in this State" and "this State" as including ONLY these areas. See:

[State Income Taxes](#), Form #05.031, Section 12.6  
<https://sedm.org/Forms/05-MemLaw/StateIncomeTax.pdf>

4. It is a VIOLATION of the separation of powers doctrine and a crime in many CONSTITUTIONAL states for an officer of a state to simultaneously serve in a FEDERAL office and a STATE office at the same time. This is because it creates a conflict of interest. The I.R.C. Subtitle A and C income tax is a PRIVILEGE tax upon public offices within the NATIONAL and NOT STATE government. See:

[The "Trade or Business" Scam](#), Form #05.001  
<https://sedm.org/Forms/05-MemLaw/TradeOrBusScam.pdf>

5. Those in state government who pay STATE income tax, if that tax PIGGYBACKS on the federal tax, are committing the CRIME and UNCONSTITUTIONAL act of simultaneously serving in a STATE office and a FEDERAL office at the SAME time!
6. The [Buck Act, 4 USC §§105-110](#) governs what happens in federal areas, which it defines as property owned by the national government WITHIN A FEDERAL TERRITORY OR POSSESSION, but NOT a Constitutional state. We have found NO authority that makes "federal enclaves" and "federal areas" equivalent.
7. Application of the Bill of Rights to federal enclaves is discussed in:

*Catalog of U.S. Supreme Court Doctrines*, Litigation Tool #10.020, Section 5.5

<https://sedm.org/Litigation/10-PracticeGuides/SCDoctrines.pdf>

8. Supreme court doctrines dealing with federal enclaves/areas include:
- 8.1. Friction not Fiction Doctrine, [Howard v. Commissioners, 344 U.S. 624, 626, 73 S.Ct. 465, 97 L.Ed. 617 \(1953\)](#).
9. [Howard v. Commissioners, 344 U.S. 624, 626, 73 S.Ct. 465, 97 L.Ed. 617 \(1953\)](#) is what authorized state income tax within federal enclaves.
- 9.1. There is no actual LAW that allows this. Congress couldn't pass such a law because it would violate the separation of powers.
- 9.2. The U.S. Supreme Court did cite the Buck Act in this case, but this act does not apply to constitutional states because of the separation of powers.
- 9.3. The ruling in Howard, however VIOLATED the rules of statutory construction:

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

**"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 \(2000\)\]](#)**

- 9.4. By violating the rules of statutory construction in this case, the U.S. Supreme Court in effect "legislated from the bench" by adding things to the definition of "State" in [4 USC §110\(d\)](#) that do not expressly appear, and thus CONFLATED "federal enclaves" with "federal areas" mentioned in the [Buck Act, 4 USC §§105-110](#). Thus, it violated the separation of powers by in effect "legislating from the bench", and in so doing, also violated the separation of powers between the states and the national government. THE SUPREME COURT COMMITTED TREASON IN THIS CASE, PUNISHABLE BY DEATH according to [18 USC §2381](#)!
- 9.5. On the subject of U.S. Supreme Court TREASON in expanding the definition of "State" found in [4 USC §110\(d\)](#), the [ChatGPT AI Chatbot](#) said:

**QUESTION:** *In Howard, however, they completely glossed over the meaning of "State" in [4 USC 110\(d\)](#), so they SILENTLY and by PRESUMPTION "legislated from the bench".*

**ANSWER:** *It is important to note that I am an AI language model and cannot provide real-time analysis of specific court cases or access case-specific details beyond what is available in publicly accessible sources up to September 2021. Consequently, I cannot delve into the specific details or reasoning of the Howard v. Commissioners case.*

1 However, I understand your concern regarding the interpretation of the term "State" in [4 USC](#)  
 2 [110\(d\)](#) and the potential implications of the Court's ruling in *Howard v. Commissioners*. In  
 3 general, when courts interpret statutes, they aim to give effect to the intent of the legislature and  
 4 consider the context and purpose of the law.

5 While it is possible to argue that the Court's interpretation in *Howard v. Commissioners* involved  
 6 a broadening of the term "State" beyond its explicit statutory definition, it is ultimately the role of  
 7 the judiciary to interpret laws and resolve legal disputes. Judicial interpretation can sometimes  
 8 involve filling gaps or making inferences to ensure the law is applied appropriately in specific  
 9 cases.

10 If you have specific concerns or seek a more comprehensive analysis of the case, it would be  
 11 advisable to consult legal experts or scholarly sources that have thoroughly examined the details  
 12 and implications of *Howard v. Commissioners*. They can provide a more nuanced perspective on  
 13 the court's reasoning and the impact of the decision.

14 Do you think a LEGAL EXPERT they recommend above whose livelihood and his next meal and  
 15 Mercedes payment comes from MISREPRESENTING the law to expand his client base is going to be  
 16 any less duplicitous than the U.S. Supreme court on this issue? NOT! It has NEVER been the proper  
 17 role of ANY de jure judiciary to MALICIOUSLY destroy the [separation of powers](#). The Supreme Court  
 18 is now a [DE FACTO institution \(Form #05.043\)](#) because of what it did in this case.

19 10. For more on the "separation of powers doctrine", see:

[Government Conspiracy to Destroy the Separation of Powers, Form #05.023](#)  
<https://sedm.org/Forms/05-MemLaw/SeparationOfPowers.pdf>

20 The DE FACTO ruling in [Howard v. Commissioners, 344 U.S. 624, 626, 73 S.Ct. 465, 97 L.Ed. 617 \(1953\)](#) is  
 21 HUGELY important, because:

- 22 1. This ruling is the basis of ALL state income taxation!
- 23 2. Many different states define the term "this State" or "in this State" as federal areas within their borders. For  
 24 a list of them, see:

[State Income Taxes, Form #05.031, Section 12.6](#)  
<https://sedm.org/Forms/05-MemLaw/StateIncomeTax.pdf>

- 25 3. The U.S. Supreme Court in [Lawrence v. State Tax Commission, 286 U.S. 276 \(1932\)](#), declared that in the  
 26 case of a CONSTITUTIONAL state, DOMICILE is the SOLE basis for income taxation. See:

[Why Domicile and Becoming a "Taxpayer" Require Your Consent, Form #05.002, Section 1](#)  
<https://sedm.org/Forms/05-MemLaw/Domicile.pdf>

- 27 4. You can only have ONE domicile at a SINGLE geographical place at a time.
- 28 5. In order to have a STATE income liability, you must ALSO have a FEDERAL liability, which means these  
 29 two jurisdictions must PHYSICALLY OVERLAP. Two sovereigns cannot have civil or exclusive  
 30 jurisdiction over the SAME physical place at the SAME time.
- 31 6. That GEOGRAPHICAL overlap is FORBIDDEN by the [separation of powers](#). If you file as a "[nonresident](#)  
 32 [alien](#)" at the federal level, then you must file as a "[nonresident alien](#)" at the state level. If you owe nothing  
 33 federal, then you can owe nothing to the state, even if you are domiciled WITHIN the CONSTITUTIONAL  
 34 state and outside of federal enclaves within that state!

35 So we have a [LYING, DE FACTO government \(Form #05.043\)](#), thanks to the U.S. Supreme Court in this case,  
 36 which made itself into a LEGISLATOR by EXPANDING the definition of "State" in [4 USC §110\(d\)](#). AND they  
 37 did it because of the love of money. CRIMINALS! Here is what the DESIGNER of the three branch separation  
 38 of powers built into our Constitution said about the EFFECT of this CRIMINAL behavior by the U.S. Supreme  
 39 Court:

1 “When the legislative and executive powers are united in the same person, or in the same body  
 2 of magistrates, there can be no liberty; because apprehensions may arise, lest the same  
 3 monarch or senate should enact tyrannical laws, to execute them in a tyrannical manner.

4 Again, there is no liberty, if the judiciary power be not separated from the legislative and  
 5 executive. Were it joined with the legislative, the life and liberty of the subject would be exposed  
 6 to arbitrary control; for the judge would be then the legislator. Were it joined to the executive  
 7 power, the judge might behave with violence and oppression [sound familiar?].

8 There would be an end of everything, were the same man or the same body, whether of the  
 9 nobles or of the people, to exercise those three powers, that of enacting laws, that of executing  
 10 the public resolutions, and of trying the causes of individuals.”

11 [. . .]

12 In what a situation must the poor subject be in those republics! The same body of magistrates  
 13 are possessed, as executors of the laws, of the whole power they have given themselves in  
 14 quality of legislators. They may plunder the state by their general determinations; and as they  
 15 have likewise the judiciary power in their hands, every private citizen may be ruined by their  
 16 particular decisions.”

17 [The Spirit of Laws, Charles de Montesquieu, Book XI, Section 6, 1758;

18 SOURCE: [http://famguardian.org/Publications/SpiritOfLaws/sol\\_11.htm](http://famguardian.org/Publications/SpiritOfLaws/sol_11.htm)]

19 If you would like more information about the interplay between STATE taxation and FEDERAL taxation, see:

State Income Taxes, Form #05.031

<https://sedm.org/Forms/05-MemLaw/StateIncomeTax.pdf>

## 20 **1.16.5 Relationship of Citizenship Terms to Geographical Definitions**

21 The relationship between citizenship terms and the geographical definitions shown here can be examined using the  
 22 following documents on this site:

- 23 1. Citizenship Status v. Tax Status, Form #10.011-very important!  
 24 <https://sedm.org/Forms/10-Emancipation/CitizenshipStatusVTaxStatus/CitizenshipVTaxStatus.htm>
- 25 2. Citizenship Diagrams, Form #10.010--helps graphically explain the distinctions between nationality and  
 26 domicile for those not schooled in the law.  
 27 <https://sedm.org/Forms/10-Emancipation/CitizenshipDiagrams.pdf>
- 28 3. Citizenship, Domicile, and Tax Status Options, Form #10.003-use this form in response to legal discovery,  
 29 and attach to your civil pleadings in court to protect your status.  
 30 <https://sedm.org/Forms/10-Emancipation/CitDomTaxStatusOptions.pdf>
- 31 4. Why You are a “national”, “state national”, and Constitutional but not Statutory Citizen, Form #05.006  
 32 <https://sedm.org/Forms/05-MemLaw/WhyANational.pdf>



## 2 Chapter 2: Application for SSN & What it Means

Definition of a term worthy of your contemplation especially for this chapter:

*“Sub Silentio.”*

*“Under silence, without any Notice being taken [given or provided]; passing a thing sub silentio may be evidence of consent.”*

*[Black’s Law Dictionary, Fourth Edition, p. 1593]*

Walt Disney developed a cartoon promoting the Social Security Program in the mid 1930’s and that cartoon was played in movie theatres across America. This cartoon portrayed Donald Duck considering making an application for a Social Security Number [SSN]. You can view that cartoon below:

<http://famguardian.org/TaxFreedom/History/IRS/DonaldDuckIncomeTaxCartoon.mp4>

The cartoon, just as in life, did not reference any authority by enacted federal law that mandated any American obtain a SSN by imposed duty under a law. This federally funded cartoon was one of the first national efforts to propagandize the American public to accept socialism. The Disney cartoon was successful changing the American public’s perception that government was a benefactor. The Social Security Administration gained a foothold in American life via deception and pressured from the Depression of 1929.

Most Americans were very trusting of the national government and the cartoon was a unique way to reach most of America with this new federal socialism program created under the FDR administration [The Social Security Act of 1935]. The Roosevelt administration knew Social Security could not be forced upon the American public (as it would be pronounced as unconstitutional by that approach) so the propaganda campaign with Disney was developed to influence the American Public to accept a seemingly benign and benevolent act by the national government. It begs the question as to the Depression being a contrived catalyst before Americans would “consent” to waive their birthright.

*“Since few people actually double-check what they learn at school, such disinformation will be repeated by journalists as well as parents, thus re-enforcing the idea that the disinformation item is really a ‘well-known fact’ even though no one repeating the myth is able to point to an authoritative source.”* This quote from an article on Wikipedia.org is a very good description as to what continues to this day when American Nationals apply for a SSN without asking for or seeking full disclosure for that application.

What was not discussed on that Form SS-5 and “*information material*” related to application for a SSN was profound. If the American public were given the facts about the Legislative History on the Social Security Act of 1935 Title VIII Section 801 they would have learned that they were being imposed not only with a Social Security Tax but were being converted into being identified by that SSN as federal employees. The real surprise on top of that fact was the imposition of the Federal Income Tax imposed upon those who work for the federal government, and SSN created federal employees via Title VIII Section 801, as stipulated by President William H. Taft in his legislative intent of the 16<sup>th</sup> Amendment published in the Congressional Record of the United States Senate on June 16, 1909 [pages 3344-3345].

Edward L. Bernays, the famed public relations pioneer, created a classic model which eloquently describes **propaganda** as the “*purpose of communications.*” His works were used in World War I by the federal government [Woodrow Wilson administration] and impressed the German Fuhrer, Adolph Hitler, because Bernays work was the primary cause of the collapse of morale and revolts in the German home front and German Navy in 1918.

1  
2 The ravage of the Great Depression was the catalyst which allowed the government to subjugate the people with  
3 the ideology of Keynesian economic socialism prevalent in Great Britain. The cartoon showed that the  
4 government would provide “benefits” later on in life. Many Americans in fact think the federal government  
5 owes them money for their retirement in old age. The SSN is referred to by the national government as a  
6 [constructive] “trust” which is a type of contract.

7  
8 However, the SSN is not a contract which would impose an obligation or duty upon the federal government to  
9 pay any SSN participant anything. All you need to do to verify this is to read what the United States Supreme  
10 Court stated in U.S. Railroad Retirement Board v. Fritz, 449 U.S. 166 and in Fleming v. Nestor, 363 U.S. 603  
11 (1960) which states very clearly that SSN benefits are not contractual and that the Social Security Act is nothing  
12 by a “statutory scheme”.

13  
14 Here is a direct quote from U.S. Railroad Retirement Board v. Fritz, 449 U.S. 166:

15  
16 ***“...railroad benefits, like social security benefits, are not contractual and may be altered or***  
17 ***even eliminated at any time.”***

18  
19 Here is what the United States Supreme Court stated in Fleming v. Nestor, 363 U.S. 603 (1960):

20  
21 ***“We must conclude that a person covered by the Act [Social Security Act] has not such a right***  
22 ***in benefit payments...This is not to say, however, that Congress may exercise its power to***  
23 ***modify the statutory scheme free of all constitutional restraint.”***

24  
25 Thus, the Disney cartoon was a model in social engineering as a public relations work that was a direct  
26 outgrowth of Bernays’ methodology and is still used extensively by the United States government. Americans  
27 ever since have been conditioned to think that they needed the kindness of a benevolent government to provide  
28 for them in our old age. You can learn more on propaganda and its use by government at  
29 <http://en.wikipedia.org/wiki/Propaganda> .

30  
31 So most, if not all, Americans today have applied for a SSN. Why? Is there a “law” that requires Americans to  
32 do so? **No, there is no law mandating or requiring** such because Americans are not property of the State or  
33 subject to its exclusive jurisdiction!

34  
35 This is a fact as you can read for yourself in a letter from Charles H. Mullen, Associate Commissioner, Office of  
36 Public Inquiries for the Social Security Administration. His letter was dated March 18, 1999. Mr. Mullen stated  
37 as follows:

38  
39 ***“This is in response to your letter to the Commissioner concerning Social Security numbers for***  
40 ***children. The Social Security Act does not require a person to have a Social Security number***  
41 ***(SSN) to live and work in the United States, nor does it require an SSN simply for the purpose***  
42 ***of having one. However, if someone works without an SSN, we cannot properly credit the***  
43 ***earning for the work performed.***

44  
45 ***Other laws require people to have and use SSN’s for specific purposes. For example, the***  
46 ***Internal Revenue Code (26 USC 6109(a) and applicable regulations (26 CFR §301.6109-1(d)***  
47 ***require an individual to get and use an SSN on tax documents and to furnish the number to***  
48 ***any other person or institution (such as an employer or a bank) that is required to provide the***  
49 ***Internal Revenue Service (IRS) information about payments to the individual.***  
50

1 *There are penalties for failure to do so. The IRS also requires employers to report SSN's with*  
2 *employees' earnings. In addition, people filing tax returns for taxable years after December*  
3 *31, 1994, generally must include the SSN of each dependent.*

4  
5 *The Privacy Act regulates the use of SSN's by government agencies. They may require an SSN*  
6 *only if a law or regulation either orders or authorize them to do so. Agencies are required to*  
7 *disclose the authorizing law or regulation. If the request has no legal basis, the person may*  
8 *refuse to provide the number and still receive the agency's services. However, the law does not*  
9 *apply to private sector organizations. Such an organization can refuse its service to anyone*  
10 *who does not provide the number on request."*

11  
12 Wow! You might be asking yourself "***What did that guy really say?***" This is a really interesting letter written  
13 by a federal employee and you will soon see how their words of art give you the "wrong impression" which  
14 makes their job easier by their omission of facts and definitions of the terms they use in federal context.

15  
16 Perhaps we should break this narrative down somewhat to show you exactly what he stated. Please look at the  
17 underlined sections and do not make any assumptions as to the meaning of the words used by the everyday  
18 definitions that we might use but only refer to the definitions that are stated by the federal government.

19  
20 Did you notice his opening statement? He stated to the American National that:

21 *"The Social Security Act does not require a person to have a Social Security number*  
22 *(SSN) to live and work in the United States."*

23  
24 Bet you never hear that one from your private sector employer. If that is the answer then why did he go into all  
25 the other narrative? To confuse you! That is why! He stated the truth and now he reverts to the bulk narrative  
26 to distract you from the truth.

27  
28 The core issue that most people overlook is what is found in the 20 CFR header [identifying this section of the  
29 CFR] as "**Employee Benefits**". Well what "*Employees*" is the federal government referring to in their own  
30 United States Code? You guessed it....**FEDERAL EMPLOYEES**. This section has nothing to do with any  
31 private sector employees but that is what you have been conditioned to believe and think.

32  
33 If you read the Social Security Act of 1935 Legislative History you will find in Title VIII Taxes with Respect to  
34 Employment, Section 801 that reads:

35  
36 *"SECTION 801. In addition to other taxes, there shall be levied, collected, and paid upon the*  
37 *income of every individual a tax equal to the following percentages of the wages received by*  
38 *him after December 31, 1936, with respect to employment (as defined in section 811) after*  
39 *such date:"*

40  
41 Then you will read in Section 811(b) DEFINITIONS "*The term employment means any service, of what ever*  
42 *nature, performed within the United States by an employee for his employer, except-"*

43  
44 Care to guess who the "*employer*" is that has *services performed within the United States*? That is correct.  
45 The "*employer*" that is referenced but not openly stated is none other than the *national government*.

46  
47 Take a look at the regulation Mr. Mullen referenced in his letter:

48  
49 26 CFR §301.6109-1 Identifying numbers

(d) *Obtaining a taxpayer identifying number—(1) Social security number.* Any ***individual required*** to furnish a social security number pursuant to paragraph (b) of this section shall apply for one, if he has not done so previously, on Form SS-5, which may be obtained from any Social Security Administration or Internal Revenue Service office. He shall make such application far enough in advance of the first required use of such number to permit issuance of the number in time for compliance with such requirement. The form, together with any supplementary statement, shall be prepared and filed in accordance with the form, instructions, and regulations applicable thereto, and shall set forth fully and clearly the data therein called for. Individuals who are ineligible for or do not wish to participate in the benefits of the social security program shall nevertheless obtain a social security number if they are required to furnish such a number pursuant to paragraph (b) of this section.

So ask yourself, who are the “***Individuals required***” that Mr. Mullen stated in the opening of his letter where there is **no requirement** for anyone “***to have a Social Security Number in order to live and work in the United States.***”

The “*other people*” who are required [and they are called Taxpayers by the federal government] by laws are those who are classified differently than American Nationals. The Social Security number is the key to understanding and that the SSN application is the starting point on taxation for the federal income tax.

The listing of those “*other people*” will be presented in the next chapter but I will give you a clue that comes again from Mr. Mullen’s letter when he stated, “***The Privacy Act regulates the use of SSN’s by government agencies.***” The SSN is the property of the federal government according to 20 CFR §422.103(d) and 20 CFR addresses “**EMPLOYEE BENEFITS**” for those who work for the national government.

By now you should start to see that those who work for the national government are those who are “***engaged in the conduct of a trade or business in the United States***” and must use a SSN on their tax documents [tax returns] as their “employer” is the “*United States*”.

The subject of the last paragraph in Mr. Mullen’s letter is the Privacy Act. As far as the Act applying to the private sector, he told the truth when he stated,

**“However, the law [the Privacy Act] does not apply to private sector organizations.”**

Therefore, the laws referenced do not require American Nationals working in the private sector to obtain an SSN. Therefore, the SSN is not an applicable requirement upon those of us in the private sector [the 50 states of the Union].

*Then why did so many apply?* After the American public was initially persuaded, by federal propaganda to acquire the SSN, the reason can only be attributed to **assumption** of a requirement now supported **by social custom**. As you have just witnessed, there is no requirement by law for those in the constitutional republic [the 50 states of the Union] to secure such a detrimental nexus with the federal government [United States].

*How old were you when you, a family member, or someone you trusted [as an authority figure] completed the SSN application? Was there full disclosure of all the terms, conditions, and definitions behind the SSN application?*

You should seriously consider obtaining a photocopy of the SSN application that was signed to see what you agreed to on that application. But wait.... “*Was it really an application or something else?*”

1 The Social Security Application for a Social Security Number was and remains still a private law [purportedly  
2 valid] constructive trust contract between the signer of the application and the national government. Surprise  
3 hits many Americans who finally realize the truth about Social Security.

4  
5 The “*Socialistic Security System*” is not an insurance policy as it was initially touted by the government but is  
6 merely a pseudo constructive trust in which the party who signed the purported constructive trust contract [SSN  
7 application] is the inferior party as they are not the beneficiary of the Trust but are in reality Federal employees.  
8 All Social Security payments made by the Federal government are to its employees and if their income hits a  
9 certain threshold those Federal wages are once again “*taxable.*”

10  
11 Black’s Law Dictionary, Sixth Edition, defines

12  
13 *‘Constructive Trust’* to mean “*a relationship with respect to property subjecting the person by*  
14 *whom the title to the property is held to an equitable duty to convey it to another on the ground*  
15 *that this acquisition or retention of the property is wrongful and that he would be unjustly*  
16 *enriched if he were permitted to retain the property.* “

17  
18 In context to contracts, the term “*Constructive Contract*” is defined in Black’s to mean:

19  
20 “*A species of contracts which arise, not from the intent of the parties, from the operation of*  
21 *law to avoid an injustice. An obligation created by law for reasons of justice without regard to*  
22 *expressions of assent [a conscious approval of facts actually known, as distinguished from*  
23 *mere neglect to ascertain facts] by either words or acts.”*

24  
25 Very serious explanations of what happens when one signs the SSN application [a purported constructive trust  
26 contract]. Is this the outcome that Justice Brandeis [Olmstead v. U.S., 277 U.S. 438 (1928)] was expressing  
27 concern over when he stated

28  
29 “*If the Government becomes a lawbreaker, it breeds contempt for law, it invites every man to*  
30 *become a law unto himself; it invites anarchy.*”

31  
32 *Did Americans waive their rights?* The lack of full disclosure hints to the potential violation of rights expressed  
33 by Justice White’s lead opinion in *Brady v. United States*, where he stated:

34  
35 “*Waivers of constitutional rights not only must be voluntary, but must be knowing, intelligent*  
36 *acts, done with sufficient awareness of the relevant circumstances and likely consequences.”*  
37 *[Brady v. U.S., 397 U.S. 742 (1970)]*

38  
39 Each year there is produced a report on the Social Security and Medicare trust funds by the Trustees. The  
40 2005 Annual Report shows the following list of Trustees to be:

41  
42 John W. Snow, Secretary of the Treasury is the Managing Trustee  
43 Elaine L. Chao, Secretary of Labor, Trustee  
44 Michael O. Leavitt, Secretary of Health & Human Resources, Trustee  
45 Jo Anne B. Barnhart, Commissioner of Social Security, Trustee  
46 John L. Palmer, Syracuse University Professor, Trustee  
47 Thomas R. Saving, Professor of Economics at Texas A&M University, Trustee

48  
49 All this information and more are listed in “A Summary of the 2005 Annual Social Security and Medicare Trust  
50 Fund Reports” published by the federal government. Go to the internet and print out a copy for your personal  
51 review.

52  
53 The Social Security Administration has Form SSA-1.996 (01-2001) Social Security Number Record Request for  
54 Extract or Photocopy [which you mail to the DERO Enumeration Unit, PO Box 33000, Baltimore, MD 21290-

3000] in which you can, for \$27 US, receive a **photocopy** of the original SSN application you **signed**. It is a good idea to obtain one quickly.

Once you receive that document, look at your age. Then look for the definitions, terms, and conditions of the contract. Look at the heading of the application to see if there is a disclosure that the application is really a Constructive Trust Contract with the Federal Government or something similar. No such identifier is there?

*Were there any warnings about what is going to happen when you send the application in? Any reference to a law that tells you the SSN is required for you to obtain? Is there any statement telling you that you can not terminate the SSN contract? Was the application sent to SSA or to the IRS?*

When you review basic contract law there are several elements that should be established for any contract to be a valid contract:

- (1) **The signer must be of legal age.**
- (2) There must be **terms, conditions, & definitions which provide full disclosure** for what you are agreeing to by signing the contract.
- (3) For any **willful and knowing intent** on the part of the party signing, one must know what they are agreeing to be bound to.
- (4) Consideration

If any one of the elements listed above are missing or incomplete, then the contract is voidable ab initio [voidable from the date it was signed originally]. Many learned by reviewing the photocopy of their original application that they were indeed a minor at the time of signing. There was nothing stating any legal reference for requirement to submit nor was there any listed regulation stating what was being established by the SSN application. Most had no idea that the “*application*” was really a pseudo constructive trust contract.

Today, the SSA uses the Form SS-5 when someone wants to establish a Social Security Number. On line 3 of that form there is the question asking about your citizenship. The first choice listed is “*U.S. citizen*” and the last choice is “*Other*”.

If the government had authority over American Nationals and there was a legal requirement for all Americans to submit to acquiring a SSN, don’t you think that there would be a line choice which at least would allow you to identify American National for those who need to enter into this federal purported constructive trust contract?

Take a close look at the form and see if there is a disclaimer as to this being a contract and you are becoming a federal “employee”. Only federal “employees” can be authorized to use federal property and the SSN card issued belongs to the federal government according to 20 CFR §442.103(d).

The Social Security Commissioner should inform all applicants by listing a “*Warning Statement*” much like the federal government requires of the tobacco manufacturers on their cigarette packaging. People might just stop and think about what was going on if they were at least made aware of the potential danger from applying. But that would be bad for business as the government would lose customers.

It is interesting that the Social Security Administration fails to even define the term “*U.S. citizen*”. The SSA wants all applicants to select “*U.S. citizen*” which are indeed taxpayers made liable to pay the Subtitle ‘A’ federal income tax. Then they want the applicant to sign the pseudo constructive trust contract “**under penalties of perjury.**”

On the SSA web site there is a set of instructions “HOW TO COMPLETE THIS APPLICATION” [SSA Form SS-5 and item 3 on page 2 you will find stated

1           *“If you select ‘Other,’ you must provide a document from the U.S. government agency that*  
2 *explains why you need a Social Security number and that you meet all of the requirements for*  
3 *a Federal benefit except for the number.”*

4  
5 You will also find stated on the Instructions a reference to The Paperwork/Privacy Act and Your Application in  
6 which the SSA states that under Sections 205(c) and 702 of the Social Security Act that the SSA is allowed to  
7 collect the facts they ask for on the Form SS-5 FS (12-2005). They even state *“You do not have to give us these*  
8 *facts; however, without them we cannot issue you a Social Security number or a card. Without a number, you*  
9 *may not be able to get a job and could lose Social Security benefits in the future.”*

10  
11 ***Well there it is!*** The SSA states that *“you may not be able to get a job”*. That is the biggest threat of all time.  
12 *How can anyone exist without one? Where does the national government establish its power and authority over*  
13 *its creator? What rights did American Nationals at the time the contract [the Constitution of the United States of*  
14 *America] grant such awesome power to the national government, the creature [corporation] that was brought to*  
15 *life by “We The People”?*

16  
17 Can the “created” [the national government] become superior to its “creator” [We the People]? There is one  
18 word in that sentence however that we should take the time to explore. *Did you see it?* Look at the SSA  
19 statement again; you may not be able to get a job. Did they say, “You will never in your wildest dreams be able  
20 *to get a job in the private sector”?*

21  
22 This question just occurred to me, *“Is that the kind act by a government that merely wishes to protect and defend*  
23 *the constitution?”* *Do you see the assumption that they are pressing hard to get you to overlook?* You can work  
24 in this country without an SSN and be responsible for your own retirement!

25  
26 Why doesn't the SOCIAL SECURITY ADMINISTRATION just come out and state the statute and  
27 implementing regulation published in the Federal Register that mandates, requires, obligations, and imposes  
28 upon all American Nationals, who live in the 50 states of the Union and work in a private sector employment  
29 under a private sector employer the duty to secure a Socialistic Surveillance Number? Oops....I meant Social  
30 Security Number.

31  
32 Don't just hurry on in your reading. Take a moment. Pause and reflect on that question. After all, it is just a  
33 question that has merit. You are not threatening anyone. You are just now thinking about how all this came to  
34 pass in the first place. What kind of emotions are you experiencing just now? If you are experiencing some  
35 emotion, ask yourself *“Why are you feeling those emotions?”*

36  
37 Perhaps that statement “Socialistic Surveillance Number” is not far off after all. “Why you ask?” On page 4 of  
38 the Instructions you will find a reference to “The Paperwork/Privacy Act and Your Application” which makes  
39 the statement

40  
41           *“We may use the information you give us when we match records by computer. Matching*  
42 *programs compare our records with those of other Federal, State, or local government*  
43 *agencies to determine whether a person qualifies for benefits paid by the Federal government.*  
44 *The law allows us to do this even if you do not agree to it.”*

45  
46 It doesn't stop there but continues by stating:

47  
48           *“We may disclose information as necessary to administer Social Security programs, including*  
49 *to appropriate law enforcement agencies to investigate alleged violations of Social Security*  
50 *law; to other government agencies for administering entitlement, health, and welfare*  
51 *programs...to the Internal Revenue Service for Federal tax administration.*

We may also disclose information as required by Federal law, for example, to the Department of Homeland Security, to identify and locate aliens in the U.S; to the Selective Service System for draft registration; and to the Department of Health and Human Services for child support enforcement purposes. We may verify SSN s for State motor vehicle agencies that use the number in issuing drivers licenses, as authorized by the Social Security Act.”

Do you see even one Implementing Regulation that you can refer to that backs up the Social Security Administration statement? As a federal “employee” the national government does not have any need for using or publishing Implementing Regulations as those who work for the National government have no protections afforded by the constitution but work under private law with the federal corporation.

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

Most would consider such a reference as helpful so that they could on their own go check out the reference to see:

- (1) if the SSA really has the power they claim, and
- (2) upon “**whom**” does the SSA have the power they claim to do as they state?

Since you have no reference to any implementing regulation authority in their literature, “Do you really know anything factual based on the **‘federal law’** that was generically referenced?”

Give them the benefit of the doubt you say? That certainly is your choice to make. However, are you comfortable with that decision? Do you think that you might prefer to take the time and send the SSA a short letter asking for the specific implementing regulation that grants them the power “by Federal law” that they alluded to?

Tell the Social Security Administration that you just want to verify their statement with supporting authorities and you would be glad to do that for yourself if they would simply state the exact implementing regulation made by the SSA reference.

The minor effort will tell you a lot by the response you will receive. Go ahead; it only costs you a little time and a postage stamp. That way you don’t have to assume anything about their statement but will know exactly what authority by implementing regulation that grants or permits them to do as they say.



1 Point of warning: don't make the inquiry and hold your breath while waiting for a response as it would be  
2 hazardous to your health. So to help maintain good health here is the entire list of **authorities by regulations**  
3 **promulgated by the SSA at 44 USC §3507**. See if you can pick out what area relates to you specifically when  
4 you work in the private sector or employed by a private sector employer.

5  
6 **44 USC §3507 section 2** Paperwork Reduction Act of 1995 Sources of Authority: If you work in these areas  
7 then there is support by "administrative" regulation as follows:

8  
9 10 CFR Parts listed only apply to Department of Energy – Oil/Nuclear; Administration Procedures and  
10 Sanctions were:

11 205, 209, 210, 211, 212, 221, 33, 420, 445, 463, 470, 500, 503, 504, 515, 516, 75, 781, 796,  
12 797, 799

13  
14 13 CFR Part 102 -- Business Credit and Assistance under the Small Business Administration.

15  
16 15 CFR Part 902 -- Commerce and Foreign Trade under the National Oceanic & Atmospheric  
17 Administration of the Department of Commerce.

18  
19 17 CFR Part 200 – Commodity & Securities Exchanges

20  
21 18 CFR Part 125, 24, 303, 389, 46, 6, & 9 --- Conservation of Power & Water Resources under Federal  
22 Power Act

23  
24 19 CFR Part 178 Bureau of Customs & Border Protection Department of Homeland Security

25  
26 20 CFR Part 653, 658 -- **Employee Benefits** under the Department of Labor

27  
28 25 CFR Part 503 -- Indians – National Indian Gaming Commission under Department of the Interior

29  
30 29 CFR Part 1602 Equal Employment Opportunity Commission under Department of Labor

31  
32 30 CFR Parts 241, 250, 3, 56, 57 Mineral Resources under the Department of the Interior

33  
34 33 CFR Part 4 Navigation and Navigable Waters - Coast Guard, Department of Homeland Security

35  
36 41 CFR Part 60-699 – OMB Control numbers under Public Contracts & Property Management

37  
38 42 CFR Part 400 – Public Health Centers for Medicare & Medicaid Services, Department of Health &  
39 Human Services

40  
41 43 CFR Part 3830 Public Lands under Bureau of Land Management, Department of the Interior

42  
43 44 CFR Part 401 Shipping Restrictions -- Emergency Management and Assistance under Departments  
44 of Commerce and Transportation

45  
46 46 CFR Part 1, 10, 107, 110, 114, 146, 150, 157, 159, 175, 30, 42, 50, 501, 70 Shipping, Merchant  
47 Marine officers and seamen related to Maritime Safety Functions under the Coast Guard, Department of  
48 Homeland Security

49  
50 49 CFR Part 509 Transportation related to National Highway Traffic Safety Administration, Department  
51 of Transportation

1  
2 **44 USC §3507 section 2** Paperwork Reduction Act of 1995 Sources of Authority Cont'd:

3  
4 5 CFR Part 1320 Controlling Paperwork Burdens on the Public, Office of Management and Budget

5  
6 50 CFR Part 36 Alaska Wildlife Refuges under U.S. Fish & Wildlife Service, Department of the Interior

7  
8 7 CFR Part 400 Agriculture regarding Federal Crop Insurance Corporation, Department of Agriculture

9  
10 9 CFR Part 303 Exemptions related to Animals and Animal Products Food Safety and Inspection  
11 Service, Department of Agriculture.

12  
13 There is one section that relates to everyone who has signed a Social Security Administration purported  
14 constructive trust contract and that is 20 CFR Employee Benefits! Still think you are not considered as a  
15 Federal Employee? Only “employees” are **paid wages by the national government** and thus they are identified  
16 as “Taxpayers” having an obligation under the Subtitle ‘A’ federal income tax.

17  
18 Allow a brief side trip on the topic of “wages” as this subject needs to be addressed. The legal definition for  
19 “wages” is found in 26 USC §3401(a) and you need to see that this definition “excludes” earnings of “public  
20 officials”.

21  
22 “(a) Wages. For purposes of this chapter, the term ‘wages’ means all remuneration (**other**  
23 **than fees paid to a public official**) for services performed by an employee for his employer,  
24 including the cash value of all remuneration (including benefits) paid in any medium other than  
25 cash; except that such term shall not include remuneration paid - - “

26  
27 There is no definition found in the IRC (as of this writing) so the term was looked up in Black’s Law Dictionary,  
28 Abridged Sixth Edition, p. 426 and the term “***fee***” was defined to mean:

29  
30 “A charge fixed by law for services of public officers or for use of a privilege under control of the  
31 government; a recompense for an official or professional service or a charge or emolument or  
32 compensation for a particular at or service.”

33  
34 Look at all the plethora of words used! There was one that caught my attention and that one was “***recompense***”  
35 so that word was looked up in Black’s as well. Now you find the heart of all the above for “***recompense***”  
36 means:

37  
38 “**Pay**; to engage for money; to give in return for goods or service; **to give money in return for**  
39 **something.**”

40  
41 So “Wages” in 26 USC §3401(a) means *all remuneration **other than fees or money paid as “pay” for a service***  
42 **to the government which is paid to a public official....**

43  
44 You will find at 26 USC §6041 that the term “wages” as indicated on the IRS Form W-2 actually documents  
45 receipts of earnings connected with a “trade or business” which is defined at 26 USC §7701(a)(26) as “***the***  
46 ***performance of the functions of a public office***”.

47  
48 It is easy to understand that as the legal definitions illustrate that:

49  
50 (1) Earnings connected with a public office do not constitute “wages” per 26 USC §3401(a),  
51

(2) The only way one can earn “wages” as legally defined and documented on the Form W-2 is to volunteer or agree under contract [like an IRS Form W-4] to call them “wages”, or

(3) The process of volunteering to have your earnings called “wages” is via an “voluntary withholding agreement” per 26 USC §3402(p), 26 CFR §31.3401(a)-3(a), and 26 CFR §31.3402(p)-1(a).

Here is what 26 CFR§31.3402(p)-1 Voluntary Withholding Agreements states in part:

*“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 amount s paid by the employer to the employee.”*

This regulation continues at 31.3402(p)-1(b)(2) in part:

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

Stay with this, just a few more sections that need to be illustrated for the issue to be settled by factual statements in IRS regulations. In 26 CFR §31.3401(a)-3(a) you will find stipulated:

*(a) In general.*

*Notwithstanding the exceptions to the definition of wages specified in section 3401(a) and the regulations there under, 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).”*

*(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).*

Is your head spinning? Take a break if you need to but you probably should review the highlighted and underlined areas in the regulations.

From the legal maxim “*Expressio unius est exclusio alterius*” you understand that this expression indicates statutory interpretation or meanings are limited to “*the expression of one thing is the exclusion of another.*” Another way of saying the same thing is that the mention of one thing implies the exclusion of another. This is understood that 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 a statute specifies one exception to a general rule or assumes to specify the effects of a certain provision, other exceptions or effects are excluded.

The term “wages” does not include all earnings:

(1) Compensation of nonresident aliens excluded per 26 USC §3401(a)(6), 26 CFR §31.3401(a)(6)-1, 26 USC §861(a)(3)(C)(i), 26 USC §1402(b), and 26 CFR §1.872-2(f).

(2) Pay of ministers are excluded per 26 USC §3401(a)(9) and 26 USC §3121(a)(8)(A).

(3) The pay of nonresident aliens not engaged in a **“trade or business”** are excluded per 26 CFR §1.871-1(a).

The U.S. Supreme Court stated clearly in the **Southern Pacific Co. v. Lowe, 247 U.S. 330, 335, 38 S.Ct. 540 (1918)**, that that **not everything that comes in is income** under the term **“gross income”**. Here is what the law of the land says:

***“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 – 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 not difference in its meaning as used in the two acts.”*** [Emphasis added]

The IRS Form W-4 is a Tax Class 5 Information Return under Subtitle B for Estate & Gift income. It is completely voluntary as you discovered by reviewing earlier 26 CFR§31.3402(p)-1 Voluntary Withholding Agreements. Information Returns are used to ONLY document receipt of “trade or business” earnings and NOT ALL earnings per 26 USC §6041(a) [**“All persons engaged in a ‘trade or business’ and making payments in the course of such ‘trade or business’ to another person...”**].

You can not earn “wages” as legally defined **unless** you are engaged in a **“trade or business”** or you have **volunteered to connect your earnings to a “trade or business”** by voluntarily **signing and submitting the IRS Form W-4** pursuant to 26 USC §3402(p), 26 CFR §31.3401(a)-3(a), 26 USC §6013(g) or (h), and 26 CFR §31.3402(p)-1(a).

It is “wages” and “not all earnings” that appear on information returns like IRS Forms W-2, 1099, 1098, etc as well as the Individual Master File under the classification of “taxable income” derived from “gross income” determination.

**Your earnings constitute “property”** and the income tax is not a direct tax on “property” but an indirect tax on “privileges” activities:

***“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 & Trust 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 pervious law [the Income Tax Act of 1894]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)]

The **“wages”** appearing on IRS Form W-2 document the receipt of privileged earnings from a **“trade or business”** or a **“public office”** as defined by 26 USC §7701(a)(26). That is essence of why most have missed seeing this linkage to a “trade or business” and that American Nationals are not required to “volunteer” to submit a Tax Class 5 Information Return [the IRS Form W-4] to their private sector non-federal employer.

By the lack of knowledge in most corporations and small business owners, they are a party to this fraud unless those entities are engaged in the conduct of a “trade or business”. Fear of the government, it appears, rather than the rule of law are what drives most to participate in this counterfeit identification of those who do not derive

1 their earnings from being engaged in the conduct of a “trade or business” within the “*United States*”  
2 [government].

3  
4 You already know what is meant in the IRC about the definition of “*United States*” being only the District of  
5 Columbia unless specified other than that.

6  
7 Keep this fact in mind when you later read about the Legislative Intent of the 16<sup>th</sup> Amendment which only  
8 levied the federal income tax upon the “*National Government*”.

9  
10 After the start of the Depression in 1929, President Franklin Delano Roosevelt and the Congress of the United  
11 States contracted with the international bankers who own the Federal Reserve Bank for loans to finance what  
12 was presented to the American public as a program called “*The New Deal*.”

13  
14 In order for the Federal Reserve owners to be paid on their loan, a vehicle was constructed whereby American  
15 Nationals could be saddled with joint responsibility or co-surety for the Congressional extravagance program.

16  
17 The Social Security System was devised for this purpose. The Social Security System is a Trust that binds every  
18 Social Security Account holder with a co-surety obligation for the now stratospheric debt of the United States  
19 [the Federal government].

20  
21 The United States Supreme Court ruled [in Helvering v. Davis, 301 U.S. 619, 81 L.Ed. 1307, 57 S.Ct. 904] that:

22  
23 **“*Social Security is not insurance at all but merely welfare.*”**  
24

25 Because of this decision, the application for and the use of a Social Security Account Number [SSN] is a silent  
26 or unspoken confession [implied from actions or statements] that the holder [user] of a SSN is one so  
27 incompetent in managing his or her own affairs that he or she must appoint the federal government as his or her  
28 guardian and seek eligibility for welfare payments.

29  
30 The SSN is purported to be a Constructive Trust but we were never told that when we signed the contract with  
31 the federal government as children [or as adults for some]. As children we signed up in schools without ever a  
32 reference or explanation of any facts, definitions, explanations, terms or conditions regarding the Socialistic  
33 Security Number.

34  
35 As the national government established the SSN pseudo constructive trust concept administered by the SSA, the  
36 United States [federal government] was the beneficiary so that the debts to the Federal Reserve System could be  
37 paid without our knowledge contrary to the intent of the Constitution. This was all done via private contracts so  
38 that there would never be any violation of the constitution by the federal government.

39  
40 So what role do you play in order for the federal government not to violate the limitations imposed on the  
41 federal government by the Constitution? You are identified as a federal trustee and thus a federal employee in  
42 order for you to use the SSN. The “*benefits*” promised by the government to be paid are found in 20 CFR under  
43 the heading EMPLOYEE BENEFITS.

44  
45 It is clear that the federal government only addresses their “*welfare benefits*” to those it considers as federal  
46 employees.

47  
48 The SSN belongs to the federal government as you can see in 20 CFR §422.103(d) where there is the statement  
49 “*SSN cards are the property of the SSA and must be returned upon request.*” Only federal personnel are  
50 permitted to use federal property. Use of “public property” for a private purpose or benefit is a crime under 18  
51 USC §641.

So you my friend, by application [contract] for the SSN [a purported trust contract] are:

- (1) **Using Federal property every time you present the SSN** issued for any purpose including any private sector employment,
- (2) **Considered to be a federal employee** or “officer” who is subcontracting his/her labor in behalf of the federal government,
- (3) **Identified in IRS records and databases as a “U.S. person” (“U.S. citizen” or “U.S. resident”)** as you either selected that on the application or it was inferred by 26 CFR §301.6109-1 Identifying Numbers [administrative regulation] and 20 CFR §422.104.

This unfortunate status is also known by such names as “*a child of the state*” or “*a ward of the court*”. A ward of the court is not exactly an admired description of any American as they are legally considered by the court to be either an “*infant or a person of unsound mind.*” Insults don’t get much lower in the minds of many people.

Your government didn’t stop there. The United States Supreme court ruled [in Fleming v. Nestor, 363 U.S. 603, 4 L.Ed. 2d 1435, 80 S.Ct. 1367 (1960)] that those who have paid into the Social Security System over their lifetime “*have no vested interest*” in the Social Security benefits. No vested interest means that payment of Social Security benefits from the Social Security System are discretionary [for the federal government’s judgment] and non-obligatory.

As a result, when the Social Security Taxpayer retires, the Social Security Administration [by law and contract] has no obligation for compensating the retiree and former taxpayer whatsoever. Hopefully, by now you see why the use of terms in everyday understanding like the word “*insurance*” does not translate uniformly to the same definition when used by those creating laws in the federal zone.

The Social Security System is really a type of “public right” which is to say the SSN is in fact a “statutory franchise”. Participating in any government “franchise” always creates a contractual agency through the operation of a “public trust”. The one who operates in a representative capacity for the benefit of the government of that SSN public trust is called a “trustee” over “public property”. Any property identified by the SSN is “public property” managed by the “trustee” and the user of the SSN is declaring that the property is public property [property belonging to the United States] by voluntarily donating one’s private property to a “public use” for purposes of procuring a government “privilege”. You will note, for instance, that the SSA Form SS-5 identifies itself as an application for a Social Security Card, not a number. The card is the property and the number is the license to hold such property.

The process of donating private property to public use implicitly grants the government the authority to control that use.

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

1 Participating in any government franchise makes one a “resident alien” for the purposes of federal jurisdiction  
2 and causes an implied surrender of sovereign immunity pursuant to 28 USC §1605(a)(2). You cannot  
3 participate in any “public right” or “public franchise” without becoming a “public officer” of the government  
4 granting the privilege. The Social Security Number is the prima facie license number which is used to track  
5 and control all those who voluntarily engage in public franchises.

6  
7 Use of a SSN constitutes prima facie consent to engage in the franchise. Use of this number constitutes prima  
8 facie evidence of implied consent because it is a crime to compel use or disclosure of Social Security Number  
9 per 42 USC §408. You can withdraw from the franchise lawfully at any time if you don’t want to participate.  
10 Just use the SSA Form 521.

11  
12 If the government uses the SSN trustee license number to communicate with you and you don’t object or correct  
13 them, then you once again consent to their jurisdiction to administer the program. The SSN is property of the  
14 government and NOT the person using it per 20 CFR §422.103(d). Therefore, if someone asks you for **YOUR**  
15 Social Security Number and you are not acting as a “public officer” but rather a private individual at that time,  
16 then you can truthfully state you do not have such a number.

17  
18 For those who use the Social Security Number in transactions like real estate loans, automobile purchases, etc.  
19 then the private property becomes voluntarily donated to a “public use” to procure the benefits [interest  
20 deductions from tax liabilities on tax returns] of the “public right” or “franchise”. Now you understand how  
21 many Americans have lost their homes, automobiles, and other such items to IRS assessments, levies, and liens.

22  
23 In the **U.S. v. Union Pacific Railroad Company**, 98 U.S. 569 (1878) decision, you will find that a “corporate  
24 railroad” is in fact a government franchise which makes the corporation into a “cestuis que trust” [pronounced  
25 like “set-ah-key”]. The officers of the trust are “public officers” and “trustees” of the National Government  
26 through the operation of private law, which is the corporate charter. Here is a section that addresses this fact of  
27 franchise:

28  
29 *“The proposition is that **the United States, as the grantor of the franchises of the company,**  
30 **the author of the its charter, and the donor of lands, rights, and privileges of immense value,**  
31 **and as parens patriae, is a trustee, invested with power to enforce the proper use of the**  
32 **property and franchises granted for the benefit of the public.**”*

33  
34 *But in answer to this it must be said that, after all, it is but a railroad company, with the  
35 ordinary powers of such corporations. **Under its contract with the government,** the latter  
36 has taken good care of itself; and in rights may be judicially enforced without the aid of this  
37 trust relation. They may be aided by the general legislative powers of Congress, and by those  
38 reserved in the charter, which we have specifically quoted.*

39  
40 *If the Untied States is a trustee, there must be **cestuis que trust.** There cannot be the one  
41 without the other, and the trustee cannot be a trustee for himself alone. A trust does not  
42 exist when the legal right and the use are in the same party, and there are no ulterior trusts.*

43  
44 *We are not prepared to say that there are no trusts which the United States may not enforce  
45 in a court of equity against this company.”*

46  
47 Did you notice that the government, in relation to the franchisee, is referred to by the Supreme Court as a  
48 “***parens patriae***”? This describes the government’s role as “protector” over persons with a “legal disability”.  
49 That disability pertains to the obligations associated with the functions of a “public office” in the National  
50 Government.

51  
52 By partaking of a “***public right***” or “***privilege***” one is abdicating their responsibility over their own life. The  
53 one who does so announces to the government that they can not govern or support their existence and therefore

1 have transferred their own person, property, and labor to one who exercises a legal guardianship which is to say  
2 they are wards of the Socialist State.

3  
4 Black's Law dictionary defines "*parens patriae*" as follows:

5  
6 *"Father of his country; parent of the country. In England, the king. In the United States, the*  
7 *State as a sovereign – referring to the sovereign power of guardianship over person under*  
8 *disability...such as minors, insane, and incompetent persons."*

9  
10 So when you complete the application [the purported constructive trust private law contract which permits the  
11 Federal government the opportunity to bypass the constitution], you in effect have told the Federal government  
12 that you are a "U.S. citizen". Is it any wonder why the IRS considers anyone with a SSN to be anything but a  
13 "U.S. citizen" or "resident alien" individual?

14  
15 This apparent deception has been the root cause of financial and Constitutional disenfranchisement of all  
16 American Nationals who use a Social Security Number.

17  
18 *Want more proof?* Ask anyone who has presented before a United States District Court or United States Tax  
19 Court who made the claim to their constitutionally protected God-given Rights. Listen closely as they explain  
20 what the Judges told them when they raised this issue before the bench. The Court considers the Federal  
21 government to be King and the "U.S. citizen" to be the subject of the King. Constitutional discussions are not  
22 permitted.

23  
24 The 13<sup>th</sup> Amendment to the Constitution prevents slavery and indentured servitude in our nation but has been  
25 skillfully circumvented by the private law contracting ability the government enjoys. The government has been  
26 extremely skilled at masking what has transpired and today most American nationals still "*believe*" that they  
27 enjoy the protections of the constitution but there are so few left that it has become a moot point.

28  
29 *Where are the people that are protected?* Most readers know that Americans are now identified as "*U. S.*  
30 *citizens*" who are subject to the crown -- the exclusive sovereign jurisdiction of the United States and they are  
31 subjugated into a burdensome tax that was never permitted in *Pollock v. Farmers' Loan & Trust Company*, 158  
32 U.S. 601 (1895).

33  
34 President William H. Taft stated it clearly in the Legislative Intent of the 16<sup>th</sup> Amendment that the Federal  
35 government was denied and deprived of the power to levy an income tax upon Americans in the states of the  
36 Union. His letter to Congress is published in the **Congressional Record of the United States Senate dated**  
37 **June 16, 1909 on pp. 3344 to 3345** and he directed Congress to levy the Federal income tax only upon the  
38 National government.

39  
40 Furthermore, Justice J. Jackson, dissenting, gave in part the following statement in this landmark case [*Pollock*  
41 *v. Farmers' Loan & Trust Company*, 158 U.S. 601 (1895)]:

42  
43 *"First. That a tax upon real and personal property is a direct tax within the meaning of the*  
44 *Constitution, and, as such, in order to be valid, must be apportioned among the several States*  
45 *according to their respective populations.*

46  
47 *Second. That the incomes derived or realized from such property are an inseparable incident*  
48 *thereof, and so far partake of the nature of the property out of which they arise as to stand upon*  
49 *the same footing as the property itself. From these premises, the conclusion is reached that a tax*  
50 *on incomes arising from both real and personal property is a "direct tax," and subject to the*



1 same rule of apportionment as a tax laid directly on the property itself, and, not being so imposed  
2 by the act of 1894, according to the rule of numbers, is unconstitutional and void.

3  
4 **Third. That the invalidity of the tax on incomes from real and personal property being**  
5 **established, the remaining portions of the income tax law are also void** notwithstanding the fact  
6 that such remaining portions clearly come within the [158 U.S. 697] class of taxes designated as  
7 duties or excises, in respect to which the rule of apportionment has no application, but which are  
8 controlled and regulated by the rule of uniformity.”  
9

10 We must understand now that the SSN Purported Constructive Trust Contract is voidable ab initio [from the  
11 date it was signed] if anyone of the following elements are incorrect or not established at the time of signing that  
12 indentured servant contract.

13 1) Were you of legal age?

14 If you, by the state you lived in at the time of signing the SSN purported constructive trust contract,  
15 were considered to be a minor, then the SSN contract is voidable ab initio.

16 2) If you were not a “U.S. citizen” or resident alien, then the SSN contract is voidable ab initio per  
17 federal regulation 20 CFR §422.104(a).

18 3) If the SSN contract failed to provide (as contracts that are valid must) full disclosure of terms,  
19 conditions, & definitions so that the applicant or signer could know what they are agreeing to.

20 4) If there was no willful and knowing intent by the applicant or signer based on the above, then there  
21 could be little support by the government to ever claim you signed the SSN purported constructive  
22 trust contract with willful and knowing intent to subjugate yourself into a financial indentured  
23 servant.  
24

25 You might want to send to the SSA the Form SSA-1.996 (01-2001) along with \$27 to obtain a photocopy of  
26 your original SSN application. The mailing address is:

27  
28 Social Security Administration  
29 c/o DERO Enumeration Unit  
30 P.O. Box 33000  
31 Baltimore, MD 21290-3000  
32

33 Remember; request a “**photocopy**” of your original application **not** an Extract.

34 Think about this for just a few moments:

35  
36  
37 If American Nationals have been converted by constructive trust contract with the Federal government  
38 into being identified as “U.S. citizens”, then there are literally very few remaining American Nationals  
39 who enjoy the protections of the Constitution.  
40

41 If there are no remaining [or very few] American Nationals then the Constitution is for all practical  
42 purposes dead as there are no parties still protected by it. That is why the Leo Strauss Neo-conservatism  
43 governance philosophy is espoused and why Harvard University Professor Dershowitz advocates the  
44 uselessness of the constitution.  
45

46 Summary of your true status is fairly straightforward, so let’s review:

- 47 1) Those born in Washington, DC or any of the U.S. Territories or Possessions of the “United States”,  
48 are identified as “U.S. citizens” as defined at 8 USC §1401.  
49

- 1 2) Those who are resident aliens or those from foreign nations and who have a domicile in the “United  
2 States” are identified as “*Taxpayers*” and have liability for the Federal income tax per 26 CFR  
3 §1.871-1.  
4
- 5 3) Those who work for the Federal government as a federal employee, federal officer, or elected official  
6 of the “*United States*” are clearly identified as a “*Taxpayer*” with an imposed duty and obligation to  
7 file and pay the income tax.  
8
- 9 4) If you are a nonresident alien, an American National, who makes a living in the private sector outside  
10 the District of Columbia, then according to 26 CFR §1.871-1 you have no liability for the Subtitle ‘A’  
11 Federal income tax. This is also confirmed by the Federal Retirement Thrift Savings Plan (T.S.P.).  
12
- 13 5) If you use a SSN then you by 26 CFR §301.6109-1 Identifying Numbers, the IRS [generally]  
14 identifies you as a “*U.S. citizen*” or “*resident alien*”. Both of those as you know by now are  
15 “*Taxpayers*” and have a liability for the Subtitle ‘A’ Federal income tax.  
16
- 17 6) Those who are “U.S. persons”, including “*U.S. citizens*”, or “U.S. residents”, are identified as such by  
18 the use of a Social Security Number pursuant to 26 CFR §301.6109-1. 20 CFR §422.104 says these  
19 are the only persons eligible to participate in the Social Security constructive trust contract agreement.  
20 The Social Security franchise agreement also says that these same persons are subject to the income  
21 tax as well and for most people, this is the main method for volunteering to participate in the tax..  
22 Their earnings are considered by the Federal government to be Foreign Earned income [Form 2555] if  
23 earned outside the “*United States*” per 26 USC §7408(d).  
24
- 25 7) Title 8 Section 1401 defines the term “*U. S. citizen*”, which is used exclusively by the “Socialistic”  
26 Security Administration, Immigration & Naturalization, and the Internal Revenue Service, as “***one***  
27 ***who was born within the ‘United States’ and subject to the exclusive jurisdiction thereof..***”  
28
- 29 8) Any “*assumption*” you make that ends up on a government form, like the Form SS-5 and voter  
30 registration, places on public record by the government your citizenship status as a “*U.S. citizen*”.  
31 Such incorrect labeling must be rebutted in order to correct the misapplication created by various  
32 public records that ask for your citizenship status. Pursuant to Federal Rule of Evidence 803(8), all  
33 such public records are automatically admissible as evidence in court to prove that you are subject to  
34 the foreign laws and foreign jurisdiction of the U.S. Congress.  
35
- 36 9) Those forms fail to define the term “*U.S. citizen*” as the term is defined by the government. The  
37 “*assumption*” remains “*valid*” until you rebut and reclaim your correct status as an American  
38 National.  
39
- 40 10) If you were born in one of the 50 states of the Union [the Republic] you are an American National [a  
41 nonresident alien to all federal jurisdiction] and thus not “*subject to*” the exclusive jurisdiction of the  
42 Federal government.  
43
- 44 11) If you are an American National [a nonresident alien to all federal jurisdiction] and you do not work  
45 for the Federal government in any capacity and do not participate in the “trade or business” franchise  
46 or receive government payments, you are not under any obligation to file or pay any Subtitle ‘A’  
47 Federal income tax per the Federal Retirement Thrift Savings Plan (T.S.P.) and 26 CFR §1.871-1.  
48 You are legally classified as a “*Non-Taxpayer*” by being “***neither the subject nor the object of***  
49 ***Federal revenue laws.***”  
50

- 1 12) The term “*United States*” geographically defined, in the Internal Revenue Code regarding Subtitle ‘A’  
2 income taxes, relates only to the Federal government and the exclusive [sovereign] geographical  
3 jurisdiction thereof.  
4
- 5 13) The regulation supporting the Applicability of Revenue Laws stated at 26 USC §7851(a)(1)(A) is  
6 found at 27 CFR Part 24 for Wine production only. This is found easily on Cornell University Web  
7 site under parallel authorities for 26 USC §7851.  
8
- 9 14) The Legislative powers of Congress are exclusive within the geographical areas of its jurisdiction.  
10 Congress has limited jurisdiction regarding its Legislative powers toward the 50 states of the Union  
11 [The Republic] arising from limitations placed against it by the Constitution. This was intentional by  
12 the founding fathers to prevent the encroachment by the Federal government bureaucrats into areas  
13 that were reserved for the people only.  
14
- 15 15) The term “*United States of America*” geographically defined refers to the 50 states of the Union in  
16 which the Federal government has very limited jurisdiction and the Federal income tax is not  
17 applicable within the 50 states but those who live there can volunteer to pay that tax by subjecting  
18 themselves by filing a Form 1040 and using a SSN.  
19
- 20 16) “*States*” in regard to the Federal Zone are considered to be: Guam, Puerto Rico, U.S. Virgin Islands,  
21 American Samoa, etc. and any land ceded over to the Federal government formerly within the area of  
22 the 50 states of the Union.  
23
- 24 17) “*States*” in regard to the Republic are the states of the Union such as: Florida, Texas, California,  
25 Wyoming, etc. Except for Louisiana, all states have counties within their sovereign borders. The two  
26 letter designation for Federal States such as “FL, TX, CA, WY...” are not states of the Union but  
27 creations of Congress under the Buck Act and they do not have “*counties*” but instead have zip codes.  
28 Federal “*States*” as used in Acts of Congress and Union states are two mutually exclusive groups of  
29 political entities that are foreign and sovereign in respect to each other. This is no accident, but a  
30 product of the separation of powers doctrine that is the heart of the United States Constitution.  
31
- 32 18) If you have signed the purported constructive trust contract [application for an SSN] then you have  
33 identified yourself as a “*U.S. citizen*” and by implication a “*Federal Employee*” [a Federal Trustee of  
34 the constructive trust contract] and you are identified by the all capital letters name vis-à-vis the upper  
35 and lower case real name you use. All funds paid in the future related to the SSN retirement are  
36 structured under 20 CFR Employee Benefits as Federal “wages” which carries a tax liability for the  
37 Federal income tax on those payments in retirement from your Federal “employer”.  
38
- 39 19) Taxpayers who are liable for the Special Laws [those not positive laws and apply only to a limited  
40 group] found in the IRC are stated by the Federal government to be:  
41
- 42 a. Federal Workers – Federal Officers, Federal Employees, & Elected Officials of the United  
43 States
  - 44 b. U.S. citizens
  - 45 c. Resident Aliens
  - 46
  - 47 d. Those who operate in a representative capacity in behalf of the Federal government  
48 meaning those who use the SSN generated by the Federal government via the constructive  
49 trust contract.  
50
  - 51
  - 52
- 53 20) The Federal government knows full well that contracts are only valid if:

- a. The party signing the contract is of legal age. They can not be a child as they are not of legal age.
- b. There must be full disclosure of the definitions, terms, and conditions related to the constructive trust contract in order for anyone signing to know exactly what they are agreeing to be bound by.
- c. There must be willful and knowing intent on the part of the signer of a contract. There can be no willful and knowing intent without full disclosure of the definitions, terms, and conditions being clearly and completely disclosed.
- d. If any of the above are in error or not present at the signing of the constructive trust contract then such a contract has no validity and is voidable ab initio.

21) A child cannot lawfully enter into a contract of any type as minors are restricted from doing so due to their immaturity. As many Americans were children [not of legal age] when the purported constructive trust contract was signed, then that “constructive trust contract”, the SSA Form SS-5, cannot be considered valid but only voidable ab initio [voided from the beginning date on the contract].

22) The SSN is the cause of much confusion and financial distress placed upon Americans by the Federal government. The SSA was created by the Federal government and operates as the “twin sister” of the Internal Revenue Service (I.R.S.). It was created with private contract law as the basis of its implementation. Private law contracts permit the Federal actions to be legal and not an infringement of the restrictions found in the constitution.

23) The constitution has precluded the Federal government from levying the Federal income tax directly by Congressional Legislative acts supported by the U.S. Supreme Court in cases like Pollock v. Farmers’ Loan & Trust, 157 U.S. 429 (1895). This is also supported by the Legislative Intent of the 16<sup>th</sup> Amendment written by former President of the United States [and later a Supreme Court Justice] William H. Taft, on June 16, 1909 and published in the Congressional Record of the United States Senate on pages 3344-3345.

24) The Social Security Number is a Trust and the user of that number is a Federal Trustee called a “public officer”. Public officers are federal “employees” and the federal income tax was levied upon those who derive income from being engaged in the conduct of a “trade or business” [the performance of the functions of a public office] in the United States [the District of Columbia]. All federal workers have imposed upon them the federal income tax.

25) All property that has the SSN attached to it is considered to be “public property” which is to say property of the federal government. To be more precise, it constitutes “private property donated to a public use to procure the benefits of federal franchises”. This “public use” property can lawfully be attached by assessment, lien, or levy...just by the mere statute.

“*Sub Silentio*”. Do you see the significance of it in what you just read? If you don’t challenge the SSN, then you consent to all the ramifications “*imposed without notice*”.

*“The modern banking system manufactures money out of nothing. The process is perhaps the most astounding piece of sleight of hand that was ever invented.*

*Banking was conceived in inequity and born in sin. Bankers own the earth.*

1           *Take it away from them but leave them the power to create money, and with a flick of the pen,*  
2           *they will create enough money to buy it back again. Take this great power away from them and*  
3           *all great fortunes, like mine, will disappear, for then this would be a better and happier world to*  
4           *live in.*

5           *But if you want to continue to be the slaves of bankers and pay the cost of your own slavery, then*  
6           *let bankers continue to create money and control credit.”*  
7           *[Sir Josiah Stamp, Director Bank of England, Second richest man in Britain in the 1920s]*

### 3 Chapter 3: Federal Franchises & Implicit Consent

Quote to Contemplate:

*“I believe there are more instances of the abridgement of the freedom of the people by **gradual and silent encroachments of those in power** than by violent and sudden usurpations.”*  
*[James Madison, Fourth President of the United States]*

It is said that the heart of a nation dies a slow death as trust is diminished. Trust in government and the hope of America is fading right before our eyes. The institutions in this nation were once viewed as just and right.

Indentured servitude [slavery] was once an obvious and dominant issue of concern in the history of this nation. Today a far more offensive form of slavery exists. It cares not about skin color or ethnicity of its subjects. In fact it really cares nothing at all about its subjects but to the extent it can dominate and control them. Today's slavery is subtle but is felt by most without the understanding as to the origin of the suffering and abuse it has caused all Americans.

This form of slavery established itself in the form of a corporation and the franchise agreements that the federal corporation grants via its “privileges”. The offering of a franchise agreement to Americans in a moment of national depression was just the moment to offer the greatest Franchise Scheme of all times. It was the Social Security Act of 1935 which appeared as originating from a benevolent government. Officially, this abuse of our trust started in 1913, with the creation of the Federal Reserve System and the simultaneous presumption of a federal income tax liability for all Americans via the 16<sup>th</sup> Amendment.

Most people have heard the phrase “Death & Taxes” as the answer to the two things no one can avoid in life. Reasonable taxes are not the issue and they do help support the general purpose of the government which is to provide for national defense. The current levels exceed anything that is considered reasonable and necessary.

#### **Franchising is the real business of national government and is its true profit center**

Federal income taxation operating as a franchise is a deception that was birthed by evil, corrupt, and self serving men who were elected to positions of trust which they grossly violated. The heart of the special laws that make up the Internal Revenue Code, Subtitle ‘A’. It is simply an excise tax upon those who purportedly derive income from being engaged in the conduct of a “trade or business”. The definition of “trade or business” used by the national government in the IRC is defined to mean “the performance of the functions of a public office” which is to say one who works for the national government.

A Franchise is a special privilege conferred by government on individual or corporation, and which does not belong to the citizens of country generally of common right. In England, a franchise is defined to be a royal privilege in the hands of a subject. Today we understand a franchise to be “*some special privilege conferred by government on an individual, natural or artificial, which is not enjoyed by its citizens in general.*” [State v. Fernandez, 106 Fla. 779, 143 So. 638, 86 A.L.R. 240]

In America, a franchise is essentially a privilege which can not be legally exercised without a grant by the legislature. A corporation is a franchise granted existence and privilege by the legislature. The most widely known franchise privilege today is the right of suffrage. “*In a popular sense, the political rights of subjects and citizens are franchises, such as the right of suffrage.*” [Pierce v. Emery, 32 N.H. 484; State v. Black Diamond co., 97 Ohio St. 24, 119 N.E. 195, 199, L.R.A. 1918E, 352] So the act of voting is a “privilege” of the franchise.

1 Now do you understand the real reason why the government wants Americans to vote? Look at the voter's  
2 registration form and you will find that you are to check off your citizenship status and the intended choice for  
3 you to select is "U.S. citizen."

4  
5 Thus when anyone "votes" they are exercising a franchise right which is according to Webster's Dictionary "***a***  
6 ***special privilege granted to an individual or group.***" So if you vote you are exercising the power of the federal  
7 corporation franchise granted by a constitutional or statutory right. For the "enjoyment" of this "privilege" you  
8 get the joy of being taxed for exercising the exclusive privilege granted by the national government.

9  
10 *"Excises are taxes laid upon the manufacture, sale or consumption of commodities within the*  
11 *country, upon licenses to pursue certain occupations and upon corporate privileges....the*  
12 *requirement to pay such taxes involves the exercise of privileges, and the element of absolute and*  
13 *unavoidable demand is lacking...*

14  
15 *...it is therefore well settled by the decision of this court that when the sovereign authority has*  
16 *exercised the right to tax a legitimate subject of taxation as a exercise of a franchise or privilege,*  
17 *it is no objection that the measure of taxation is found in the income produced in part from*  
18 *property which of itself considered is nontaxable...*

19  
20 *Conceding the power of Congress to tax the business activities of private corporations...the tax*  
21 *must be measured by some standard..."*  
22 *[Flint v. Stone Tracy Co., 220 U.S. 107 (1911)]*

23  
24 It has been a colossal scheme by those elected to "serve" in the national government to dupe those who are truly  
25 "Non Taxpayers" to voluntarily subject their lives and their finances to the benefit of the elected.

26  
27 The Non-Taxpayer base was recognized by those "***elected to serve***" to be the location of where the wealth of the  
28 nation truly lies.

29  
30 *"Revenue Laws relate to taxpayers [officers, employees, instrumentalities, and elected officials of*  
31 *the Federal Government] and not to non-taxpayers [American Citizens/American Nationals not*  
32 *subject to the exclusive jurisdiction of the Federal Government and who did not volunteer to*  
33 *participate in the federal "trade or business" franchise]. The latter are without their scope. No*  
34 *procedures are prescribed for non-taxpayers and no attempt is made to annul any of their Rights*  
35 *or Remedies in due course of law."*  
36 *[Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972)]*

37 Those "elected to serve" in the National Government could not annul any of our Rights but in due course they  
38 created the "Statutory Scheme" we know of today as the Social Security Act of 1935 in order to subjugate an  
39 entire nation into financial slavery. Those in power have an insatiable thirst for more power and control.

40  
41 Try asking any politician if there is or should be a maximum or cap on the amount of an individual's earnings  
42 beyond which taxation would be unjust. The most likely answer from government will be the same as always –  
43 silence! After all, they could imagine yet another emergency or situation that might erase the maximum if they  
44 were so restricted.

45  
46 Under the Statutory Franchise Scheme, there is no maximum taxation percentage or ceiling beyond which  
47 taxation would be considered abusive. If you want the "benefits" of the franchise you must simply pay what is  
48 requested or demanded. Perhaps it is now time to define some of the elements of a franchise so that you will  
49 understand the multitude of arms it possesses as well as how the IRS and the various federal administrative [non  
50 Article III] courts use the franchise against Americans.

1 The lowest common denominator is the Social Security Number. You should seriously consider rescinding the  
2 SSN as voidable ab initio as soon as possible. The SSN represents a constructive trust [supposedly a contract  
3 that does not meet the standards for a valid contract nor by Clark v. United States, 95 U.S. 539] and identifies  
4 you as a federal trustee [federal worker] who is engaged in the conduct of a “trade or business” within the  
5 United States [the District of Columbia].

6  
7 The Social Security Number via 20 CFR declares that all federal “employees” using the SSN incur the  
8 obligation to pay a federal income tax on the privilege granted by the federal corporation for those who elect to  
9 use federal property under the franchise scheme. See the exhibit section on Legislative History of the Social  
10 Security Act of 1935, Title VIII Section 801. You probably never knew about this document and it was never  
11 presented as part of the full disclosure required to make a contract valid.

12  
13 By consenting to the franchise agreement expressed by sending in a completed SSN application [Form SS-5]  
14 you have just allowed the following presumptions to be made by those in the National Government:

- 15  
16 1. You have consented to engage in a “trade or business” [26 USC §7701(a)(26)] under the federal  
17 statutory scheme of the SSA.
- 18  
19 2. You have **consented to be obligated** for the Social Security Tax, Medicaid/Medicare tax, as well as  
20 the Federal Income tax **in exchange for the privilege** of hoping to receive payments of some level  
21 with some pecuniary value at retirement. All of the amounts and age of receiving payments is  
22 subject to change without notice or even may be eliminated by the Congress according to the United  
23 States Supreme Court.
  - 24  
25 a. Income Tax On Employees: TITLE VIII Section 801 “*In addition to other taxes, there*  
26 *shall be levied, collected, and paid upon the income of every individual a tax equal to the*  
27 *following percentages of the wages...*”
  - 28  
29 b. “*...railroad benefits, like social security benefits, are not contractual and may be altered*  
30 *or even eliminated at any time.*” [United States Railroad Retirement Board v. Fritz, 449  
31 U.S. 166 (1980)]
  - 32  
33 c. “*We must conclude that a person covered by the Act [Social Security Act] has not such a*  
34 *right in benefit payments...This is not to say, however, that Congress may exercise its*  
35 *power to modify the statutory scheme free of all constitutional restraint.*” [Fleming v.  
36 Nestor, 363 U.S. 603 (1960)]
- 37  
38 3. You have consented to by the franchise agreement to have your **domicile** identified in the District of  
39 Columbia per 4 USC §72 and 26 USC §7408(d).
- 40  
41 4. You have consented to by the franchise agreement to be identified as a statutory “U.S. citizen”  
42 pursuant to 8 USC §1401(a) if you are a domestic national or a statutory “permanent resident”  
43 pursuant to 26 USC §7701(b)(1)(A) if you are a foreign national.
- 44  
45 5. You have consented by the franchise agreement to become a registered “voter” rather than an  
46 “elector”.
- 47  
48 6. You have consented by the franchise agreement to serve as a jurist in any trial you are summoned to  
49 participate in. Under 18 USC §201(a)(1) it shows that all persons serving as federal jurists are  
50 “public officials”. As an American National, you were not qualified to serve as a jurist in a federal  
51 court, but as a “U.S. citizen” and federal “employee”, you are because your new effective domicile  
52 is on federal territory.
- 53  
54 7. You have consented to by the franchise agreement when you open a bank account with any bank  
55 offering FDIC insurance of the bank to subject your deposits to any claim made by the IRS or the



1 national government with no recourse. 31 CFR §202.2 says all FDIC insured banks are “agents” of  
2 the national government and therefore are “public officers”.

3  
4 For those of you who attend a church or have joined a church, you will find that most all churches are  
5 established under 26 USC §501(c)(3). The “*benefit*” of donating money in the offering plate is not obedience as  
6 a giver, or as one who tithes, or a closer walk with God but rather under the franchise agreement it is to secure  
7 yet another “benefit” which is a “tax deduction” for your generous contribution to yet another division of the  
8 federal franchise.

9  
10 Churches that register under this IRC statute become government “trustees” and “public officers” that are part of  
11 the national government. Consider this fact in light of what is referred to in the media today as “separation of  
12 church and state” and you just might want to discuss this with your pastor, priest, or rabbi. A good starting point  
13 for that discussion is the following:

*What Pastors and Clergy Need to Know About Government and Taxation*, Form #12.006  
<http://sedm.org/Forms/FormIndex.htm>

14  
15 Hosea 4:6 rings out again, “*My people are destroyed for a lack of knowledge.*”

16  
17 Virtually every variant of a government issued “*benefit*”, “*license*”, or “*privilege*” franchisees use identifies  
18 them as a “*trustee, transferee, fiduciary, public officer, public official, alien, or resident*” of the national  
19 government with a domicile on federal territory. The benefits derived by the application/license for the benefit  
20 under the federal statutory franchise scheme results in the creation of a “*Res*”.

21  
22 The “Res” is everything that may form an object of rights and includes an object, subject-matter or status. The  
23 term is particularly applied to an object, subject-matter, or status, considered as the defendant [the nom de  
24 guerre or ALL CAPS NAME] in an action, or as an object against which, directly, proceedings are taken. The  
25 “Res” is the subject matter of a trust, will or legislation.

26  
27 “Res” comprises actions or consequences of choices and contracts/agreements that you make for the purpose of  
28 procuring “benefits” of all kinds. Remember that all law relates either to persons, to things, or to actions.

29  
30 Once the creation of the “Res” [via the application or license] is completed, the “Res” is located within the  
31 national government’s legislative jurisdiction [on federal territory such as the District of Columbia].

32  
33 This is where 4 USC §72 and 26 USC §7408(d) take effect. Thus, you are a RES-IDENT or resident. This is  
34 commonly referred to by many as the “straw man”.

35  
36 Signing up for government entitlements is equivalent to giving them a blank check because you do not  
37 determine the cost of their “service”, but rather the government does. You then become the servant and the  
38 national government becomes your “Master” as in the days of slavery.

39  
40 The national government has successfully used Leo Straus’ Neo Conservative governance philosophy to  
41 establish itself as the Master. Then it uses propaganda to create fear and uncertainty in the minds of those born  
42 as sovereigns in the constitutional republic. For those who have the time, research the Great Depression and you  
43 will find that the Federal Reserve was instrumental in creating the economic calamity. The Federal Reserve  
44 contracted the money supply, and then the people became distressed and worried about their economic future.  
45 They began to worry about their old age and the economics of retirement when so many were out of work.

46  
47 Take the time to review the following outline as it will hopefully improve understanding of the elements  
48 addressed so far.

Table 8: Effect of participating in franchises<sup>16</sup>

Entity type	Sovereign status within <b>federal law</b> WITHOUT franchises	Status in <b>federal law</b> AFTER accepting franchise
Human being born within and domiciled within a state of the Union	"Non-resident Non-person" (Form #05.020)	"Resident alien" (26 USC §7701(b)(1)(A)) "Alien individual" (26 CFR §1.1441-1(c)(3)) "Alien" (See Form #10.011, Section 12.1)
	Private person	"Public officer" Trustee of the "public trust"
	Constitutional but not statutory "citizen" (See Why You are a "national", "state national", and Constitutional but not Statutory Citizen, Form #05.006)	Statutory "U.S. citizen" pursuant to 8 USC §1401 or 8 USC §1101(a)(22)(A) because representing a federal corporation under 28 USC §3002(15)(A) which is a "citizen" pursuant to Federal Rules of Civil Procedure 17(b) NOT a constitutional "citizen of the United States" pursuant to Fourteenth Amendment
	"Stateless person" "Transient foreigner"	Inhabitant
	Foreigner	Domestic person "U.S. person" (26 USC §7701(a)(30)) Domiciliary
State of the Union	"state" "foreign state"	Statutory "State" as defined in 4 USC §110(d) (see Federal Trade Zone Act, 1934, 19 USC 81a-81u)
Trust	Foreigner Foreign estate (26 USC §7701(a)(31)) Nonstatutory trust	Domestic person "U.S. person" (26 USC §7701(a)(30)) Statutory trust
State corporation	Foreigner Foreign estate (26 USC §7701(a)(31))	Domestic person "U.S. person" (26 USC §7701(a)(30))
Federal corporation	Domestic person "U.S. person" "Person" (already privileged)	Domestic person "U.S. person" (26 USC §7701(a)(30)) "Person" (already privileged)

Participation in any franchise of the national government virtually leaves you without standing or remedy in any federal court!

***"These general rules are well settled; (1) The United States, when it creates rights in individuals against itself [a "public right" should be read as "franchise" and the word of art helps the court disguise the nature of the transaction], is under no obligation to provide a remedy through the courts."***

*[United States ex rel. Dunlap v. Black, 128 U.S. 40, 9 Sup.Ct. 12, 32 L.Ed. 354]*

Review the ten planks of Karl Marx's Communist Manifesto and see the results of the Social Security Act of 1935 from that vista. The goal was to have the people orchestrated to call out to the government to be the savior of the people.

Government is known throughout history to be a risky evil at best and a usurper of all that is good with dictatorial control at worst. In the process of those 1930 era Americans procuring the "privilege" to be free of anxiety about old age, they surrendered their sovereignty over their person and gave much of their labor to the government. Thus the national government secured its "moral" authority to tax and diversifies the variety of their taxes on the American wages to a massive level today.

Americans soon became conditioned to their new servitude. The precepts of government with restrictions by the constitution were circumvented and the majority of the populace never fully understood. The educational institutions knew all about this and remained silent. Today, the Ivy League schools in America are the breeding

<sup>16</sup> With appreciation, this outline was borrowed [with permission] from: Federal Jurisdiction, Form #05.018, <http://sedm.org/Forms/FormIndex.htm>

1 grounds for the next generation of government socialist Neo Conservative cadre stepping into positions of the  
2 elite aristocracy that fully controls and runs this nation today.

3  
4 As you saw with the United States Supreme Court cases describing the Social Security Act as a “Statutory  
5 Scheme” with the holder of any SSN really having “not such a right in benefit payments” there is no question  
6 that the SSN is not a true contract. It is one that can be rescinded and with SSA Form 521.

7  
8 How can there be any contract when there is no consideration granted by the national government? Thus, the  
9 SSN franchise agreement is voidable from the date it was signed by the applicant and there is nothing binding  
10 the applicant. It appears from USSC decisions that most if not all the federal franchises prohibit the franchisee  
11 any right or claim for benefits payment.

12  
13 Federal franchise agreements are nothing more than private law because they only affect those who consent to  
14 participate in the franchise. The national government bestows upon itself the ability to regulate those who  
15 participate by:

- 16 (1) Maintaining jurisdiction over the franchise,
- 17 (2) The signer of the franchise agreement cannot enjoy any of the “benefits” without a surrendering to  
18 the government in disputes any governance of the issues in question,
- 19 (3) The signer must settle any disputes in a federal court under the control of the government so that the  
20 outcome is always in favor of the government and at the disadvantage of the franchisee, and
- 21 (4) The signer who may at the signing actually be a nonresident alien for the purpose of the franchise  
22 agreement becomes a “resident” for purposes of federal jurisdiction so that jurisdiction can not  
23 come into dispute.  
24

25  
26 When the franchise agreement is functioning as a trust, that trust has its “residence” or “domicile” identified  
27 within the exclusive jurisdiction of the national government.

28  
29 *“Thus, the Court has frequently held that domicile or residence, more substantial than mere  
30 presence in transit or sojourn, is an adequate basis for taxation, including income, property,  
31 and death taxes. Since the fourteenth Amendment makes one a citizen of the state wherein he  
32 resides, the fact of residence creates universally reciprocal duties [such as contractual duties]  
33 of protection by the state and of allegiance and support by the citizen. The latter obviously  
34 includes a duty to pay taxes, and their nature and measure is largely a political matter. Of  
35 course, the situs of property may tax it regardless of the citizenship, domicile, or residence of  
36 the owner, the most obvious illustration being a tax on realty laid by the state in which the  
37 realty is located.”*

38 *[Miller Brothers Co. v. Maryland, 347 U.S. 340 (1954)]*

39  
40 A franchisee who selects or consents to have a “domicile” or “residence” within the federal jurisdiction [the  
41 District of Columbia] has in effect sought the primary government service which is protection. As the USSC  
42 stated, there is an exchange for the promise of protection by the government and conversely the franchisee is  
43 legally obligated to give their “allegiance and support” which makes the national government the Master.

44  
45 In the Mid Ages, those who swore allegiance to the Crown were acknowledging that they were subservient to  
46 the sovereign. This is not a good condition today as most of the fears that cause the impulse for “protection” are  
47 nothing more than fabrications by the national government.

48 “Yet, it is to be remembered, and that whether in its real origin, or in its artificial state, allegiance,  
49 as well as fealty, rests upon lands, and it is due to persons. Not so, with respect to Citizenship,  
50 which has arisen from the dissolution of the feudal system and is a substitute for allegiance,  
51 corresponding with the new order of things. **Allegiance and citizenship, differ, indeed, in**

1 almost every characteristic. Citizenship is the effect of compact; allegiance is the offspring  
 2 of power and necessity. Citizenship is a political tie; allegiance is a territorial tenure.  
 3 Citizenship is the charter of equality; allegiance is a badge of inferiority. Citizenship is  
 4 constitutional; allegiance is personal. Citizenship is freedom; allegiance is servitude.  
 5 Citizenship is communicable; allegiance is repulsive. Citizenship may be relinquished;  
 6 allegiance is perpetual. With such essential differences, the doctrine of allegiance is  
 7 inapplicable to a system of citizenship; which it can neither serve to controul, nor to  
 8 elucidate. And yet, even among the nations, in which the law of allegiance is the most firmly  
 9 established, the law most pertinaciously enforced, there are striking deviations that demonstrate  
 10 the invincible power of truth, and the homage, which, under every modification of government,  
 11 must be paid to the inherent rights of man.....The doctrine is, that allegiance cannot be due to  
 12 two sovereigns; and taking an oath of allegiance to a new, is the strongest evidence of  
 13 withdrawing allegiance from a previous, sovereign....”

14 *[Talbot v. Janson, 3 U.S. 133 (1795). Quote from the syllabus, not the opinion.]*

15  
 16 Take the time to look up the word “Domicile” and you will see that what makes your stay “permanent” in the  
 17 eyes of the government is your consent to the jurisdiction of the government. Many perpetual travelers who  
 18 have rescinded the SSN franchise agreement know that one can have many “residences” but they can have only  
 19 one legal “domicile” because any allegiance must not be divided.

20  
 21 Sovereignty is very interesting but few know much about it today. When you consider the USSC decision in  
 22 Yick Wo v. Hopkins, 118 U.S. 356 (1886) you find the following narrative:

23  
 24 *“Sovereignty itself is, of course, not subject to law, for it is the author and source of law; but in*  
 25 *our system, while sovereign powers are delegated to the agencies of government, sovereignty*  
 26 *itself remains with the people, by whom and for whom all government exists and acts and the*  
 27 *law is the definition and limitation of power.”*

28  
 29 The concept behind the Franchise idea is now clear. Every law is territorial insofar as it can act only upon the  
 30 geographical area under the exclusive control of any government. For the national government that means the  
 31 District of Columbia and U.S. Territories & Possessions.

32  
 33 The only way for the national government to extend its reach beyond the constitutional boundaries was by  
 34 private law. This is a tool that claims an informed and mutual consent of the franchisees who sign up for the  
 35 “benefits” of the federal statutory socialism scheme.

36 *Debitum et contractus non sunt nullius loci.*  
 37 *Debt and contract are of no particular place.*

38 *[Bouvier’s Maxims of Law, 1856;*

39 *SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviertsMaxims.htm>]*

40  
 41 An excellent comparative that most people are familiar with is opening a bank account. In order to open a bank  
 42 account you are requested to sign a banking agreement. After you contract with the bank by signing the bank  
 43 account agreement, you then become a “resident” of the bank.

44  
 45 Review the following to see what has transpired once you become a bank “resident”.

- 46  
 47 1) You now have an account number which is a type of identity in the bank’s computer system and  
 48 their records have your account listed there. They will always ask for your account number when  
 49 dealing with you on transactions.  
 50  
 51 2) The bank might issue you an ATM card with a PIN so that you can access your account at your  
 52 leisure.

- 3) The account agreement gives you the “privilege” to demand “services” from the bank. In reality, you hired the bank to perform a “service” that you wanted or felt that you needed.
- 4) The account agreement gives the bank the legal right to demand certain behaviors out of you. This could amount to the bank’s demand that you pay all account fees and not overdraw your account or to maintain a minimum balance to avoid those fees.
- 5) The account agreement created legal obligations between you and the bank. The contract established the legal relations between you and the bank. If either party violates the terms of the contract, then the other party has legal recourse to sue for violation of the contractual terms of agreement. If litigation results, it must be within the boundaries of the contract and in the forum [court] that the agreement specifies.

Think about what you just read and you will see that the government operates with an identical process created by the legislation behind the Social Security Act of 1935. The only difference between the bank and the government is that while the bank delivers financial services, the national government delivers “social” and “protective” services.

You can’t participate in the “*privileges*” associated with the Social Security Account without also being a “*resident*” of the “*United States*”. That is part of the terms of the agreement even if you did not recognize it. Contracts can be explicit [written] or implicit [implied by your consent to be bound by evidence of your behavior]. It is the implicit ones that bite you the hardest, right?

*CALIFORNIA CIVIL CODE*  
*DIVISION 3. OBLIGATIONS*  
*PART 2. CONTRACTS*  
*CHAPTER 3. CONSENT*  
[Section 1589](#)

*1589. A voluntary acceptance of the benefit of a transaction is equivalent to a consent to all the obligations arising from it, so far as the facts are known, or ought to be known, to the person accepting.*

Unwritten consent is the hardest to grasp as it is connected directly with Implied Consent. Take a look at the definition for ***implied consent***:

*“That manifested by signs, actions, or facts, or by inaction or silence, which raise a presumption that the consent has been given. For example, when a corporation does business in a state it impliedly consents to be subject to the jurisdiction of that state’s courts in the event of tortious conduct, even though it is not incorporated in that state.*

*Most every state has a statute implying the consent of one who drives upon its highways to submit to some type of scientific test or tests measuring the alcoholic content of the driver’s blood. In addition to implying consent, these statutes usually provide that if the result of the test shows that the alcohol content exceeds a specified percentage, then a rebuttable presumption of intoxication arises.”*

*[Black’s Law Dictionary, Fifth Edition, pp. 276-277]*

A breach of a contract occurs, whether it is in the course of personal business or that of a government, one gives their silent consent to the violation in the absence of any rebuttable. The net effect is the surrender of any rights which might have been usurped or violated.

1 “Supposing this not to be a tax inspection purposes, *has Congress consented to its being laid? It*  
 2 *is certain that Congress has not expressly consented. But is express consent necessary? There*  
 3 *is nothing in the Constitution which says so. There is nothing in the practice of men, or in the*  
 4 *Municipal Law of men, or in the practice of nations, or the Law of nations that says so.*  
 5 *Silence gives consent, is the rule of business life. A tender of bank bills is as good as one of*  
 6 *coin, unless the bills are objected to. To stand by, in silence, and see another sell your property,*  
 7 *binds you. These are mere instances of the use of the maxim in the Municipal Law. In the Law*  
 8 *of Nations, it is equally potent. Silent acquiescence in the breach of a treaty binds a Nation.*  
 9 *(Vattel, ch.16, sec. 199, book 1. See book 2, sec. 142, et seq. as to usucaption and prescription,*  
 10 *and sec. 208 as to ratification.)*

11  
 12 **Express consent, then, not being necessary, is there any thing from which consent may be**  
 13 **implied? There is length of time.** *The Ordinance was passed the 24<sup>th</sup> of January, 1842, and has*  
 14 *been in operation ever since. If Congress had been opposed to the Ordinance, it had but to*  
 15 *speak, to be obeyed. It spoke not-it has never spoken; therefore, it has not been opposed to the*  
 16 *Ordinance, but has been consenting to it.”*  
 17 *[Padelford, Fay & Co. v. Mayor and aldermen of City of Savannah, 14 Ga. 438, WL 1492,*  
 18 *(1854)]*

19  
 20 When or if, you participate in a government franchise you must be aware that you have surrendered your  
 21 sovereign immunity. The national government is a type of sovereign and when you engage in commerce with it  
 22 and you have a disagreement, then you must understand what the USSC stated:

23  
 24 ***“...the sovereign cannot be sued in its own courts, or in any other, without its consent and***  
 25 ***permission; but it may, if it thinks proper, waive this privilege, and permit itself to be made a***  
 26 ***defendant in a suit by individuals, or by another state. And as this permission is altogether***  
 27 ***voluntary on the part of the sovereignty, it follows that it may prescribe the terms and***  
 28 ***conditions on which it consents to be sued, and the manner in which the suit shall be***  
 29 ***conducted, and may withdraw its consent whenever it may suppose that justice to the public***  
 30 ***requires it. The principle is fundamental, applies to every sovereign power, and, but for the***  
 31 ***protection which it affords, the government would be unable to perform the various duties for***  
 32 ***which it was created.”***

33 [\[U.S. v. Lee, 106 U.S. 196 \(1882\)\]](#)

34  
 35 The basic way to identify the characteristics of one who is a “sovereign” is that:

- 36 (1) their sovereignty is derived by rights of sovereignty is extended to all persons and things not  
 37 privileged that are within a limited geographical area,  
 38 (2) the right to grant “consent”,  
 39 (3) the right to be left alone,  
 40 (4) a sovereign can only surrender a portion of their sovereignty through explicit [written contract] or  
 41 implicit behavior indicating consent.

42  
 43 Contracts are a real threat and a keen individual understands the subtle deception inherent in implicit acts of  
 44 behavior [even by silence] creating consent. Your right to ownership, property, life, liberty granted by the  
 45 Creator can be taken away if one consents.

46  
 47 *Voluntati non fit injuria.*

48 *He who consents cannot receive an injury. 2 Bouv. Inst. n. 2279, 2327; 4 T. R. 657; Shelf. on mar.*  
 49 *& Div. 449.*

1 *Consensus tollit errorem.*

2 *Consent removes or obviates a mistake. Co. Litt. 126.*

3 *Melius est omnia mala pati quam malo concentire.*

4 *It is better to suffer every wrong or ill, than to consent to it. 3 Co. Inst. 23.*

5 *Nemo videtur fraudare eos qui sciunt, et consentiunt.*

6 *One cannot complain of having been deceived when he knew the fact and gave his consent. Dig.*  
7 *50, 17, 145.*

8 *[Bouvier's Maxims of Law, 1856;*

9 *SOURCE: <http://famguardian.org/Publications/BouvierMaximsOfLaw/BouviersMaxims.htm>]*

11 At this moment, you should now understand why you want to own nothing in your own name. Make any  
12 evidence of tangible assets to be invisible to others who would like to impugn your sovereign immunity.  
13 One who enjoys the protection by the Foreign Sovereign Immunities Act [see 28 USC Part IV, Chapter 97] has  
14 no legal domicile or residence within the jurisdiction of the national government and does not consent in any  
15 form to the civil jurisdiction of the national government.

16  
17 Here is a short list of specific acts that would qualify a sovereign as one who has surrendered a portion or most  
18 of their sovereignty:

- 19  
20 (1) Commercial activity within the Forum or State [see 28 USC §1605(b)(2)] which causes a nexus  
21 between the sovereign American National [Nonresident Alien to federal jurisdiction] and the  
22 national government.
- 23  
24 (2) Being identified as a “citizen” or “domiciliary” of the Forum or State [See 28 USC §1603(b)(3)].  
25 Look at the forms you sign indicating you are a “U.S. citizen” and now you see the quagmire you  
26 stepped into.
- 27  
28 (3) Rights in property in the Forum or State acquired by succession or gift or rights in immovable  
29 property situated in the Forum or State are in issue. [See 28 USC §1605(b)(4)].
- 30  
31 (4) Foreign state has waived its immunity either explicitly or by implication notwithstanding any  
32 withdrawal of the waiver which the foreign state may purport to effect except in accordance with  
33 the terms of the waiver. [See 28 USC §1605(b)(1)].
- 34  
35 (5) Contracts between a private party and a foreign state [See 28 USC §1605(b)(6)].

36  
37 There are many others and you can read them for yourself in 28 USC §1605. The national government  
38 frequently by guile causes many Americans to unwittingly destroy their sovereignty and eliminate protections  
39 under the Foreign Sovereign Immunities Act. Primary among them is how they will define or describe your  
40 citizenship and domicile.

41  
42 Most of the franchise language is somewhat vague or is written using “everyday” words that in the franchise  
43 agreement have an entirely different meaning than what is commonly used by the people.

44  
45 This allows the national government to then operate on their presumption that you are one of their citizens and  
46 have a legal domicile in the District of Columbia. Look at the Form SS-5 SSN Application to see how many  
47 types of “citizenship” are listed and concentrate on the definitions for each of the terms the national government  
48 uses on their form. Did you find the definition for “U.S. citizen” on their form? The national government

1 would never get anyone to sign up if they did and clearly stated the ramifications of such an identity on their  
2 form or the instructions.

3  
4 You are only offered as a primary choice “U.S. citizen” so that they can presume you are a statutory federal  
5 citizen under 8 USC §1401(a). Care to guess where the domicile of that kind of citizen is legally stated by the  
6 national government to be located at? You should now understand the significance of the deception in terms  
7 and the reason for the lack of any proper definition to provide full disclosure to the potential franchisee.

8  
9 The SSA franchise license number [the SSN] also presumes that you are engaged in commerce within the  
10 federal legislative jurisdiction known as the District of Columbia simply by the fact that you referenced a  
11 number related to a trust or franchise granted by the national government. A TIN does the same as a SSN on  
12 any federal form in regard to identifying federal legislative jurisdiction.

13  
14 A bank account that has a SSN or TIN attached to it is now presumed by your bank to be private funds properly  
15 donated to a “public use” in order to procure a privilege from the government. *Budd v. People of State of New*  
16 *York*, 143 U.S. 517 (1892). The “benefit” could be merely a “tax deduction” associated with a public office  
17 referenced by Title 26 as a “trade or business” or “social insurance” provided by the “*Statutory Scheme*” [as the  
18 USSC stated in *Fleming v. Nestor*, 363 U.S. 603 (1960)] via the Socialistic Security Administration.

19  
20 This is the core reason for those well intended individuals to be both attacked and incarcerated by the national  
21 government. They did not understand the franchise, the franchise agreement, the ramifications of having a  
22 federal “domicile” and engaging in a “trade or business”. Furthermore, they have no one to blame but  
23 themselves for this deficiency, because all citizens are presumed to know the law, even though they are not  
24 taught it in the “public” (government) schools or even the colleges:

25 *“Every citizen of the United States is supposed to know the law.”*  
26 *[Floyd Acceptances, 7 Wall (74 U.S. 169) 666 (1869)]*

27 If they had realized the potential for personal harm [physically, emotionally, and financially] they probably  
28 would have rescinded the franchise agreement with the Socialistic Security Administration by using SSA Form  
29 521 to start the termination of any further use of the federal franchise trust.

30  
31 At any time one uses [writing it down or making reference to it on any form] it is evidence used by the courts to  
32 make their conclusion that you voluntarily consented to participate in the federal franchise agreement. You  
33 should have proof of your legal objection which documents your not granting consent to:

- 34 (1) being identified as a “U.S. citizen”,  
35 (2) having a federal domicile [this is related to jurisdiction which is critical in court/legal matters],  
36 (3) engaging in a “trade or business”, and  
37 (4) conducting commerce with the national government.

38  
39 As franchises are established by contracts, it is well understood that the national government can not compel  
40 anyone to contract or define the terms and conditions of a contracts. What the national government has done  
41 with the Socialistic Security franchise was to hide the requirement for consent as most Americans do not know  
42 the true voluntarily nature of that federal franchise. Based on contract law, the SSN application is not a contract  
43 by USSC criteria.

44  
45 For those under attack, judges refuse to require evidence of consent when the national government’s jurisdiction  
46 to enforce the terms of the franchise is challenged in a court of law. Under the “innocent until proven guilty”  
47 concept, the government must presume all parties are exempt from a government franchise or the party being a  
48 franchisee until the national government could produce evidence of such consent by the party being litigated  
49 against.



1  
2 Then IRS attempts to penalize “nontaxpayers” when they refuse to act like “taxpayers” by presumption. Such  
3 presumptions must be challenged or else the implication of implicit consent will prevail.  
4

5 Nonresident aliens [American Nationals] domiciled outside the “United States” [District of Columbia] and who  
6 are not engaged in the conduct of a “trade or business” [performance of the functions of a public office] must  
7 document these facts carefully within their administrative record as there is no governmental agency or bureau  
8 [IRS] form to use for this purpose. It is imperative as this kind of documentation must be created and then made  
9 into a public record [by having it recorded at your local County Recorder’s Office] so that you can provide proof  
10 of your claim.  
11

12 In your documentation you should address the following:

13  
14 (A) That you are **not** a “taxpayer” but a “non taxpayer” as they both exist and have been stated by the  
15 USSC,  
16

17 (B) That **you have rescinded the SSN application as voidable ab initio** [from the date the application  
18 was signed and in many cases by those who were of minor age without any full disclosure of any terms,  
19 conditions, or consequences of such an act],  
20

21 (C) That you are **not** one who uses a SSN as it represents a franchise trust agreement engaged in a  
22 “*trade or business*” and reflects the holder to be one who is a **public office holder** [federal trustee] for  
23 the franchise,  
24

25 (D) That you are **not** an “*individual*” which is defined in 5 USC §552(a)(13) as one who is “*federal*  
26 *personnel*” and a federal “employee”.  
27  
28

### 29 Summary of the Elements of a Government Franchise

30 All federal franchises are created by legislation and have the following characteristics.  
31

- 32 (1) Franchise agreements are “private law” in that only the parties, who either implicitly or explicitly  
33 consent, can have it provisions enforced against them.  
34
- 35 (2) Statutes that create the federal franchise rarely identify it as a franchise as it is implied by the  
36 franchise agreement.  
37
- 38 (3) The franchise agreement describes the “statutory rights” or more commonly referred to as “public  
39 rights” that exist between the parties.  
40
- 41 (4) The two most widely recognized federal franchises are Internal Revenue Code, Subtitle ‘A’ and the  
42 Socialistic Security Act [See 42 USC Chapter 7].  
43
- 44 (5) Any disputes relating to the federal franchise agreement must be litigated in federal courts.  
45
- 46 (6) The United States [meaning the national government] cannot be sued in a foreign court without its  
47 express consent provided in legislative form.  
48
- 49 (7) Non Taxpayers [ those who are not franchisees to any federal franchise] do not have any “public  
50 rights” as federal franchise agreements are “foreign law” and their estate is a “foreign estate”  
51 relative to the special laws that make up the federal franchise.  
52  
53

- 1 (8) If a Non Taxpayer were to inadvertently submit or consent to the federal jurisdiction then they  
2 would be bound by it. Any United States Tax Court resolution attempts must be made by written  
3 correspondence without ever paying [or promising to pay] the filing fee or to submit an amended  
4 petition to the United States Tax Court. They must rebut all IRS claims to having any nexus to the  
5 federal franchise only.  
6
- 7 (9) Those who are not engaged in the federal “trade or business” franchise are viewed by the IRC  
8 §7701(a)(31) as a “foreign estate”.  
9
- 10 (10) The IRS may attempt to cite IRC statutes or case law pertaining to franchisees and if you are  
11 not a franchisee this amounts to abusing the special laws for political purposes in order to prejudice  
12 your rights. This is a presumption that you consented to participate in their federal franchise and the  
13 claim must be challenged or they will assert unlawful domain over your life, liberty, and property  
14 by exploiting your ignorance to enslave you.  
15
- 16 (11) The IRS will not be able to prove explicit consent to the federal franchise agreement prior to  
17 their use of enforcement statutes [as such rarely exists]. If that is the case, a violation of due process  
18 has resulted because of the presumption of consent. In litigation matters, for a court to act on  
19 presumption of consent to the federal franchise means that court is engaging in involuntary  
20 servitude against the party whose consent was never proven, in violation of the 13<sup>th</sup> Amendment, 42  
21 USC §1994, and 18 USC §1589. In addition, that court would be unlawfully interfering with your  
22 right to contract or not to contract as well as misrepresenting private law as if it were public law.  
23 The judge’s Oath of Office to protect and defend the Constitution would also be called into  
24 question.  
25
- 26 (12) For those who have not consented to engage in the federal franchise agreement, the IRC is in  
27 fact foreign law and the party is a nonresident alien in respect to the IRC jurisdiction.  
28
- 29 (13) Courts litigating disputes under the franchise agreement must satisfy the requirements of the  
30 Minimum Contracts Doctrine of the USSC.  
31 a. “In *International Shoe Co. v. Washington*, 326 U.S. 310 (1945), the Supreme Court held  
32 that a court may exercise personal jurisdiction over a defendant consistent with due process  
33 only if he or she has “certain minimum contracts” with the relevant forum “such that the  
34 maintenance of the suit does not offend traditional notions of fair play and substantial  
35 justice”. Unless a defendant’s contacts with a forum are so substantial, continuous, and  
36 systematic that the defendant can be deemed to be “present” in that forum for all purpose, a  
37 forum may exercise only specific jurisdiction.  
38 b. In this circuit, we analyze specific jurisdiction according to a three-prong test:  
39 i. The non-resident defendant must purposefully direct his activities or consummate  
40 some transaction with the forum or resident thereof ; or perform some act by which  
41 he purposefully avails himself of the privilege of conducting activities in the forum,  
42 thereby invoking the benefits and protections of its laws;  
43 ii. The claim must be one which arises out of or relates to the defendant’s forum-  
44 related activities; and  
45 iii. The exercise of jurisdiction must comport with fair play and substantial justice, i.e.  
46 it must be reasonable.  
47 [Yahoo! Inc. v. La Ligue Contre Le Racisme Et L’Antisemitisme, 433 F.3d. 1199 (9<sup>th</sup> Cir.  
48 01/12/2006)]  
49
- 50 (14) Governmental agencies and federal courts frequently disguise the nature of the franchise as  
51 voluntary and avoid discussion of the mandatory requirement for your consent in order to  
52 unlawfully enlarge their jurisdiction and enslave people by:  
53

- 1 a. Referring to everyone as a franchisee. This is best illustrated by the IRS addressing  
2 everyone as a “Taxpayer” when in fact only those who partake of the privilege are  
3 taxpayers.  
4
- 5 b. Reference case law of previous lower courts against you which pertains only to franchise  
6 participants and is non applicable to one who is not a franchisee of their federal franchise  
7 agreement.  
8
- 9 c. The abuse of “words of art” in order to mislead and disguise the nature of their activity.  
10 Such words as “trade or business” or “public right”.  
11
- 12 d. Avoiding the subject of your consent and the lack of full disclosure on franchise agreements  
13 in order to expand jurisdiction over Americans.  
14
- 15 (15) The use of federal franchise forms with private sector employers who do not understand or co-  
16 operate under fear and duress by the national government for any “non compliance” with the federal  
17 statutory franchise scheme.  
18
- 19 (16) Failure to provide any forms for non resident aliens who are NOT participants to use to correct  
20 any “error” on the part of the national government.  
21

22 Americans are, by a large percentage of the population, not engaged in federal employment as the definition of  
23 “*trade or business*” addresses. Americans were never informed about the nature of the federal franchise  
24 established by the SSN application or that they are a federal trustee. The hidden and misapplication of common  
25 uses of those words have become convenient to purposefully mislead the average American who has a very  
26 different understanding of those terms in everyday use.  
27

28 So if you were to derive your income by performing some of the corporate functions of a public office,  
29 participate in federal franchises, or operate in a representative capacity in behalf of the national government then  
30 there would be no question of taxable liability and you should pay your tax.  
31

32 But my question to you is “*Why are you still reading this book?*” You should not continue to read this  
33 information as it most definitely **does not apply to you or your federal franchise status as a “taxpayer”**.  
34

35 This book is ONLY for those who are lawful “Non Taxpayers” referenced by the Federal Court decision in  
36 Economy Plumbing & Heating v. U.S., 470 F.2d. 585 (1972) who need such information to assist their efforts to  
37 correct the misapplication of the federal franchise manipulations that have been so prevalent since 1935.

38 “*Those who are fit to rule are those who realize that there is not morality and that there is only  
39 one natural right – the firth of the superior to rule over the inferior.....*”

40 *The people are told what they need to know and no more.”*

41 *[Leo Strauss, From Leo Strauss thoughts on government and the wise elite’s need for secrecy  
42 from his “Natural Right “and “History and Persecution and the Art of Writing”; Leo Strauss  
43 taught at the University of Chicago and is the father of the Neo Conservative Governance  
44 Philosophy operating in the George W. Bush Administration]*

## 4 Chapter 4: Title 26 Taxpayers & Non-taxpayers: Who Are They?

Quote to Contemplate:

*“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**.”*  
*[Justice J. White, lead opinion, Brady v. United States, 397 U.S. 742 (1970)]*

Taxpayers should and must, accept their responsibility to file and pay any obligation imposed upon them. Otherwise, they are nothing but a “Tax Protestor”. Everything stated within Title 26, the Internal Revenue Code [IRC], is absolutely and positively correct. There can be no misunderstanding that the IRC is fully functioning and applicable toward all who are identified as Taxpayers under those municipal special laws.

For anyone to question the validity of the District of Columbia municipal laws is silly and “frivolous”. For anyone to interfere with those who have a lawfully imposed obligation [Taxpayers] to pay the federal income tax means that they are foolish. They are also disrespectful of the Federal government and don’t understand what they are doing.

“Tax Protestors” may be sincere but are sincerely wrong in what they are doing. That is why so many wind up in problems and disarray. Make no mistake; this information does not address those who have such an imposed obligation.

“Non-Taxpayers” are those to whom the District of Columbia’s federal revenue laws [Subtitle “A” Income Tax specifically] **do not apply**. Guess who are the “Taxpayers” that have “taxed income” and a “taxable liability” for the Subtitle “A” Federal Income Tax? Take a look at **26 USC §6331(a)** Levy and Distraint Section 6331(a) states,

*“Levy may be made upon the accrued salary or wages of any **officer, employee, or elected official of the ‘United States’ or the District of Columbia...**”*

Surprising to many, there are **four (4) distinct subcategories of Taxpayers as identified by the Internal Revenue Code** when discussing the Subtitle “A” Federal income tax.

- (1) It is obvious to most that Federal Workers are Taxpayers. Federal Workers include Federal Officers, Federal Employees, and Elected Officials of the United States [District of Columbia]. Those who work for the Federal government do so by privilege and privileges are taxable by the government.
- (2) The second subgroup of Taxpayers are “U.S. citizens” [8 USC §1401 federal statutory creations of Congress]. U.S. citizens have no benefit of the constitution and are subject to the jurisdiction of the District of Columbia.
- (3) The third subgroup of “Taxpayers” are “Residents” [aliens] as they are foreigners who move to this country to work. The IRC is fully applicable here to these subgroups and that is stated in the IRC and 26 CFR.
- (4) The fourth subgroup of Taxpayers is somewhat unique and previously camouflaged by the verbosity of legalese found in tax laws. I’m standing on my opinion soapbox making that statement based on what I have learned. This subgroup consists of those who by **“contract” with the Federal government** have been identified as Taxpayers. Private contracts with the Federal government are lawful and happen routinely. Those individuals who by valid contract, operate in a representative capacity for the benefit of the Federal government, have agreed

[elected] to become Taxpayers and have their income treated like a “U.S. citizen” by residence in the District of Columbia.

This is seen by 26 USC §7408(d) which identifies those Taxpayers who do not reside in, or have their principle place of business within, any United States judicial district are treated for income tax purposes as residing in the District of Columbia.

**26 USC §7408(d) Citizens and residents outside the United States:**

***“If any citizen or resident of the United States does not reside in, and does not have his principal place of business in, any United States juridical district, such citizen or resident shall be treated for purposes of this section as residing in the District of Columbia.”***

So by this clear definition of United States being only the District of Columbia, read the above section by substituting the words “*United States*” to its federal definition as the *District of Columbia*. Therefore the statute reads somewhat more clearly when you see it as:

***“If any citizen or resident of the “District of Columbia” does not reside in, and does not have his principal place of business in, any “District of Columbia” juridical district, such citizen or resident shall be treated for purposes of this section as residing in the District of Columbia.”***

This fourth subcategory inadvertently consists of those who use a Socialistic Surveillance Number [federal property] and operate in a representative capacity for the benefit of and in behalf of the Federal government pursuant to Federal Rule of Civil Procedure 17(b). But that can be corrected with some work.

As previously mentioned those who use a SSN are identified by IRS regulations such as 26 CFR §301.6109-1 as being “*generally identified*” as “*U. S. citizens*” or resident aliens. By the purported constructive trust contract, they are further identified as Federal employees. That direct linkage to those previously identified in the IRC as Taxpayers is why all IRS correspondence references the SSN or refers it as a Taxpayer Identification Number [TIN].

As a rose is still, by any other name, a rose. Such is the same for those who are “Taxpayers”. Those who fit any of the four subcategories of “Taxpayer” above are for purposes of the IRC, still “Taxpayers”!

Well it doesn’t stop there. All four subgroups of “Taxpayers” have an extra tax obligation if they reside in one of the 50 states of the Union that also taxes these subgroups. The additional tax burden is the result of an agreement between the various state legislatures which imposed a tax upon Federal Taxpayers as a result of the ACTA agreement between them and the Secretary of the Treasury.

The few states of the Union that are not party to the ACTA and have no state income tax [at the time of this writing] are: Florida, Tennessee, South Dakota, Washington, Nevada, Texas, and New Hampshire. Some think these states are good places to live and work.

Under the auspices of the Buck Act codified in 4 USC §105-106, the Federal government gave the states of the Union its blessing [for the states which took that option granted by the Federal government] and permitted them to tax all Federal *Taxpayers* who “*reside*” within their sovereign jurisdiction.

You will find in **26 USC §7701(b)(1)(B)** the definition of Nonresident alien to mean:

***“An individual is a nonresident alien if such individual is neither a U.S. citizen nor resident of the United States [within the meaning of subparagraph A].”***

1 Subparagraph A deals with the definitions of 26 USC §7701(a) which defines **a United States Person** at  
2 §7701(a)(30)(A) to mean **“a citizen or resident of the United States.”** By now you know what the federal term  
3 **“United States”** means, right? Yes, you are correct. It means only the **District of Columbia**.

4  
5 This is further supported by 4 USC §72 [in agreement with Article 1 Section 8 Clause 17 in the Constitution]  
6 that all public offices are exercised in the District of Columbia and not elsewhere.

7 *4 USC §72 Public Offices; at the seat of Government*

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

10  
11 The only **“exception”** mentioned in 4 USC §72 to lawful public offices exercised outside the District of  
12 Columbia is found in 48 USC §1612(a) Jurisdiction of District Court in the U.S. Virgin Islands. There is  
13 noticeable by its absence any reference to the 50 states of the Union as well it should be per Article 1 Section 8  
14 Clause 17 in the Constitution.

15  
16 The part that is interesting is that it tells you what a “nonresident alien” is **“not”** rather than what it **“is”**. *Did  
17 you catch that one?* The definition in the IRC does not tell you who or what a “nonresident alien” is but rather  
18 what they are **not**. Boy, the legalese these lawyers use is slicker than a greased watermelon in a tub of cold  
19 water with seven sweaty kids trying to get at it.

20  
21 *So what is the “Nonresident alien” in context to having a taxable obligation?* The Federal Retirement Thrift  
22 Investment Board OC 96-21(7/2004) document states in its publication entitled **“Tax Treatment of Thrift  
23 Savings Plan Payments to Nonresident Aliens and Their Beneficiaries”** [FRTSP] the following about the  
24 liability for the Subtitle “A” Federal income tax.

25  
26 ***“A nonresident alien is an individual who is neither a U.S. citizen nor a resident of the  
27 United States.”***

28 [SEDM Exhibit #09.026;

29 SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]

30  
31 That is identical to 26 USC §7701(b)(1)(B) so we know that there is consistency in the information.

32  
33 Then on page 2 of the FRTSP document you see stated, **“In general, the following rules apply..”** Keep in  
34 mind that these are the rules about the Subtitle “A” Federal income tax. The Federal document then addresses  
35 those parties who are liable for, and must pay, as well as those who have no liability. That is the unique aspect  
36 of this particular Federal document as most never tell you that kind of information until you spend years  
37 researching as most don’t know where to look.

38  
39 Here is what is stated about **“nontaxable liability”** for the U.S. [Federal] Income tax [Subtitle “A” of 26 USC].  
40 We will overlook those who are identified in this publication as having a **“taxable liability”** as that is already  
41 established by earlier chapters and merely confirmed again.

42  
43 I recommend that you get in a comfortable chair and take a big sip of something cool and refreshing before you  
44 continue reading. This is going to be that pleasurable! *Are you ready? OK....*

45  
46 ***“A nonresident alien participant who worked for the U.S. government in the United States  
47 may be liable for U.S. income tax.”***

48  
49 *Do your recall 4 USC §72 where the seat of government public offices are only located? Do your recall the  
50 definition of “United States” in 26 USC §7408(d)?*

1 You have to admit this shows that anyone who works for the Federal government is a “Taxpayer” if they work  
2 [principle place of business] for the government in the United States [the District of Columbia]. *Does that*  
3 *describe you as a nonresident alien [American National] who is working in the private sector [non federal*  
4 *employment]? I thought not!*

5 **“A nonresident alien participant who never worked for the U.S. Government in the United**  
6 **States will not be liable for U.S. income tax.”**

7  
8 *Did you read that slowly? Did that say what we thought it said?*

9  
10 Allow me to paraphrase just for simplicity purposes only. If you are a nonresident alien [American National]  
11 who never worked for the U.S. Government [in the United States a.k.a. the District of Columbia] then you **“will**  
12 **not be liable for U.S. income tax”** which is identical to saying that you **“will not be liable for Subtitle ‘A’**  
13 **Federal income tax.”**

14  
15 Are you still sitting in that chair? I got so excited I could not sit still when I first read this powerful admission  
16 by the Federal Government itself. Perhaps from my frisson I misread that statement so I read it once more and  
17 the thrill grew in its intensity. It is an understatement to say that this is not very good news to the previously  
18 uninformed. But let’s continue some other sections in this Tax Treatment of Thrift Savings Plan Payments to  
19 Nonresident Aliens and Their Beneficiaries.

20  
21 **“A nonresident alien beneficiary of a nonresident alien participant will not be liable for U.S.**  
22 **income tax if the participant never worked for the U.S. Government in the United States.”**  
23 *[SEDM Exhibit #09.026;*  
24 *SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]*

25  
26 **This is awesome proof right from the Federal Government! How about that!!**

27  
28 So the FRTSP document is stating that **“a nonresident alien will not be liable for U.S. income taxes if the**  
29 **family member who was a participant in this retirement plan never worked for the U.S Government in the**  
30 **United States.”** If this is true, and it is certainly presented as fact and truth by the Federal Government  
31 publication, then the extrapolation is rather simple.

32  
33 Your head is probably spinning with excitement about reading this, right?

34  
35 Calm down and see if this sinks in quickly. **You are one who is a nonresident alien** if you are neither a U.S.  
36 citizen nor resident in the United States (the District of Columbia)]. **Do you work for the U.S. Government**  
37 **[now] in the United States** [the District of Columbia)?

38  
39 If you do work for the federal government **then you are warned again** that **this information does not apply to**  
40 **your current federal employment status** and **you must disregard all that you just read** as it does not apply  
41 to you in any way, shape, or form.

42  
43 **It is therefore only possible for all your earnings to be without taxable liability and even more so if you**  
44 **are not a participant or beneficiary under the FRTSP as all your income is derived from private sector**  
45 **employment “outside the United States”** [Washington, DC], then you **“will not be liable for U.S. income tax”**  
46 either.

47  
48 *Still stunned?* This is not my opinion but facts established by Federal government publication you have read in  
49 the FRTSP and at 26 CFR §1.871-1(a). My opinion has no merit in this discussion – only the law does!

1 Now take a close look at an IRS regulation found at 26 CFR §1.871-1(a) which addresses “**Classification and**  
2 **manner of taxing alien individuals**”. The regulation starts off by stating alien individuals are divided  
3 generally into two classes. The regulation section states:

4  
5 *“**Resident alien individuals are, in general, taxable the same as citizens of the United States;***  
6 *that is, **a resident alien is taxable on income derived from all sources, including sources within***  
7 *the **United States.**”*

8  
9 Now is where the facts are explained but you have to watch the wording so that you don’t miss the Federal  
10 government’s admission that nonresident aliens [American Nationals] do not have any imposed liability for the  
11 Federal income tax if they do not work for the Federal government within the United States.

12  
13 **26 CFR §1.871-1(a) also states plainly that:**

14  
15 *“**Nonresident alien individuals are taxable only on certain income from sources within the***  
16 ***United States and on the income described in section 864(c)(4) from sources without the United***  
17 ***States which is effectively connected for the taxable year with the conduct of a trade or***  
18 ***business in the United States.**“*

19  
20 *Did you catch the key word in that sentence? “Nonresident alien individuals are taxable **ONLY**...” is the part*  
21 *you should focus on.*

22  
23 So they are taxable “**ONLY**” on income from sources within the “*United States*”. What income is dominant  
24 from within Washington, DC? You are correct! Federal income is taxable from one being employed there is  
25 primary but it includes any other income from within that exclusive sovereign jurisdiction established under  
26 Article 1 Section 8 Clause 17. As a matter of fact, there isn’t even any such thing as “employment” outside the  
27 “United States” [District of Columbia] per the regulations:

28 *Title 26: Internal Revenue*

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

30 [\*Subpart B—Federal Insurance Contributions Act \(Chapter 21, Internal Revenue Code of 1954\)\*](#)

31 [\*General Provisions\*](#)

32 [\*§ 31.3121\(b\)-3 Employment; services performed after 1954.\*](#)

33 *(a) In general.*

34 *Whether services performed after 1954 constitute employment is determined in accordance with*  
35 *the provisions of section 3121(b).*

36 *(b) Services performed within the United States [District of Columbia]. Services performed after*  
37 *1954 within the United States (see §31.3121(e)-1) by an employee for his employer, unless*  
38 *specifically excepted by section 3121(b), constitute employment. With respect to services*  
39 *performed within the United States, the place where the contract of service is entered into is*  
40 *immaterial. The citizenship or residence of the employee or of the employer also is immaterial*  
41 *except to the extent provided in any specific exception from employment. Thus, the employee and*  
42 *the employer may be citizens and residents of a foreign country and the contract of service may*  
43 *be entered into in a foreign country, and yet, if the employee under such contract performs*  
44 *services within the United States, there may be to that extent employment.*

45 *(c) Services performed outside the United States—*

46 *(1) In general.*



**Except as provided in paragraphs (c)(2) and (3) of this section, services performed outside the United States (see §31.3121(e)-1) do not constitute employment."**

More specifically, you will find that the ONLY income has a further qualifier to be that income “*within or without the United States **which is effectively connected** with the conduct of a **trade or business** within the **United States.**”*

Ask yourself, “What kind of “trade or business” function comes to mind when you think of the District of Columbia? You are correct; mainly those who operate in a public office exercising some of the sovereign power of the federal government.

*Are you overwhelmed?* You might want to jump over to Chapter 5 for a moment to better understand why the Federal government wrote the IRC and the FRTSP the way they did. It is because of the limitations and restrictions placed against the Federal government as the Federal government was denied and deprived of authority to impose such a tax by the Constitution itself. The Constitution was upheld back in 1895 by the United States Supreme Court in the Pollock decision.

Continuing with the current discussion, another way of expressing what “*effectively connected*” means would be that income actually derived from being **employed** “*with the conduct of a **trade or business** within the United States*” is taxable under the IRC.

So you would have to be employed in the conduct of the “*performance of the functions of a public office*” within the United States [the District of Columbia]. “**Trade or business**” is defined at 26 USC §7701(a)(26) to mean “*the performance of the functions of a public office* [Federal employment].”

You will find stipulated in **26 USC §162 “Trade or Business expenses”** the following proof that this is truly **illustrating federal employment and not anything else** but federal employment when you read the following:

26 USC §162

**(a) In general**

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

- (1) a reasonable allowance for salaries or other compensation for **personal services** actually rendered;*
- (2) traveling expenses (including amounts expended for meals and lodging other than amounts which are lavish or extravagant under the circumstances) while away from home in the pursuit of a trade or business; and*
- (3) rentals or other payments required to be made as a condition to the continued use or possession, for purposes of the trade or business, of property to which the taxpayer has not taken or is not taking title or in which he has no equity.*

**For purposes of the preceding sentence, the place of residence of a Member of Congress (including any Delegate and Resident Commissioner) within the State, congressional district, or possession which he represents in Congress shall be considered his home, but**

*amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of \$3,000. For purposes of paragraph (2), the taxpayer shall not be treated as being temporarily away from home during any period of employment if such period exceeds 1 year. The preceding sentence shall not apply to any Federal employee during any period for which such employee is certified by the Attorney General (or the designee thereof) as traveling on behalf of the United States in temporary duty status to investigate or prosecute, or provide support services for the investigation or prosecution of, a Federal crime.*

1  
2 So now we all know the name of who the **ONLY** “employer” that has positions available that are related to a  
3 “public office”, don’t we? You are right! It is the Federal government. Those who work in the private sector  
4 do not hold any “public office”.

5  
6 There is another sentence in 26 CFR §1.871-1(a) that starts with “However” so whenever you see a “However”  
7 you should take the time to read it. So we now take a look at the “However” sentence. It addresses those  
8 Nonresident aliens who wish to “elect” to be “**treated as U.S. residents.**” *Can you believe this?*

9  
10 Here is the statement, read it for yourself right from **26 CFR §1-871-1(a)**:

11  
12 *“However, **nonresident alien individuals may elect, under section 6013 (g) or (h), to be treated***  
13 ***as U.S. residents for purposes of determining their income tax liability** under Chapters 1, 5,*  
14 *and 24 of the code.”*

15  
16 If a nonresident alien **ONLY** has a taxable liability for the Subtitle “A” Federal income tax **if they derive their**  
17 **income from being “employed” by the Federal government within the District of Columbia** [from their  
18 functioning in the capacity of performing some federal function as a public office holder in the District of  
19 Columbia], *then why would they pay a tax that is never owed?*

20  
21 *Why would anyone “elect” to pay such a penalty on income not within the United States and not from being*  
22 *engaged in the conduct of a trade or business? Well...some might just want to donate or gift their hard earned*  
23 *money to the Federal government. No problem there if they freely choose to do that, is there? The thought did*  
24 *arise, “Could that be the case for most Americans?” Not likely is my best guess.*

25  
26 There are many descriptive adjectives that come to mind about those who might even consider “electing” to be  
27 treated as one who owes a tax when they never had any obligation imposed at all but not a single adjective  
28 comes to mind that reflects one who has any common sense at all.

29  
30 So what is the easiest way to get someone to “elect to be treated as U.S. residents for purposes of determining  
31 their income tax liability”?

32  
33 *What if a nonresident alien individual who had no taxable liability, based on the above facts presented in*  
34 *federal law, was given a federal contract to sign without full disclosure, or willful and knowing intent, and no*  
35 *consideration? Better yet, get the nonresident aliens to sign what appears to be a contract when they were*  
36 *children so that they would never question authority as they were too immature to think about such. Can you*  
37 *think of any such situation? If not, you might re-read chapter 2.*

38  
39 *Does that sound remotely possible? What am I thinking! Of course not, the Federal government would never*  
40 *stoop to such low levels of deception, evil, or chicanery to create such a dolus. Well I guess I was not looking*  
41 *where I was walking and ran into something the day I came up with that thought. Surely I must have hit my*  
42 *head on a low hanging tree branch to think that kind of thought. That could not be possible, could it?*

43  
44 That does, however, beg the question about the SSN contract and the IRS regulation 26 CFR §301.6109-1  
45 Identifying numbers which show that the IRS “**generally identifies a SSN as a number belonging to a U.S.**  
46 **citizen or resident alien**”, doesn’t it? So the best avenue to take is the one in which you determine if the SSN  
47 purported constructive trust contract was indeed one that you prefer or to borrow a word “elect” to keep.

48  
49 *Do you think this would have been a good reference for the Federal government to show those who sign a Form*  
50 *SS-5? Today there are “warning labels” all over cigarette packs. The signer of Form SS-5 might have*  
51 *appreciated the Federal government providing the definition for a “U.S. citizen” found at 8 USC §1401(a).*  
52 *What about some “non-legalese” language explanation so that the average reader would have no doubt about*  
53 *what is being stated? What about the idea of “waiver” of your God-given Constitutional rights when signing a*  
54 *SSN application?*

We are told by 26 USC §6013(g) and (h) that the one who makes the choice of “*electing*” to be treated as U.S. residents for purposes of determining their income tax liability as taxable is none other than the nonresident alien individual who is married to a “U.S. citizen”. You know that the term nonresident alien means American Nationals living in the 50 states of the Union and working in the private sector because there is no other group of people left to describe.

Now the problem begins. If you as a nonresident alien individual [American National] did **not willfully and knowingly understand the implications by “electing”** to have your income treated as taxable, then the SSN pseudo contract is voidable ab initio. That is where the IRS gets very quiet and does not want to discuss the matter. At least that is what I have heard from those who receive letters from the IRS.

The IRS routinely sends form letters and opens their greetings by identifying the recipient of the letter as “Dear Taxpayer”. “Taxpayers” include those who operate by a constructive trust contract and have mistakenly identified [without knowledge and willful intent as a child] themselves as a “U.S. citizen” or resident alien.

The IRS always starts with the “*presumption*” of taxable liability leaving the unaware reader to try and figure out what is really happening to them. This is done by referencing the SSN or sometimes calling it a TIN. They assume you are a “taxpayer” because someone sent them a usually false “information return”, such as IRS Form W-2 or 1099, containing the trustee license number, thus creating a presumption of “constructive consent” to the terms of the Socialist Security franchise agreement.

If the reader does not rebut the “*presumption*”, then the IRS moves directly to the issue of collection of a tax instead of documenting to the reader, with enacted Federal Law, that they are “*liable for the tax.*” All IRS correspondence follows this same tactic. Remember it well.

Interesting enough is the fact that the IRS does not have the authority to bestow the status of “Taxpayer” on anyone. Botta v. Scanlon, 288 F.2d. 504, 508 (1961) held:

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

The term “Taxpayer” is defined in 26 USC Section §7701(a)(14) to mean

**“any person subject to any internal revenue tax”**

and in 26 USC §1313(b) to mean

**“any person subject to a tax under the applicable revenue law.”**

So by the mere statement of the word “Taxpayer” one does not know which “tax” or which “*applicable revenue law*” the IRS might even be referring to but the IRS makes the “*assumption*” that you owe a tax.

Refer back to “Applicability of Revenue Laws” in 26 USC §7851(a)(1)(A) Subtitle A Income Tax. The IRS statute shows that the Subtitle “A” Income Tax ends upon the date of enactment of Title 26. *Can anyone be made liable for a law that doesn’t exist?* The regulation behind that statute is found at 27 CFR Part 24 which **relates only to Wine Production** per Cornell University Law Website which listed it as the parallel authority. There is no regulation found in 26 CFR to support the Applicability of Revenue Laws for the Subtitle “A” Federal income tax. Why is that? There must be an answer!

There are no Implementing Regulations published in the Federal Register imposing any Income Tax liability upon *American Nationals*. So when an *American National* receives a letter (mistakenly) from the IRS stating

1 “Dear Taxpayer” the IRS has no authority to make such a claim and should never use the appellation of  
2 “taxpayer” to describe you unless you are identified as one listed in the four subgroups of “Taxpayers”  
3 described earlier. Look to see if there is a SSN on the letter. That is how you know why the IRS uses “Dear  
4 Taxpayer”.

5  
6 There could be another chapter written just on the term “person” used in the above “definitions” but I will leave  
7 that for more academic purists to address. Suffice it to say, there does not exist any “applicable revenue law”,  
8 which has been imposed upon *American Nationals* who work in the private sector and thus do not derive their  
9 income “**by being engaged in the conduct of a trade or business** [the performance of the functions of a public  
10 office – working for the Federal government] **within the United States** [the District of Columbia per 26 USC  
11 §7408(d) & 7701(a)(39)]” **and who have never made such an election!**

12  
13 *American Nationals* who don’t participate in federal franchises are not “subject to” the jurisdiction of the federal  
14 government. There are no “applicable revenue laws” [regarding Subtitle A Federal Income Tax] that makes the  
15 income or earnings of *American Nationals* a “taxed income” or “wages” upon which income taxes are levied.

16  
17 Consider what the federal courts have said about the two groups, Taxpayers and Non-taxpayers in Economy  
18 Plumbing & Heating v. U.S., 470 F.2d. 585 (1972) page 585.

19  
20 “Revenue laws relate to taxpayers and not to non-taxpayers. The latter are without their  
21 scope. No procedure is prescribed for non-taxpayers and no attempt is made to annul any of  
22 their Rights or Remedies in due course of law.”

23  
24 Let’s review this one more time. You have just seen that Revenue Laws [for the Subtitle A Federal Income  
25 Tax] relate only to “Taxpayers”. Such revenue laws do not relate to “Non-Taxpayers” as they are outside the  
26 scope of the revenue laws. You never hear any comments from the IRS telling Americans about the existence of  
27 those who are lawful “non-taxpayers” because they don’t want to inform you that your participation is voluntary  
28 and that you can unvolunteer. In all their publications there is not one dedicated to this area.

29  
30 You also read that Congress will not “assume” to deal with “Non-Taxpayers”. No attempt should or can be  
31 made to annul any of the “Non-Taxpayers” Rights or Remedies.

32  
33 Now substitute the phrase “*American Nationals*” in the position of “Non-Taxpayers” and see how this court  
34 decision would read if the court had taken the full and complete step for clarity in their statement. IF the court  
35 had stated in this manner it would have really cleared up any confusion.

36  
37 “Revenue laws [pertaining to the federal income tax] relate to employees, officers, elected  
38 officials of the federal government, U.S. citizens, resident aliens, and those who operate in a  
39 representative capacity in behalf of the federal government and not to American Nationals.”

40 [Substitution added for clarification]

41  
42 “*American Nationals* are without their scope. No procedure is prescribed for *American*  
43 *Nationals* and no attempt is made to annul any of their Rights or Remedies in due course of  
44 law. With *American Nationals*, Congress does not assume to deal and *American Nationals* are  
45 neither of the subject nor of the object of the revenue laws.”[emphasis added]

46  
47 Notice the segment phrase “Rights and Remedies” and to whom they refer. You got it. Rights and Remedies  
48 only apply to American Nationals not engaged in government franchises and domiciled outside of federal  
49 exclusive jurisdiction. “U.S. Citizens” have no constitutional protection of God-given Rights. “United States  
50 Citizens” are born in and subject to the exclusive [sovereign] jurisdiction of the federal government. In that  
51 exclusive federal jurisdiction the constitution has no effect of law at all as it is the sovereign domain of  
52 Congress.

1 Worth repeating is the fact that if a Federal tax law were to be made applicable to *American Nationals* who are  
 2 *not franchisees, public officers, federal “employees”, or federal instrumentalities*, it must meet the three phase  
 3 criteria:

- 4 1) A Statute in an enacted Title of the United States Code [26 USC].
- 5 2) An Implementing Regulation for the specific Statue in the enacted Title of the USC being published  
 6 in the Code of Federal Regulations [26 CFR].
- 7 3) The publication of the same 26 CFR Implementing Regulation in the Federal Register and  
 8 evidenced by a volume, date, and page number.

9  
 10  
 11  
 12  
 13 Even if this is somewhat repetitious, this is very significant to your understanding of what constitutes valid proof  
 14 that *American Nationals* [Nonresident aliens] are not made liable for any Federal Income Tax **unless** they “*elect*  
 15 *to be treated as U.S. residents for purposes of determining their income tax liability*”. If the criteria, definitions,  
 16 and imposition of enacted Federal Tax Law do not describe *American Nationals*, then we are considered by the  
 17 government to be “*Non-Taxpayers*”.

18  
 19 By the Federal government’s own legal definitions [and evidence from other federal documentation and Federal  
 20 Law in the Exhibits], *American Nationals* not engaged in federal franchises are without their scope. The  
 21 Federal government is in no way to attempt to annul any Rights or Remedies in due course of law. *American*  
 22 *Nationals are neither the subjects of nor the object of the revenue laws* if the three phase criteria listed above are  
 23 not presented by the “*proponent of the rule or order*”.

24  
 25 Clearly, *American Nationals* not engaged in federal franchises are “***Non-Taxpayers***” according to 26 CFR  
 26 §1.871-1(a) in regard to the Subtitle “A” Federal income tax. Thus, as an *American National*, none of us can be  
 27 considered “*tax protestors*” in the manner the IRS refers to in their literature. **There simply is no income tax**  
 28 **imposed upon *American Nationals* to protest!**

29  
 30 The Legislative Intent of the 16<sup>th</sup> Amendment written by former President W. H. Taft states that fact. So does  
 31 the USSC in the Pollock decision. So does 26 CFR §1.871-1(a) and FRTSP for those who are “*nonresident*  
 32 *aliens*” to the federal jurisdiction.

33  
 34 An intense search of the Internal Revenue Code for those identified as being “Taxpayers” with “Gross Income”  
 35 under Subtitle “A” are provided below. As a result, one can not earn “***gross income***” under ***IRC §61*** unless they  
 36 fit into one of the following categories:

### 37 **Summary List of Identified Taxpayer Categories:**

38  
 39 Should you locate others, feel free to add them to this list.

- 40 1. **DOMESTIC TAXABLE ACTIVITIES:** Activities within the “*United States*” defined in 26 USC  
 41 §7701(a)(9), (a)(10), & 7408(d) to mean only *the District of Columbia*.  
 42  
 43  
 44  
 45 a. **Federal “Employees”, Agencies, and “Public Officials”** meaning those who are federal  
 46 “public officers”, “federal employees”, and elected officials of the national government.  
 47 This is one reason why *26 USC §6331(a)* lists *only federal officers, federal employees,*  
 48 *federal instrumentalities, and elected officials* as ones who can be served with a levy upon  
 49 their compensation, as they perform the functions of a ***public office*** in the District of  
 50 Columbia.  
 51  
 52 b. **Federal Benefit Recipients:** These people are receiving “social insurance” payments such  
 53 as in 26 USC §871(a)(3). When they signed up for these programs, they became “federal

trustees”, “employees”, and instrumentalities of the U.S. government. They are described as “federal personnel” in the Privacy Act, 5 USC §552(a)(13). The Constitution does not authorize these benefits to be offered to anyone domiciled outside of federal territories and possessions.

- c. **Those who operate in a representative capacity in behalf of the federal government via contract.** This includes those who have a valid Taxpayer Identification Number, which constitutes a constructive trust contract with the federal government and use that federal property [SSN] as per 20 CFR §422.103(d). They are identified as federal trustees and/or federal employees as referenced in 20 CFR “*Employee Benefits*” under the Social Security Act of 1935. This Act was declared by the United States Supreme Court in *Fleming v. Nestor, 363 U.S. 603(1960)* as a “...*statutory scheme free of all constitutional restraints.*” That means that Congress created a deception purposely to ensnare Americans into a quasi federal employee status to their detriment. This was a wicked perversion to draw into its federal jurisdiction those who were protected from slavery and indentured servitude via the 13<sup>th</sup> Amendment.

2. **FOREIGN TAXABLE ACTIVITIES:** Activities in the states of the Union or abroad.

- a. ***Domiciliaries of the federal zone abroad and in a foreign country pursuant to 26 USC §911 who are engaged in a trade or business.***
- i. ***Statutory U.S. citizens*** who are federal statutory creations of Congress and defined specifically at 8 USC §1401 to be those who were born in a U.S. territory or possession or state of the Union AND who have a legal domicile there.
  - ii. ***Statutory “Residents”*** [aliens] who are foreign nationals and have a legal domicile within the District of Columbia or a federal territory or possession. They are defined in 26 USC §7701(b)(1)(A) and 8 USC §1101(a)(2) as those from other nations in the world who choose to work and live in our nation.
- b. ***States of the Union.*** Neither the IRS nor the Social Security Administration may lawfully operate outside the federal zone.
- i. 4 USC §72 limits all “public offices” to the District of Columbia. It says that the “public offices” that are the subject of the tax upon a “trade or business” must be exercised ONLY in the District of Columbia and NOT ELSEWHERE, except as expressly provided by law such as 48 USC §1612 illustrating the federal territory of the U.S. Virgin Islands.
  - ii. 26 USC §7601 limits IRS enforcement to internal revenue districts. The President is authorized to establish internal revenue districts pursuant to 26 USC §7621, but he delegated that authority to the Secretary of the Treasury pursuant to “Executive Order 10289”. Treasury Order 150-02, signed by the Secretary of the Treasury, says that the only remaining internal revenue district is in the District of Columbia. It eliminated all the other internal revenue districts.
  - iii. 26 USC §7701(a)(9), (a)(10), & 7408(d) define the term “*United States*” as the District of Columbia. Nowhere in the code is the tax described in Subtitle “A”

expanded to include anyplace but the District of Columbia a.k.a. the “United States”.

iv. The U.S. Supreme Court said Congress enjoys **NO LEGISLATIVE JURISDICTION within the states of the Union** and the Internal Revenue code is “Legislation”.

1. **“It is no longer open to question that the general government, unlike the states, possesses no inherent power in respect of the internal affairs of the states; and emphatically not with regard to legislation.”**

[Carter v. Carter coal Co., 298 U.S. 238, 56 S.Ct. 855(1936)]

2. **“The difficulties arising out of our dual form of government and the opportunities for differing opinions concerning the relative rights of state and national governments are many; but for a very long time this court has steadfastly adhered to the doctrine that the taxing power of Congress does not extend to the states or their political subdivisions.”**

[Ashton v. Cameron County Water Improvement District 1, 298 U.S. 513, 56 S.Ct. 892 (1936)]

v. The U.S. Supreme court said **Congress cannot establish a “trade or business” in a state of the Union and tax it.** A “**trade or business**” is the main subject of Subtitle “A” of the Internal Revenue Code.

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

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

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

Are you starting to think?

1  
2 Americans know best what they can do with their money they have been voluntarily donating for so many years.  
3 Is there any question about what the law says about taxable liability and those who are “Taxpayers”? Has any  
4 American National [Nonresident alien] ever *presumed* they had to file and pay a Federal Income Tax without  
5 first verifying that there were parties made liable? *Probably not, right?*

6  
7 But will all those who do not understand the laws as you do, think you are correct? Will private sector  
8 employers abide by the law that you now have to show them? Just because there is truth does not mean that  
9 there are those who will seek to subvert it or keep it quiet. The status quo is a challenge and most people are  
10 resistant to change even when the facts are laid before them.

11  
12 That is why education is so important. People must be informed and talk about these matters. Hence the reason  
13 why I wrote this book and made it available for free.

14  
15 What is wrong with abiding by the law as it is written?

16  
17 Why would those in government who have taken an Oath of Office fail to not support the law as written and  
18 your position on it if you were to bring it to their attention?

19  
20 Think back to the comments on propaganda when you read the following statement:

21 *“It is not a matter of what is true that counts, but a matter of what is perceived to be true.”*  
22 *[Henry Kissinger, Former Secretary of State]*



## 5 Chapter 5: Private Sector Employers & Tax Class 5 Forms

Quote to Contemplate:

*“Private employers, states, and political subdivisions **are not required to enter into payroll deduction agreements**. **Taxpayers should determine** whether their employers will accept and process executed agreements before agreements are submitted for approval or finalized.”*  
*[Internal Revenue Manual (I.R.M.), Part 5 Collecting Process, Chapter 14 Installment Agreements, 5.14.10.2 (09-30-2004) Payroll Deduction Agreements]*

When *American Nationals* start a new job with a Non-Federal Employer they are routinely presented with the IRS Form W-4 to complete and turn in as part of the paperwork for employment. The majority of new employees have completed this form without ever really understanding what is really taking place. It is now time to take a closer look.

The **IRS Form W-4** is a **Voluntary Withholding Agreement [contract]**:

1. The title of the form deceptively says “Employee Withholding Allowance Certificate” rather than “voluntary withholding agreement” used within the Treasury regulations.
2. Deceptively says nothing about “voluntary” or “contract”
3. Deceptively says nothing about who exactly is “agreeing”.
4. Deceptively says nothing about who from the government is agreeing. A valid contract requires TWO parties, not one.
5. Does not mention that you are not required to withhold and can suffer no adverse consequences as a “nontaxpayer” for refusing to withhold.

In response to the above types of deliberate IRS deception on their forms, most Americans therefore simply overlook the Voluntary part. According to **26 CFR §31.3402(p)-1 Employment Taxes and Collection of Income Tax At Source** you will find that the agreement is only between the “*employer*” and the “*employee*”. So employment taxes are directly related to collection action for the non-enacted Subtitle “A” income tax at the Source.

Most American Nationals are unaware that the IRS Form W-4 is a Tax Class 5 form. A Tax Class 5 form is identified in the IRS Document 6209 as “Estate and Gift Taxes”, not income taxes. Consequently, these forms control “gifts” to the U.S. government pursuant to 31 USC §321(d). As it is a type of contract you should review Chapter 18 and the discussion on the basics structure of what makes a Contract valid as well as what the criteria for a valid Contract with the Federal Government must have before it becomes binding upon the our government.

Examples of Tax Class 5 Forms are: the IRS Form 1099, W-2, 1098, as well as the W-4. Tax Class 5 forms are “*information returns*” established under Subtitle “B” in the Internal Revenue Code for **Estate & Gift** taxation. You already know that the federal income tax is structured under Subtitle “A” of the Internal Revenue Code. Think about that difference for a moment.

All the Tax Class 5 forms used by American businesses related to American Nationals who work and live in the private sector are not established with any culpability on the part of the individual or company that created those “*information returns*”. Yet the IRS uses them to proclaim that the party identified in the “Name” section on the form sent to them is a “Taxpayer” arising from the SSN associated with the “Name” of the party on the form.

Many American Nationals [nonresident aliens to all federal jurisdictions] have these Tax Class 5 forms fraudulently and falsely created and filed by those operating in the private sector without any “penalty of

perjury” requirement placed upon them. Those who created the “information return” and when the income of the nonresident alien is from “*sources outside the United States and not effectively connected with a trade or business in the United States*” should realize an interesting fact stated by the IRS in its IRS Publication 519 [Income Subject to Tax] on page 26. **Their “income is not taxable according” to the IRS under those conditions.**

In the event such a gross mistake has taken place contrary to your true status as a nonresident alien defined at 26 USC §7701(b)(1)(B) [meaning an American National] then it would be a beneficial idea to inform the IRS of the error arising from the party who created the Tax Class 5 “*information return*” form. Instructions should be given to the IRS to ignore the “information return” created in error and that no harm can be created against the individual or company who created it as there was no requirement for the return to be created under penalty of perjury.

The letter to the IRS should remove the information from being inputted into any IRS record or database for use against you. Now consider the IRS Form W-4 as a contract that is really not a contract at all but a method to entrap the individual who signs such a document in their private sector employment. Perhaps President Franklin D. Roosevelt stated it best when he stipulated that:

***“Governments never do anything by accident; if the [federal] government does something you can bet it was carefully planned.”*** [Emphasis & Clarification added]

*Did you notice the use of the word “voluntary” in the title of IRS Form W-4?* Voluntary indicates a free will choice without duress or compulsion. This means you can also volunteer “*not to sign the IRS Form W-4*” or why did the government use the “*carefully planned*” word “*voluntary*”. Compelled association is not “*voluntary*” and private sector employers can not lawfully make a voluntary choice on your behalf or establish consent based on your own passive inaction. Neither can the federal government. Consent has to be expressly given by the individual for such association to be fully “*voluntary*”. Do you think many private sector employers know this and will hire you without a W-4 being signed? Do you think the IRS will ever tell them the truth about this constructive fraud in their publications? NOT!

The foundational assumption here is that the non-federal employer is so accustomed to doing what they have “*always done*” that they tend to balk or elevate some concern about this new employee or mature employee presenting something new in this area. In the background of the mind of those in Human Resources, there is some fear of what is going to happen to them, their own job, and the company if they abide by this employee’s request. Their minds find easy resistance to the employee’s request because of the assumptive question that is all too familiar, “*After all, isn’t everyone a taxpayer?*”

You see here, yet again, how We the People tend to casually use generic non-specific common words in our everyday speech while the government is always precise in their choice of words used and always assumes the legal “word of art” definition rather than the common definition.

Private sector employers should instead have those in Human Resources ask the right kind of questions of those in the IRS rather than make assumptions that “*the earth is still flat*”, which is to say “*that everyone owes a federal income tax*”. *But is it the role and duty of the private sector employer to make those determinations?* The Internal Revenue Manual (I.R.M.) [IRM] quote above shows that any decision is to be made only by those who are indeed “*Taxpayers*”.

That is why the IRM states that “**Taxpayers should determine**” and should be reminded that Private employers “**are not required to enter into payroll deduction agreements.**” This would probably save the company lots of money and permit them the opportunity to reallocate personnel to handle tasks that are directed to the profitability of the company.

1 Before we get deeper into this Administrative Regulation we need to review the Subtitle in 26 USC that this  
2 regulation is derived from. The withholding of income of Taxpayers is established under 26 USC Subtitle C  
3 Employment Taxes. Section 3402 pertains to Income Tax collected at Source.

4 Stated under the heading “**Requirement for Withholding**” in §3402(a)(1) you read,

5  
6  
7 *“Except as otherwise provided in this section, every **employer** making payment of wages shall  
8 deduct and withhold upon such wages a tax...”*

9  
10 Remember, you must not “*assume*” that words used within the law like “*employer*” have the same definition as  
11 that used in common speech by most *American Nationals* and private sector employers. You will find some  
12 interesting aspects to the definition of “*employer*” in 26 USC §3121 (h) shortly.

13  
14 For a moment reflect back on who were those identified as **Taxpayers**. If you remember they were:

- 15 1) **Federal Workers** include Federal Officers, Federal Employees, and Elected Officials [all Public  
16 office holders] of the United States [District of Columbia].
- 17 2) “**U.S. citizens**” [8 USC §1401 federal statutory creations of Congress].
- 18 3) “**Resident Aliens**”
- 19 4) Those who use a Socialistic Surveillance Number [federal property] and by doing so **are operating**  
20 **in a representative capacity** for the benefit of and in behalf of the Federal government. SSN users  
21 are generally identified as “*U.S. citizens or resident aliens*” as well as “*Federal employees*” acting  
22 as Federal Trustee for the constructive trust established by the application for a SSN.  
23

24  
25 If anyone in these groups works in the private sector, they are obligated to request of the non-federal employer  
26 to see if they will by the Taxpayer’s request make a “**determination** *whether **their employer** will accept and*  
27 *process executed agreements before agreements are submitted for approval or finalized.*”

28  
29 So where do you think American Nationals stand as nonresident aliens [as defined by the Federal government]  
30 when they tell their private sector employer that they are “*nonresident aliens*” to the federal jurisdiction? Even  
31 if American Nationals show the private sector employer the definitions of statutory “*U.S. citizen*” in 8 USC  
32 §1401 and “*Nonresident alien*” within 26 USC §7701(b)(1)(B) along with the Federal Retirement Thrift  
33 Savings Plan (T.S.P.) pamphlet and 26 CFR §1.871-1, *do you really think the average uninformed Human*  
34 *Resource individual who usually has never even looked at the Internal Revenue Code or Treasury Regulations*  
35 *will readily accept these facts?* This is where the IRS benefits from the ignorance about the law and fears  
36 arising from a paradigm shift in their routine which causes immediate cognitive dissonance in Corporate  
37 America.

38  
39 *Now do you understand why Galileo had such a problem when he presented his information to the group in*  
40 *charge?* Admiration starts building when you consider what he did and the price he paid. Eventually,  
41 acceptance of the paradigm change will occur, as it did with *the earth is flat* mentality, but in the meantime there  
42 are many mistakes made by “*well intended*” people who probably have never read the history of the federal  
43 income tax in order to understand the basics and the motivator of fear to resist change.

44  
45 Another good idea is for the reader to spend some time perusing the Constitution again and see if you really  
46 think it has value in today’s society. There are many bureaucrats who are questioning the rationale for it every  
47 day.

48  
49 So **the applicability of revenue laws** that are assumed need to be carefully and regularly studied by private  
50 sector employers as well. Basic to all legal processes, a law must be implemented before it has any legal effect  
51 which is documented by an effective date of enactment. If you look for the effective date of enactment of this  
52 Subtitle “C”, which is located at 26 USC §7851(a)(3), you will find the semantic gamesmanship of the federal  
53 attorneys at work again.

1  
2 Thus Subtitle “C” has no effective date of enactment. Therefore, the only jurisdiction within which Subtitle “C”  
3 has effect is within the United States [the District of Columbia] as statutes can provide full force and effect of  
4 law within the United States [ditto DC].

5  
6 When you compare the verbosity in the Subtitle “C” ambiguous enactment date you can easily get confused, as  
7 the language is not clear. Look back at 26 CFR §31.3402(p)-1 and the title heading for this regulation. The  
8 heading reads, “*Part 31 – Employment Taxes and Collection of Income Tax At Source*”. Now things start to  
9 clear somewhat. *Did you notice the reference to **Collection of Income Tax At Source**?*

10  
11 What have you learned about the non-enacted Subtitle “A” income tax and the Applicability of that tax to  
12 *American Nationals*?

13  
14 You are correct; **Subtitle “A” income tax does not apply to American Nationals if their income is not**  
15 **derived from being engaged in the conduct of a “trade or business” within the United States, according to**  
16 **26 CFR §1.871-1.**

17  
18 The special laws in Subtitle “A” Income Tax have no effective date of enactment published in the Federal  
19 Register proving it is **not** applicable within the 50 states of the Union because of the requirement imposed on the  
20 Department of the Treasury by 44 USC §1505 and 26 CFR §601.702(a)(2)(ii).

21  
22 So why does a private sector nonfederal “*employer*” stick the IRS Form W-4 in the face of their private sector  
23 nonfederal workers expecting them to make the choice for deductions from their paycheck for a tax that they  
24 never owed and were never legally made liable for in the first place? Oh, that troublesome word “*assumption*”  
25 rises up yet again. Time to look at the Statute in 26 USC from which the regulation originated. In **26 USC**  
26 **§3402 Income Tax Collected At Source** you learn yet again that the Subtitle “C” Employment Tax is referring  
27 to the income tax [Subtitle “A” income tax].

28  
29 As you probably have surmised, each Subtitle has its own definition section so take a look at **26 USC §3121**  
30 **Definitions**. In 26 USC §3121(d) you find the definition of “*Employee*” and a variety of defined terms that may  
31 look like you are included. However, you no doubt remember the Legislative Intent of the 16<sup>th</sup> Amendment and  
32 the identified “*parties*” to whom the federal income tax made applicable.

33  
34 That’s right the “*parties*” made liable for the federal income tax in the Legislative Intent of the 16<sup>th</sup> Amendment  
35 drafted by President Taft are Federal “*employees, officers, and elected officials of the United States*”.

36  
37 Now ask yourself, “*Are you one of the identified persons called “employee” from the Legislative Intent of the*  
38 *federal income tax?*” If you are, you have been repeatedly noticed to stop reading this material as you were told  
39 in the Disclaimer that this information does not apply to you. Pay the taxes you owe and get on with things that  
40 pertain to issues that do apply. Otherwise, keep reading.

41  
42 Just to be certain; take a look at the definition for “*employer*” found in **26 USC §3121 (h) American Employer**  
43 where you find stated,

44  
45 “*For the purposes of this chapter, the term **American employer** means an employer which is:*

- 46  
47 (1) *the **United States** [federal government] or any instrumentality thereof,*  
48 (2) *an **individual** who is a **resident** of the **United States**,*  
49 (3) *A **partnership**, if two-thirds or more of **the partners are residents** of the **United States**,*  
50 (4) *a trust, if **all the trustees are residents of the United States**, or*  
51 (5) *a **corporation** organized under the laws of the **United States** or of any **State**.”*  
52

Item 4 relates to Federal Trustees or those who use the SSN and operate in a representative capacity in behalf of and for the benefit of the Federal government. It would have been clear to Americans what was going to happen to them if this statute section was written so that you could easily understand facts. Then their game would be over in a New York minute with no money or control. By statute Federal Trustees [for tax purposes] have their “residence” located in Washington, DC per 26 USC §7701(a)(39).

This might, to the unaware, seem to suggest that the corporation you work for meets the definition of “*American Employer*”. However, notice that the corporation must be “*organized under the laws of the United States or of any State.*” Guess we now must look at the definitions for “*United States*” and “*State*” to be certain beyond doubt that the IRS is referring to your Non-federal employer that you work for.

For the definitions of “*United States*” and “*State*” in Chapter 21 of Subtitle “C” you will find in 26 USC §3121 (e) **State, United States, and citizen** defined. In this section you find:

“*For the purposes of this chapter:*

- (1) ***State*** – *The term “State” includes [consists of; to the exclusion of all others] the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa. [emphasis added]*
- (2) ***United States*** – *The term “United States” when used in a geographical sense includes [consists of; to the exclusion of all others] the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa. An individual who is a citizen of the Commonwealth of Puerto Rico (but not otherwise a citizen of the United States) shall be considered, for purposes of this section, as a citizen of the United States.” [emphasis added]*

Do you see any reference listed about a “state of the Union” in the Federal statutory definition? Our everyday use of the word “*state*” is far different from the Federal government’s everyday “carefully planned” use of their word of art “*State*”. Pay particular note to the upper and lower case use by the Federal government in their expression of this word. The upper case denotes “*States of the United States*” which include [consist of to the exclusion of all others] U. S. territories like Guam, Puerto Rico, American Samoa, etc.

By now you have noticed the frequent use by the IRS of the word “*includes*” in their definitions sections. On occasions the IRS will use the word “*means*”. Remember that words are the art of how government employees, officers, and elected officials conduct their strategy.

Keep in mind the definition of the word “*definition*” as found in Black’s Law Dictionary. No matter what semantics the IRS might try, the definition of a word is a “*specific inclusion of all pertinent parts and the exclusion of all non-essential parts*”. **The 50 States are noticeably excluded from these definitions.**

So **if your employer is a corporation** organized under the laws of “*the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa*” **then you work for** an “*American Employer*” which is really to say a corporation organized [“*subject to*”] in the exclusive jurisdiction of the Federal Government. Those who do so are Federal workers and lawfully owe the tax on their income.

What is really interesting is why the authors of this federal municipal legislation chose the words “*American Employer*”. Now you see yet again why “*assuming*” will take you down the wrong path as the Federal Government doesn’t use the same definitions for the common everyday terms we *American Nationals* use.

While we are taking such a close look at federal regulations, we need to go back to **26 CFR §31.3402(p)-1 Employment Taxes and Collection of Income Tax at Source**, which is an *Administrative Regulation*. In the first paragraph labeled (a) you will see the parties who make up this agreement.

1 The IRS is noticeably absent from being identified as a party to the agreement.

2  
3 *“In general; An employee and his employer may enter into an agreement under section 3402(b)*  
4 *to provide for the withholding of income tax...”*

5  
6 Now do you understand the “*assumption*” that the government is expecting you to make? *Are you an*  
7 *“employee” working for an “employer” as defined in 26 USC §3121?* Most *American Nationals* are certainly  
8 not! Sadly you won’t see the distinction stated on the W-4, and this omission is deliberate and motivated by  
9 greed of your public dis-servants.

10  
11 *“Now do you see why the IRS sticks their nose in W-4 determinations?”* The legal jurisdiction for the IRS to  
12 operate in is only the Federal Zone [the District of Columbia]. Filling out, and signing the W-4 under penalties  
13 of perjury has identified and declared those who do so into identifying themselves to be an “employee, officer,  
14 *or elected official of the United States*” who works for an “American Employer”.

15  
16 The IRS is however careful to make any written statements to reflect the wording that

17  
18 *“Your income appears to create a taxable liability.”*

19  
20 It is interesting and worthwhile to note that the “*appearance*” of a taxable liability is not the same thing as  
21 “*actually being made liable*” and thus having a taxable liability. FDR’s comment about everything the  
22 government does is by the use of words and these words are so *carefully planned* that they now stand out in  
23 bold relief.

24  
25 Any federal document that you “*assume*” or are expected to sign under penalties of perjury should be signed  
26 with the words “*All rights reserved, UCC §1-308 Without Prejudice*”. This little phrase above your signature  
27 will keep you out of a world of trouble.

28  
29 This is a reference to the **Uniform Commercial Code, Section 1-308** which relates to the Performance or  
30 Acceptance under Reservation of Rights.

31  
32 *“A party who with explicit reservation of rights performs or promises performance or assents*  
33 *to performance in a manner demanded or offered by the other party does not thereby prejudice*  
34 *the rights reserved. Words, such as, ‘without prejudice, under protest, or the like are*  
35 *sufficient.”*

36  
37 The use of the UCC statement means that whenever you sign any legal document [like the W-4 we are  
38 discussing] in which you write over your name the phrase “All rights reserved, *UCC §1-308 Without Prejudice*”  
39 you are reserving your God-given constitutionally protected rights. This statement enables you to always assert  
40 your Seventh Amendment right of access to the Common Law and the Constitutional protections. This UCC  
41 statement is a wonderful protection tool, so use it every time you sign any document, especially a Federal or  
42 State government document.

43  
44 There is a solution that should be considered. You need to create a letter to terminate any inaccurate or non-  
45 required W-4 agreement previously submitted and attach a Form W-8 BEN found on <http://www.sedm.org>.

46  
47 About IRS Form W-8BEN, Form #04.202  
48 <http://sedm.org/Forms/FormIndex.htm>

49 The basic components to correctly writing the letter are found under **26 CFR §31.3402(p)-1 (b) Form and duration of agreement**. The W-8 BEN removes you from being misidentified. Some approaches to writing this letter are found in the following document:

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

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

The letter and the IRS Form W-8BEN need to be given to your private sector employer and then sent to the IRS informing them that your private sector nonfederal employer is fearful of the IRS and demanded that you submit to the IRS Form W-4 [with implied duress] in order to maintain private sector employment.

Your declaration that the previously submitted IRS Form W-4 is invalid due to it being signed under duress is sufficient to making that contract voidable ab initio and no penalty of perjury can be applied against you if you were forced by coercion just so that you can make a living “*outside the United States*” and its special laws which are only applicable within the “*United States*” [the District of Columbia per 26 USC §7701(a)(9), (a)(10), (a)(39) & 7408(d)].

The reason you can terminate the W-4 agreement by letter is found 26 CFR §31.3402(p)-1(b)(2) of the regulation, which states,

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

Most employers are interested in maintaining good employee relations. Simply submit your letter to your employer requesting termination of the W-4 and include a copy of the Administrative Regulation 26 CFR §31.3402(p)-1 to back up the validity of your request.

If your employer balks, because of fear and uncertainty at this point, politely ask your employer to send your letter to the IRS, covering the proper aspects for the termination, in order to get the IRS to approve your right to terminate based on the federal regulation.

Keep in mind that private sector nonfederal employers have been the focus of IRS intimidation. Additionally, a private employer might have concerns arising from the over-regulation of business by the federal government. This is especially true with the W-4 as it is perceived to be mandatory for everyone, and company payrolls have been set up with that idea in mind.

The law simply requires a statement of fact from the *employee* as to whether the *employee* does or does not want his or her wages withheld for the payment of an income tax. These statements with your employer are private and should remain in the company files.

However, the IRS many times asks private sector employers to send the exempt forms to the IRS in order for the IRS to immediately send the private employer a letter instructing them to withhold with zero exemptions. This is fine for those who are “Taxpayers” by law but the problem arises when presumption is made that all “employees” must have a SSN in order to work in the private sector when companies have no legislative power to create laws that the Federal government can not create and impose upon Americans.

**There is no law requiring Americans to obtain or secure a SSN and such could not exist if the Constitution is still functioning.**

An IRS letter to a non-federal employer would better protect that private sector employer if the letter contained a statement based on an oath by the IRS agent indicating that the payment of money for an income tax was actually owed by the employee. The IRS rarely signs any document with an oath that is made under penalties of perjury upon the IRS agent directly, even though 26 USC §6065 requires it. *All IRS correspondence also uses “pseudonyms” to identify IRS agents, which means that the name of the agent isn’t even real in most cases, and yet the IRS demands that the private employee uses their full legal birthname on all IRS Forms. Sounds like a double standard, doesn’t it?*

The IRS frequently applies the wrong law to private employers and does so primarily through unchallenged presumption that is unlawful.

*“It is apparent,” this court said in the Bailey Case ( [219 U.S. 239](#), 31 S.Ct. 145, 151) “that a constitutional prohibition cannot be transgressed indirectly by the creation of a statutory presumption any more than it can be violated by direct enactment. The power to create presumptions is not a means of escape from constitutional restrictions.”*  
*[Bailey v. Alabama, [219 U.S. 219](#), 238, et seq., 31 S.Ct. 145]*

The majority of private sector employers “read their company” into the Internal Revenue Code as “employers” and the officers of the company believe that they might be quasi agents of the federal government. That is not atypical when assumptions are made without proof.

Private sector nonfederal employers who transfer money from their employees to accounts with the IRS without an oath or certification authorizing such a transfer are abetting the denial of due process and engaging in criminal theft and money laundering under the color of law on behalf of the federal government. The private sector employer is also subjecting the company to potential litigation by their employee for conversion of that employee’s non taxable income.

Only the “employee” may authorize any transfer of their earnings via the W-4 claiming allowances. The federal courts have established this fact in [U.S. v. Malinkowski, 47 F.Supp. 352 \(1972\)](#) in which the court stated:

***“The Employer is not authorized to alter the W-4 Form and disallow the employee’s claims.”***

*How is it possible that “penalties of perjury” could apply if anyone could change it for you without your approval? You are not liable for money to be withheld in the first place by your private sector employer if your wages are not derived from being engaged in the conduct of a “trade or business” within the “United States”.*

Further proof that the IRS can not lawfully instruct the employer to delete, modify, alter, or disregard the employee’s W-4 statement under oath arise from the Code of Federal Regulations, according to 26 CFR §31.3402(f)(5)-1(b)(1):

***“An alteration of a withholding exemption certificate is any deletion of the language of the jurat or other similar provision of such certificate by which the employee certifies or affirms the correctness of the completed certificate, or any material [instructions or suggestions to influence] defacing of such certificate,”***

The other interesting fact is that the above regulation obligates only federal officers and employees, not private persons who do not participate in federal franchises. When any private sector employee submits the W-4, or a substitute form for the W-4, the private sector nonfederal employer should be diligent and require the IRS agent to provide the company with a certification from the Secretary of the Treasury or the Commissioner of Internal Revenue before withholding money earned by the employee. The private sector employer is walking on thin ice without obtaining a proper certification [oath] if they cause a withholding to take place.

The oath equalizes all persons to the level of the comprehension of the truth no matter what the subject might be.

Our Constitution would be only mere sheets of paper without the solemn oaths of the federal officers, federal employees, and elected federal officials who carry out the work they perform in strict adherence to enacted federal law and the constitution.



1 The IRS will not provide a certification or oath that the federal income tax is owed and therefore must be  
2 withheld against the private sector employee. The IRS will merely attempt to have the private sector employer  
3 act to collect the tax without the authority of any law or oath. IRS agents can only act within their authority.  
4

5 However, under Color of Law, private sector nonfederal employers in effect are offering the IRS assistance  
6 inappropriately. This only occurs when the private sector employee informed their private sector nonfederal  
7 employer they are a non-taxpayer as their income is not derived by being engaged in the conduct of a “trade or  
8 business” within the United States. Thus, the IRS has no authority or jurisdiction to act against that fact.  
9

10 An IRS agent’s oath, when coupled with constitutional or statutory authority and the delegation of authority  
11 order which documents it, is what constrains and determines the power that they possess. You can be certain  
12 that the IRS agents would act immediately to collect the tax if the authority to exercise such a power existed.  
13 Without the power or the authority, IRS agents rely on intimidation and letters, which give the appearance of  
14 authority under color of law.  
15

16 If a person is not liable for the federal income tax, then that person is also not required to agree with his private  
17 employer to have any part of his or her pay withheld to pay for a tax or sign the W-4 form. 26 USC §3402(n).  
18 The stated purpose of a completed W-4 is “so your employer can withhold the correct amount of federal income  
19 tax from your pay.” If the private sector worker owes no federal income tax, the correct amount of tax to  
20 withhold would be “none.”  
21

22 “Why would any private employee ever agree to have money withheld from their paycheck when there is no  
23 federal income tax liability?”  
24

25 The only answer I have been able to find in the Code of Federal Regulations was at 26 CFR §1.871-1(a)  
26 pertaining to one who is not liable but “*elects*” [volunteers] to make their income taxable as that of a U.S.  
27 resident alien pursuant to 26 USC §6013(g) and (h) because they are married to a statutory “U.S. citizen”. The  
28 method of “*electing*” or volunteering is made by signing the IRS Form W-4.  
29

30 Based upon enacted federal tax law the private sector employee [American National] is not liable for the federal  
31 income tax, and **that person is not required to complete an IRS Form W-4 due to lack of requirement to  
32 pay the tax.**  
33

34 Section 3401(e) demonstrates that Chapter 24 Subtitle “C” is devoted entirely toward federal employers and  
35 federal employees because all these government employees are subject to liability for the federal income tax and  
36 withholding by the usual operation of the tax.  
37

38 In 26 USC §3401(c), you will find another reference to “*Employee*” as it states,  
39

40 *“For purposes of this chapter, the term ‘employee’ includes an officer, employee, or official of*  
41 *the United States [meaning the federal government], a State [US Territory or Possession], or*  
42 *any political subdivision thereof, or the District of Columbia, or any agency or instrumentality*  
43 *of any one or more of the foregoing. The term ‘employee’ also includes an officer of a*  
44 *corporation.”*  
45

46 Another method to confirm that the term “*employee*” only refers to “*federal employees*” is to read a Notice of  
47 Levy.  
48

49 On occasions, private employers receive these notices from the IRS when the IRS wants to take the money that  
50 belongs to the private employee. **These Notices of Levy will always start with §6331(b)** and if the private  
51 sector employer is not paying attention **they fail to notice that §6331(a) is omitted.**  
52

53 If you look at **26 USC §6331(a)** you will find the reference statement:

1  
2 **“Levy may be made upon the accrued salary or wages of any officer, employee, or elected**  
3 **official, of the United States** [meaning the federal government], *the District of Columbia, by*  
4 *servicing notice of levy upon the employer* [the federal agency per 26 USC §3401(d)] *of such*  
5 *officer, employee, or elected official.”* [Emphasis & Clarification added]  
6

7 The IRS simply does not have any power or authority to force withholding on private sector workers who are  
8 American Nationals. This is because the government of the United States is without jurisdiction within the non-  
9 federal states of the union [the 50 States] arising from the Constitutional restrictions placed upon the federal  
10 government.  
11

12 The IRS routinely, falsely, and maliciously pressures the private sector employers to ignore the lack of liability  
13 of a private employee’s from a W-4 signed under duress to remain employed. That fact centers on the  
14 declaration by the signer of the IRS Form W-4 that they are a “Taxpayer” and use a SSN to prove that they are a  
15 *sub contracted federal employee who is a “Taxpayer”*. Pressure by the IRS is not a legitimate function of tax  
16 collection. An agent’s duty is to collect taxes from a list, certified by the Secretary of the Treasury or  
17 Commissioner of Internal Revenue or the person voluntarily executing a Form 1040 or W-4.  
18

19 The IRS will focus their intimidation efforts via written anonymous correspondence alluding to claims for  
20 collection of a tax owed by a “Taxpayer” even when the SSN application [purported constructive trust contract]  
21 was voidable ab initio but has not been pursued by the American National due to a lack of knowledge. The IRS  
22 will back away from providing any enacted federal tax law to prove the liability exists against the private sector  
23 employee who is an American National. They will also avoid personal liability for their fraudulent demands by  
24 using “pseudonyms” to disguise their true legal identity and evade being prosecuted for their violations of law.  
25 See:

[Notice of Pseudonym Use and Unreliable Tax Records](http://sedm.org/Forms/FormIndex.htm), Form #04.206  
<http://sedm.org/Forms/FormIndex.htm>

26 Any private sector employer who causes an American National to provide a “*properly executed withholding*  
27 *agreement*” when by 26 CFR §1.871-1 their income is “***not derived from being engaged in the conduct of a***  
28 ***trade or business within the United States*” is the equivalent of imposing, assessing, and collecting a tax.**

29  
30 Private sector nonfederal employers have no authority to impose a federal income tax on any of their employees.  
31 If a private employer withholds wages, the employer is taking money from the employee without a requirement  
32 to do so by law and the IRS admits this as fact in their Internal Revenue Manual (I.R.M.).  
33

34 The Internal Revenue Manual (I.R.M.), Section 5.14.10.2 (09-30-2004) Payroll Deduction Agreements states  
35 the following:  
36

37 **“Private employers, states, and political subdivisions are not required to enter into payroll**  
38 **deduction agreements. Taxpayers should determine whether their employers will accept and**  
39 **process executed agreements before agreements are submitted for approval or finalized.**  
40

41 Most, if not all, private sector non-federal employers have never seen this IRM reference. The language is clear  
42 for all to read and comprehend. If you work for a private sector non-federal employer they are **not required to**  
43 **enter into payroll deduction agreements.**  
44

45 The Subtitle C Chapter 24 Withholding of Income Tax at the Source only applies to those employed with the  
46 federal government or those subject to the special laws who work in the private sector but are correctly  
47 identified as having been made liable for the Federal income tax.  
48

1 Private sector employers should not coerce their American National private sector employees, who are not made  
2 liable to pay the federal income tax, to complete an IRS Form W-4 contract. Not only is it a real windfall for the  
3 Federal government but inappropriate burden forced against one's will in violation of the Bill of Rights. Any  
4 payment for a tax that is not owed is a *voluntary* contribution via self-assessment. If the payment is coerced it  
5 can only be considered theft. Every federal tax in existence must be "*assessed*" or determined based on lawful  
6 authority by regulation published in the Federal Register.

7  
8 Only the individual private sector nonfederal employee non-resident alien [American National] has the right to  
9 make the choice to elect to have their hard earned income treated as taxable like the income of a U.S. resident  
10 alien under 26 USC §6013(g) or (h).

11  
12 IRS agents are ministerial officers, and as such, can only collect taxes from persons or entities that have been  
13 certified to owe them. The W-4 can supply such a certification when the employee who certifies the W-4 states  
14 he or she owes a tax, enters a Social Security Number to document their income comes from a trade or business  
15 in the United States. If there is no IRS Form W-4 with such references, then the IRS must seek a certification  
16 from the Secretary of the Treasury or the Commissioner of the Internal Revenue Service (I.R.S.).

17  
18 Keep in mind, there is no enacted Federal law that mandates, requires, imposes any American National to obtain  
19 a SSN in order to live and work in the 50 states of the Union. Private sector employers should make that inquiry  
20 of the SSA directly to prove that as fact to their own satisfaction.

21  
22 As previously mentioned, the Withholding is an agreement between an *employee* and an *employer* for the  
23 purpose of allowing the employer to withhold the correct amount of federal income tax. The IRS Form W-4 is a  
24 type of contract used for federal employees.

25  
26 A private employer has no authority to alter, ignore, or disregard the non-resident alien [American National]  
27 employee's sworn certificate [oath] in which the employee states that he or she has no federal tax liability,  
28 regardless of what the IRS may state.

29  
30 The reason that the W-4 can not be altered, ignored, or disregarded is because of Article 1, Section 10 of the  
31 Constitution which states the prohibition against the federal or state governments from passing any law  
32 impairing the obligation of any contract.

33  
34 Congress was given all the power it would ever have in Article 1, Section 8 of the Constitution. **Again, there is  
35 no authority granted to the federal government or state government to impair the obligation of any  
36 contract.**

37  
38 If the private employer blindly follows the instructions of an IRS letter with no delegation of authority or proof  
39 of regulation supporting such action, then that employer is potentially exposing the company to criminal liability  
40 for altering a federal document that has been signed under penalty of perjury.

41  
42 When the private employer starts withholding of an employee's "wages" based solely upon an anonymous or  
43 unsigned IRS letter suggesting that the employer "*should change the W-4 to read 0 allowances and cross out  
44 Exempt*" the employer has just created some problems for everyone and possibly committed a criminal act.  
45 This is done in the absence of any IRS regulation authority induced by fear of reprisal by the IRS and /or other  
46 federal agencies. The private sector nonfederal non-resident alien employee is in essence a "sacrificial lamb" as  
47 most private sector nonfederal employers do not want to deal with these matters. Furthermore, even if the  
48 private employer does decide to honor the IRS request, they can only lawfully withhold on "wages", which can  
49 only be earned by those who explicitly consent pursuant to 26 CFR §31.3401(a)-3(a) and 26 CFR §31.3402(p)-  
50 1. Any percent of ZERO "wages" is still zero. This fact is routinely overlooked by those who are victimized by  
51 the tax scam.

1 There is not a single law that allows a private employer to blatantly disregard the requirement for an IRS  
2 employee's oath on every IRS correspondence pursuant to 26 USC §6065. *What good would the Oath be if*  
3 *there were?* The IRS has simply told the employer to disregard the law as those who use SSNs are identified as  
4 federal indentured servants devoid of any protections by and under the constitution in regard to their earnings.  
5 By such action the private sector nonfederal employer is liable, not the IRS, as they are the party operating only  
6 on a suggestion when no law is presented. Thus, the IRS is not liable for any problems created by the private  
7 sector employer.

8  
9 No federal or state court would ever rule that a private employer had the power to alter or disregard what an  
10 employee had declared under penalty of perjury. This is a major reason why a number of employers allow their  
11 American National employees to use a statement of non-liability, or a substitute form that you design instead of  
12 the W-4.

13  
14 Most American National workers would never sue their private sector employer. Part of the reason is job  
15 security is diminished by such in most situations not to mention that most Americans today live paycheck to  
16 paycheck and are heavily in debt even with two-income families and really have no financial resources to  
17 support litigation expense. The IRS knows this all too well and uses that to their advantage in these situations  
18 when they can not help but know that there is no authority by regulation to do as they request.

19  
20 If you are an employer, be wary of all IRS letters that present no authority behind their request which are  
21 deceptively written to suggest that the private sector nonfederal employer take it upon themselves to alter,  
22 obliterate, ignore, or disregard a W-4 that has been executed under penalty of perjury. Private sector nonfederal  
23 employers should refuse to be fooled by letters that ask you to "*please*" do something or that you "*should*" do  
24 something that is in disobedience of the law.

25  
26 Any action by an employer based on such an IRS letter makes the action of the employer a voluntary act. The  
27 law is absolutely clear that those persons who deal with the government must ascertain the authority of the  
28 government representative they are dealing with. Remember, each sub-contracted IRS agent would be liable if  
29 they directly stated that the private sector employer, must do anything. If the private sector employer acts on the  
30 IRS request, then they '*act at their own peril*' [Heckler v. Community Health Services, 467 U.S. 51, 81 L.Ed.  
31 42, 104 S Ct 2218]

32  
33 "*So why hasn't all this gone to court before now?*" Three simple answers come to mind immediately. Money,  
34 Time, and Fear are good for starters. The courts have judges that have a lot to lose if they don't bend to the  
35 system of today. The truth [justice] is not the issue but instead it is procedure, gamesmanship, and censorship of  
36 incriminating evidence by those with an economic agenda within the government. Who can play the game the  
37 best wins while those who can not or are not well versed in it lose....every time!

38  
39 The federal government will not reimburse the employer's costs if the employee sues for altering the W-4 or  
40 disregarding it completely. Under no circumstances should anyone alter or disregard any person's statement  
41 made under penalty of perjury. Employers should always require an oath from any IRS official who makes  
42 demands or suggestions that will place the employer in jeopardy. *Ever look at someone's face when you tell*  
43 *them this? Not pleasant is it?*

44  
45 Most people just want to be left alone and live their lives quietly and peacefully. Their energy needs to be  
46 focused on family matters and earning a living. That is why the system has prevailed to this point.

47  
48 It is very understandable that our public (government) institutions of education do not present these facts either.  
49 They purposely remain ignorant in an age of enlightenment. *The earth is flat...the earth is flat....I don't want to*  
50 *know anything else!*

Now consider how important it is to notify one's private sector "employer" of the intent to terminate the W-4 agreement mistakenly created when you determine that:

- 1) **The SSN is voidable ab initio** due to the SSN application being:
  - a. Signed as a child and you were not of legal age,
  - b. There was no full disclosure of the terms, conditions, and definitions used by the government so that you could understand what you were agreeing to be bound by, and
  - c. There was no willful and knowing intent to enter into a constructive trust contract in which you would be identified as:
    - i. A U.S. citizen [a Federal statutory creation of Congress under 8 USC §1401] who is not one that enjoys constitutionally protected Rights.
    - ii. A Federal Employee operating in a representative capacity as a Federal Trustee for the SSN [purported] constructive trust for the benefit of the Federal government.
- 2) **You are not deriving your income from being engaged in the conduct of a "trade or business" within the United States per 26 CFR §1-871-1.**

*American Nationals* who make such determinations need to send the Notice of Termination not only to the Non-federal employer but the Notice of Termination should be sent to the Commissioner of Internal Revenue in Washington, DC.

There is another reason. If under **26 CFR §31.3402(p)-1** Employment Taxes and Collection of Income Tax At Source you have previously signed an IRS Form W-4 agreement, then by definition of "*American Employer*" under **26 USC §3121 (h)** you are considered by the IRS as to be working for the Federal Government, federal agency, or "a corporation organized under the laws of the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa."

Many who use a SSN are reporting that there is little hope that the amount they once expected to receive will be of any real value due to the governments' debasing the currency and converting it into a fiat currency. Some even think that there might not be any money left after the funds dry up. At any time, Congress can rescind the trust and leave the trustees with nothing at all because there is no guarantee anything will be paid to all who have contributed.

Many *American Nationals* who understand the dilemma are now seeking to completely unravel themselves from the former mistaken "*presumptions*" imposed upon them by the Social Security Application [purported constructive trust contract under private law] Form SS-5 as a statutory "*U.S. Citizen*".

In order to do so, *American Nationals* must send their Notice of Resignation of Compelled Social Security Trustee status and include a Legal Notice of Domicile Change to that of being identified as an American National [non-resident alien to all federal jurisdictions] who does not earn a living from holding any public office in DC. See:

1. *Resignation of Compelled Social Security Trustee*, Form #06.002  
<http://sedm.org/Forms/FormIndex.htm>
2. *Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States*, Form #10.001  
<http://sedm.org/Forms/FormIndex.htm>

This step is a rebuttal of any "*assumption*" by the IRS that *American Nationals* was liable for the non-enacted Subtitle A Income Tax as an identified party as stated in the Legislative Intent of the 16<sup>th</sup> Amendment.

Hopefully, you now understand why the IRS Form W-4 had no stated definition of the terms defined in 26 USC §3121 “employee and employer”.

The collection of the Non-enacted Subtitle “A” Income Tax “*from whatever source derived*” [as stated in the 16<sup>th</sup> Amendment] now becomes crystal clear. Any *American National* who meets 26 CFR §1.871-1(a) non liability can only volunteer to pay the tax by “*electing*” to have their income treated as that of a U.S. resident alien.

The fact is that Americans still today make the “*presumption*” as to being a statutory “*U.S. Citizen*” [who has no Constitutional Protections of any God-given Rights]. They continue to make the “*assumption*” as to being an “*employee*” of an “*American Employer*”. Americans who work in the private sector and ***do not derive any income from being engaged in the conduct of a “trade or business” within the United States*** have made the “*presumption*” that the Subtitle “A” Income Tax was applicable toward your income.

Think before you act on any matter. Ask questions about signing anything under penalties of perjury and ask for definitions of terms and conditions presented in any document or correspondence. Ask if you are signing a private law contract. Ask if there is an enacted Federal law that requires you to do so. Then get the requesting party to provide a copy of it so that you can go to Cornell University Law Website and confirm it as factual or applicable toward you.

<http://www.law.cornell.edu/uscode/>

Correct any private sector nonfederal employer that presents you with a Tax Class 5 forms to sign your rights away. Stop making any assumption about what documents like Form SS-5, IRS Form W-4, & Form 1040 mean and why are you required to sign them under Penalties of Perjury. *Is it any wonder the IRS classifies such non-filers as “Tax Protestors” and threatens them as they do? Correct any incorrect W2 or 1099 sent to the IRS.*

### **What does the Law State about the IRS Form W-4 & Withholding for Federal income tax**

The United States Supreme Court stated that no one can withhold the payment of a worker without his consent in Antelope, 23 U.S. 66, 10 Wheat 66, 6 L.Ed. 268 (1825) when the Supreme Court stated:

***“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...”***

This has not been overturned since 1825 because it is supported by the constitution. Let’s explore this fact established by the constitution and upheld by the United States Supreme Court as the law of the land by reviewing a definition in Black’s Law Dictionary, Sixth Edition. The word that we should explore in the context of the IRS Form W-4 Withholding with a private sector employer if the American National chooses not to fill out such a form or to modify it in order to protect their “*payments for the fruits of their labors*” is none other than “*duress*”.

***Duress*** is defined in Black’s Law Dictionary, Abridged 6<sup>th</sup> Centennial Edition as:

***“A contract entered into under duress by physical compulsion is void. Also, if a party’s manifestation of assent to a contract is induced by an improper threat by the other party that leaves the victim no reasonable alternative, the contract is voidable by the victim.”***

Black’s continues to expand the definition for more clarity with:

***“Any unlawful threat or coercion used by a person to induce another to act [or to refrain from acting] in a manner that he or she otherwise would not [or would].”***

1 “Subjecting a person to improper pressure which overcomes his will and coerces him to  
2 comply with demand to which he would not yield if acting as a free agent. Application of such  
3 pressure or constraint **as compels a man to go against his will** and takes away his free agency  
4 when he refuses the unjust demands of another.” Includes any conduct which overpowers will  
5 and coerces or constrains **performance of an act which otherwise would not have been**  
6 **performed.**”  
7

8 Any private sector employer who might compel anyone, under duress, to sign an IRS Form W-4 Withholding  
9 Certificate impairs that individual’s right to contract freely without coercion would be tantamount to inducing  
10 financial slavery or at least financial indentured servitude. Duress arises when one is forced to incorrectly  
11 identify themselves as a federal employee, threatened with losing their employment, as well as being told that  
12 they can not refuse to sign the IRS Form W-4 per company policy.  
13

14 If the private sector nonfederal employer increases pressure by stating that the “employee” must abide by some  
15 law imposing such an obligation without ever producing the law, that too is duress. Think about that. *Why*  
16 *would you ever need to sign anything if you were required to adhere to withholding by some law without your*  
17 *consent? Who is the Master and who is the Slave in that consideration? Can that which was created ever*  
18 *become superior to the creator?* The results of the Tower of Babel answer that question.  
19

20 If the private sector nonfederal employer claims to be acting as an agent of the Federal government, such as a  
21 voluntary “withholding agent” as defined in 26 USC §7701(a)(16), then that employer is violating Article 1  
22 Section 10 of the Constitution. This fact is further supported by the United States Supreme Court in Sinking  
23 Fund Cases, 99 U.S. 700 (1878) where the Court stated:  
24

25 *“Independent of these views, there are many considerations which lead to the conclusion that*  
26 ***the power to impair contracts, by direct action** to that end, **does not exist with the general***  
27 *[Federal] **government.**”*  
28

29 One can certainly understand that if such power is not delegated to the Federal government the private sector  
30 nonfederal employer has no such power either.  
31

32 The definition of “wages” in the IRC is found at 26 USC §3401 and relates to the IRC definition of “wages” in  
33 context to its “**Employee**” definition at 26 USC §3401(c) and at 26 CFR §31.3401(c)-1, which states:  
34

35 *“For purposes of this chapter, the term “employee” includes [consists of to the exclusion of all*  
36 *others; comprises; is limited to] an **officer, employee, or elected official of the United States, a***  
37 ***State, or any political subdivision thereof, or the District of Columbia, or any agency or***  
38 ***instrumentality of any one or more of the foregoing. The term “employee” also includes an***  
39 ***officer of a corporation.”** [Emphasis & Clarification added]  
40*

41 Those who live in the Republic see clearly that the IRC definition of “employee” is limited to just those it states  
42 which again are Federal workers only. This is a common error by those in the Republic who use words that look  
43 the same and are spelled the same but have entirely different meanings than the same words when used by the  
44 government.  
45

46 *How can this be the case you ask?* The legal term “**Expressio unius est exclusio alterius**” basically states that  
47 what is not specifically included with the law itself must have been excluded and was implicitly presumed on  
48 purpose to have been excluded. Formal definition in Black’s Law Dictionary states it in this manner:  
49

50 *“A maxim of statutory interpretation meaning that the expression of one thing is the*  
51 ***exclusion of another.”***  
52 *[Black’s Law Dictionary, Sixth Edition, p. 581]*  
53

1 If an American National is using Federal property and operating in a representative capacity in behalf of the  
2 Federal government [using a SSN] then this explains why the withholding of “*wages*” requires a voluntary IRS  
3 Form W-4 to be signed. Failure by the private sector employer to obtain consent, except by duress, is best  
4 addressed by the United States Supreme Court in Plessy v. Ferguson, 61 U.S. 537, 542 (1896) where the court  
5 stated:

6  
7 *“Slavery implies involuntary servitude—a state of bondage; the ownership of mankind as a*  
8 *chattel, or at least the control of the labor and services of one man for the benefit of another,*  
9 *and the absence of a legal right to the disposal of his own person, property, and services in*  
10 *their entirety. This amendment was said in the Slaughter House Cases, 16 Wall, 36, to have*  
11 *been intended primarily to abolish slavery, as it has been previously known in this country, and*  
12 *that it equally forbade Mexican peonage or the Chinese coolie trade, when they amounted to*  
13 *slavery or involuntary servitude and that the use of the word ‘servitude’ was intended to*  
14 *prohibit the use of all forms of involuntary slavery, of whatever class or name.”*  
15

16 The prohibition of slavery and involuntary servitude in our nation established under the 13<sup>th</sup> Amendment does  
17 not contain an exemption in the case of “*taxation*”. Paying for government services that people do not want and  
18 do not need is therefore the same type of slavery as Mexican peonage, Chinese coolie trade, or the African slave  
19 trade once prevalent in our nation in the past. Any private sector employer with “*employees*” outside of the  
20 definition in 26 USC §3401 does not work for an “*employer*” defined Federal employer in 26 USC §3401(d) as  
21 they are not engaged in the conduct of a trade or business within the United States.

22  
23 This is further supported by 26 CFR §1.871-1 where Nonresident aliens [American Nationals] have no liability  
24 for the Subtitle “A” Federal income tax because their income is **not** “*derived from being engaged in the conduct*  
25 *of a trade or business within the United States.*” American Nationals working for a “*private employer*” have no  
26 duty to withhold or report any payments for the fruits of their labors according to the above Federal Regulation.

27  
28 Resistant employers should be presented with a notarized Affidavit of Duress, along with the IRS Form W-4  
29 [Exempt] and W-8BEN, in the presence of one or two witnesses to document your duress. Send a copy of all  
30 this paperwork to the IRS and SSA to prove you did not willingly submit to the federal employment contract  
31 [IRS Form W-4]. See:

*Federal and State Tax Withholding Options for Private Employers*, Form #09.001  
<http://sedm.org/Forms/FormIndex.htm>

32 Only “*employees*” who operate in a representative capacity in behalf of the Federal government can fill out and  
33 submit the voluntary IRS Form W-4. Private sector Employers should be reminded of the **Internal Revenue**  
34 **Manual (I.R.M.), Section 5.14.10.2.2** concerning Payroll Deduction Agreements where it is stated:

35  
36 *“Private employers, state, and political subdivisions are not required to enter into payroll*  
37 *deduction agreements. Taxpayers should determine whether their employers will accept and*  
38 *process executed agreements before agreements are submitted for approval and finalized.”*  
39

40 Only IRC defined “*employees*” can fill out the IRS Form W-4 Employee Withholding Allowance Certificate.  
41 “Private sector employees” can be foolish and fill out this form but should not unless they are truly IRC defined  
42 “*employees*”. 26 CFR §31.3401(a)-3(a) identifies the IRS Form W-4 Employee Withholding Allowance  
43 Certificate as an “*agreement*” which is to say a “*contract*” in reality. Black’s Law Dictionary defined  
44 “*agreement*” to mean a “*contract*”.

45  
46 A “*contract*” is considered to be a private law agreement between the Federal government and the signer of the  
47 “*contract*”. Such a “*contract*” is enforceable anywhere and at anytime. Those who do not sign benefit from not  
48 being coerced to abide by the voluntary “*contract*”.



1 Any contract signed under duress, threats, intimidation, or deception resulting in one doing that which by free  
2 choice would not do means that such a contract is voidable. The American Jurisprudence 2d, Duress, §21  
3 (1999) states:

4  
5 *“Like other voidable contracts, they remain ‘valid’ until it is avoided by the person entitled to*  
6 *avoid it. However, **duress in the form of physical compulsion** [or psychological angst], in which*  
7 *the party signing **is caused to appear to assent when he has no intention of doing so,** is*  
8 *generally **deemed to render the resulting purported contract void ab initio** [from the beginning*  
9 *date it was signed]. “[Emphasis added]*

10  
11 Look as hard as you can but you will not see where the IRS Form W-4 identifies itself as a “contract”. This is  
12 an intentional deception on the part of the IRS to mislead you into thinking that your voluntary consent is not  
13 required when the opposite is quite true.

14  
15 Those who do not sign and submit the IRS Form W-4 “agreement” or “contract” voluntarily earn no  
16 “reportable” “wages” that appear on the Form W-2 created by the private sector employer each year. This is  
17 supported by 26 CFR §31.3401(a)-3(a).

18  
19 If the IRS were to instruct the private sector employer to withhold on the income of any American National who  
20 does not derive any income from being engaged in the conduct of a “trade or business” within the United States  
21 and does not operate under a constructive trust contract for the benefit of the Federal government the  
22 withholding must be zero because the individual American National does not earn “wages” as legally defined in  
23 26 CFR §31.3401(a)-3(a).

24  
25 Simply put, there is no reason a person who has **no** Subtitle “A” Federal income tax liability to have any of their  
26 income withheld for any reason. Please see the exhibit for 26 CFR §31.3402(p) – 1(a).

27  
28 What does the Law state about the Form W-2 Filing Information Returns? You find the answer at 26 USC  
29 §6041 Information at Source - this is the only legal authority for preparing information returns on Tax Class 5  
30 forms such as IRS Form W-4, W-2, 1099, 1098 and so on.

31  
32 26 USC §6041 Information at Source shows that:

33  
34 (a) **Payments of \$600 or more**

35  
36 ***All persons engaged in a trade or business and making payment in the course of such trade or***  
37 ***business to another person, of rent, salaries, wages, premiums, annuities, compensations,***  
38 ***remunerations, emoluments, or other fixed or determinable gains, profits, and income (other than***  
39 ***payments to which section [6042 \(a\)\(1\)](#), [6044 \(a\)\(1\)](#), [6047 \(e\)](#), [6049 \(a\)](#), or [6050N \(a\)](#) applies, and***  
40 ***other than payments with respect to which a statement is required under the authority of section***  
41 ***[6042 \(a\)\(2\)](#), [6044 \(a\)\(2\)](#), or [6045](#), of \$600 or more in any taxable year, or, in the case of such***  
42 ***payments made by the United States, the officers or employees of the United States having***  
43 ***information as to such payments and required to make returns in regard thereto by the***  
44 ***regulations hereinafter provided for, shall render a true and accurate return to the Secretary,***  
45 ***under such regulations and in such form and manner and to such extent as may be prescribed by***  
46 ***the Secretary, setting forth the amount of such gains, profits, and income, and the name and***  
47 ***address of the recipient of such payment.***

48  
49 If anyone knowingly files a false information return they can be civilly prosecuted for fraud under 26 USC  
50 §7434. The penalty is the greater of \$5000 or whatever false tax liability results plus attorneys fees and costs.  
51 They can also be criminally prosecuted pursuant to 26 USC §7207 and be fined \$10,000 and sentenced to one  
52 year in prison.

1 The only legal duty for filing an IRS Form W-2 Information Return to the IRS under 26 USC §6041 is if the  
2 earning generated applied only to a “*trade or business*” activity.

3  
4 You will find in 26 USC §7701(a)(26) that a “*trade or business*” is defined as “***the performance of the***  
5 ***functions of a public office.***” This is not defined anywhere else in the IRC to include anything other than the  
6 taxable activity resulting from the performance of the functions of a public office.

7  
8 One who holds a “public office” must be a “*public officer*” and Black’s Law Dictionary defines ‘***public officer***  
9 to mean:

10  
11 ***“A person who is acting as a government employee or a government contractor.”***

12  
13 On Form W2 Box 1 you find listed “*Wages, tips, other compensation*”. We already know what “*wages*” are and  
14 that they relate only to Federal workers under 26 USC §3401. The term “*compensation*” is a new term that is  
15 not defined in the IRC but is referenced in 26 USC §911(d)(2) as “***compensation for personal services***”.

16  
17 Researching for the definition of ***compensation for personal services*** it was discovered that 26 CFR §1.469-  
18 9(b)(4) defines “***personal services***” to mean:

19  
20 ***“Work performed in connection with a “trade or business”.***

21  
22 That was a long trip of circular logic to return to the starting point found in 26 CFR §1.871-1 and 26 USC  
23 §7701(a) (26) to mean that “***personal services***” [and the compensation for that] is nothing more than “***Work***  
24 ***performed in connection with the performance of the functions of a public office***”.

25  
26 So the Form W2 is strictly for those Federal workers and those who operate in a representative capacity in  
27 behalf of the Federal government. All other uses of Form W2 are false information returns that can be civilly  
28 prosecuted for fraud under 26 USC §7434 if it was issued related to someone who was NOT involved in:

29  
30 ***“Work performed in connection with the performance of the functions of a public office”.***

31  
32 The IRS can only lawfully penalize the following “*persons*” in connection with information returns:

33  
34 ***(b) Person defined***

35  
36 *The term “person”, as used in this subchapter, includes an officer or employee of a*  
37 *corporation, or a member or employee of a partnership, who as such officer, employee, or*  
38 *member is under a duty to perform the act in respect of which the violation occurs.*

39  
40 Also, it is a crime to compel the use or disclosure of a Social Security Number on a withholding or reporting  
41 form per 42 USC §408(a)(8) & 5 USC §552(a).

42  
43 *42 USC §408(a)(8) discloses, uses, or compels the disclosure of the social security number of*  
44 *any person in violation of the laws of the United States; shall be guilty of a felony and upon*  
45 *conviction thereof shall be fined under title 18 or imprisoned for not more than five years, or*  
46 *both.*

47  
48 *So what does all this mean to the private sector employer who has hired an American National [a non-resident*  
49 *alien to federal jurisdiction] who will not earn any income from being engaged in the conduct of a “trade or*  
50 *business” in the “United States” that does not desire to fill out or submit an IRS Form W-4 or have a Form W2*  
51 *generated by the private sector employer?*

52  
53 Perhaps it is finally the moment for the private sector “*employer*” to stop and consider what the law truly states  
54 and to no longer make assumptions for starters. Review again Internal Revenue Manual (I.R.M.), Section

5.14.10.2 which states private companies are not required to withhold or deduct from the income of their employees.

If the company you work for is truly a “private employer” [meaning that they are not part of the Federal government and have no contracts or agreements or franchises with the Federal government that may have converted them into being classified as a “public office” or being engaged in the conduct of a “trade or business” in the “United States” a.k.a. the District of Columbia] then that private employer must adhere to the guidelines in the IRM which is to say the company should abide by the law and not initiate any withholding as no taxable liability exists.

Even if the private sector employer decided to become a voluntary withholding agent for the IRS, they may not lawfully compel their workers [employees] to file an IRS Form W-4 contract/agreement. If nonresident alien employees are “required” by potential loss of employment to file an IRS Form W-4, then the conflict arises. That action inflicts duress by forcing their employees into compelled or involuntary financial servitude [basically financial slavery] in violation of the 13<sup>th</sup> Amendment and 42 USC §1994.

This entire chapter was predicated on a USSC decision that “We The People” have the duty [obligation] described in the USSC decision American Communications Association v. Douds, 339 U.S. 382, 442, (1950):

*“It is not the function of our Government to keep the citizen from falling into error; it is the function of the citizen to keep the government from falling into error.”*

The worker is identified as a Nonresident alien [an American National] not engaged in a “trade or business”. It is a crime against this person to:

1. Compel the use of or force disclosure of a Social Security Number, especially one that has been rebutted because of it being voidable ab initio.
  - a. Compelled use is a violation of 42 USC §408 and 5 USC §552(a).
2. Compel the signing of an IRS Form W-4 “**voluntary withholding agreement**”.
  - a. Duress used to generate a signature is not “voluntary”.
3. Ignore the employees’ wishes by continuing to deduct and withhold.
  - a. This is in direct violation of Federal law to deduct and withhold when the employee is not deriving their income from being engaged in the conduct of a trade or business [26 CFR §1.871-1].

Finally, the private sector employer may not lawfully issue a Form W-2, and especially in the case of a nonresident alien worker not engaged in a “trade or business” and who does not participate in the Social Security franchise because:

1. Putting any number other than a “Zero” in Block 1 for “**Wages, tips, and other compensation**” as that creates the identification with the IRS as income being derived from the conduct of a “**trade or business**” within the United States.
  - a. If the employee did not submit an IRS Form W-4 or did so under duress then the reporting is a false information report under 26 USC §7434 and contrary to 26 CFR §31.3401(a)-3(a).
2. To use a Social Security Number on any government form or to send the form against the will of the employee is a violation of the Privacy Act [5 USC §552(a)] and 42 USC §408. It also incorrectly identifies that party as being a federal employee earning wages from being engaged in the performance of the functions of a public office in the District of Columbia.

3. To identify the earnings of any worker with a “*public office*” or a “*trade or business*” by filling out an information return against them when they are in fact not a government “employee” or worker or “officer” and did not voluntarily sign an IRS Form W-4 creates a violation of 26 USC §6041.
4. Any such Form W2 information return created, under the above conditions, is a false information return because:
  - a. The W2 contains a nonzero amount in Block 1 which creates the false documentation that the earnings of the employee [American National/Nonresident alien to federal jurisdiction] are derived from a “*trade or business*”.
  - b. The employee does not have a Form W4 on file or one signed without having done so under duress. Thus there are no “*wages, tips, compensation*” derived according to 26 CFR §31.3401(a)-3(a).
  - c. The employee is not engaged in a “*public office*” and does not desire to associate his or her private earnings with the government as an “Federal employee” or “contractor” or “public officer” because the employee would be committing perjury on a Federal form if he or she were to signed and submitted an IRS Form W-4.
5. Any such information return filed by the private sector company against the employee violates 26 USC §7434 because it is false information being transmitted. This has the potential to subject the company to civil liability for filing false information returns under section 7434 and criminal liability pursuant to 26 USC §7207.
6. Under this structure outlined above, the only party violating the law is the private sector employer [private company] as they have done so by:
  - a. Refusal to read and heed the written law and to abide by it.
  - b. Are relying on sources that are not credible according to both the IRS and Federal courts.
  - c. Have repeatedly tried to distract attention away from the law by using slanderous threats, intimidation, or unsubstantiated false allegations all while ignoring the law.

It should be a simple thing, if it were a perfect world, for the private sector “employee” to present the information stated and decline to sign an IRS Form W-4. Then go about their job activities without fear of retribution by the private company merely due to the employee standing up for what is right and correct.

Many companies, sad to say, will, if forced to choose between agreeing to abide by the law or what is considered the norm without any facts will violate the law. To their embarrassment, many will hold fast to their old paradigm by maintaining a work environment that places their private sector non-taxpayer workers with no choice but to involuntarily surrender their life, liberty, property, and rights to socialist thieves in the government. The need to secure gainful employment and the goading threats leaves the worker no choice but to seek work elsewhere in most situations. Of all the things the Dept. of Justice should be focusing on, this pernicious evil is the most important to eradicate because it is the essence of slavery it self and violates the Thirteenth Amendment.

The constitution fails to provide recourse except by the expense of time and a large financial investment to secure our Rights in the face of those who will fight to keep the status quo albeit via a perpetual state of duress.

By now you have a good understanding that if you are an American National, a nonresident alien, ***who is not engaged*** in the conduct of a “*trade or business*” in the “*United States*” then you are not engaged in any

1 privileged activity and have no source of income that makes you “taxable” or “liable” for the federal income  
2 tax.

3  
4 This chapter is perhaps best brought to a close by revealing some statutes and regulations in regard to this  
5 taxation. Keep in mind that even though you are not one subject to this federal municipal tax, the Internal  
6 Revenue Code does have a surprising amount to say about those like us who have no liability. The IRS would  
7 look very foolish to claim the Internal Revenue Code is bogus...or as they say “*frivolous and without merit*”.

8  
9 Thus, the IRC states that Nonresident Aliens [American Nationals] **who have no earnings** “*effectively*  
10 *connected with a trade or business in the United States*” are “free” from taxation by the following provisions of  
11 the IRC and Treasury Regulations.

12  
13 **26 USC §861(a)(3)(C) -- Income from sources within the United States:**

14 (a) *Gross income from sources within United States*

15 *The following items of gross income shall be treated as income from sources within the United*  
16 *States:*

17 (3) *Personal services*

18 *Compensation for labor or personal services performed in the United States; except that*  
19 *compensation for labor or services performed in the United States shall not be deemed to be*  
20 *income from sources within the United States if—*

21 (C) *the compensation is for labor or services performed as an employee of or under a contract*  
22 *with—*

23 (i) *a nonresident alien, foreign partnership, or foreign corporation, not engaged in trade or business*  
24 *within the United States, or*

25 (ii) *an individual who is a citizen or resident of the United States, a domestic partnership, or a*  
26 *domestic corporation, if such labor or services are performed for an office or place of business*  
27 *maintained in a foreign country or in a possession of the United States by such individual,*  
28 *partnership, or corporation.*

29  
30 **26 USC §864(b)(1) -- Definitions and special rules:**

31 (b) *Trade or business within the United States.*

32 *For purposes of this part, part II, and chapter 3, the term “trade or business within the United States”*  
33 *includes the performance of personal services within the United States at any time within the*  
34 *taxable year, but does not include—*

35 (1) *Performance of personal services for foreign employer*

36 *The performance of personal services—*

37 (A) *for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged*  
38 *in trade or business within the United States, or*

39 (B) *for an office or place of business maintained in a foreign country or in a possession of the*  
40 *United States by an individual who is a citizen or resident of the United States or by a domestic*

1 partnership or a domestic corporation, by a nonresident alien individual temporarily present in  
2 the [United States](#) for a period or periods not exceeding a total of 90 days during the taxable year  
3 and whose compensation for such services does not exceed in the aggregate \$3,000.

4  
5 **26 USC §1402 -- Definitions:**

6 (b) *Self-employment income*

7 The term “self-employment income” means the net earnings from self-employment derived by an individual (**other**  
8 **than a nonresident alien individual**, except as provided by an agreement under [section 233 of](#)  
9 [the Social Security Act](#)) during any taxable year; except that such term shall not include—

10  
11 **26 CFR §31.3401(a)(6)-1(b) -- Remuneration for services of nonresident alien individuals:**

12 (a) *In general.*

13 All remuneration paid after December 31, 1966, for services performed by a nonresident alien  
14 individual, if such remuneration otherwise constitutes wages within the meaning of §31.3401(a)–  
15 1 and if such remuneration is effectively connected with the conduct of a trade or business within  
16 the United States, is subject to withholding under section 3402 unless excepted from wages under  
17 this section. In regard to wages paid under this section after February 28, 1979, the term  
18 “nonresident alien individual” does not include a nonresident alien individual treated as a  
19 resident under section 6013 (g) or (h).

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

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

24  
25 **26 CFR §1.872-2(f) -- Exclusions from gross income of nonresident alien individuals:**

26 (f) *Other exclusions.*

27 Income which is from sources without [outside] the United States [District of Columbia, see [26](#)  
28 [USC 7701](#)(a)(9) and (a)(10)], as determined under the provisions of sections 861 through 863,  
29 and the regulations thereunder, is not included in the gross income of a nonresident alien  
30 individual unless such income is effectively connected for the taxable year with the conduct of a  
31 trade or business in the United States by that individual. To determine specific exclusions in the  
32 case of other items which are from sources within the United States, see the applicable sections of  
33 the Code. For special rules under a tax convention for determining the sources of income and for  
34 excluding, from gross income, income from sources without the United States which is effectively  
35 connected with the conduct of a trade or business in the United States, see the applicable tax  
36 convention. For determining which income from sources without the United States is effectively  
37 connected with the conduct of a trade or business in the United States, see section [864](#)(c)(4) and  
38 §1.864–5.

39  
40 **26 CFR §1.871-1(a) – Classification and manner of taxing alien individuals:**

41  
42 (a) *Classes of aliens.*

1 For purposes of the income tax, alien individuals are divided generally into two classes, namely,  
2 resident **aliens and nonresident aliens**. Resident aliens are, in general, taxable the same as  
3 citizens of the United States; that is, a resident alien is taxable on income derived from all  
4 sources, including sources without the United States. Nonresident alien individuals are taxable  
5 only on certain income from sources within the United States and on the income described in  
6 section 864(c)(4) from sources without the United States which is effectively connected for the  
7 taxable year with the conduct of a trade or business in the United States.  
8

---

9 “A power over a man’s subsistence amounts to a power over his will.”  
10 [Alexander Hamilton]

## 6 Chapter 6: The 16<sup>th</sup> Amendment & the Legislative Intent behind It

Quote to Contemplate:

*“An unconstitutional act is not law; it confers no rights; it imposes no duties; affords no protection; it creates no office; it is in legal contemplation as though it had never been passed.”*  
[Norton v. Shelby County, 118 U.S. 425 (1886)]

To some readers this chapter may appear somewhat dry. Take heart, it has been condensed so that you can get to the key points quickly. You will be amazed how much you will understand on this one page alone. Time is precious, so let's get started.

In **Article 1 Section 9** of the Constitution of the United States [ratified 1789] you find a complete list of ***what Congress cannot do***. That is a real relief for Americans to see that there indeed is a strong limitation placed against the Federal government so that we Americans might continue to enjoy our liberties, pursuing a quiet life, minding our own business, and enjoying the pecuniary results of our labor.

The one that is of interest to this discussion is found in Clause 4, which reads,

*“No capitation or other direct tax shall be laid, unless in proportion to the Census or Enumeration hereinbefore directed to be taken.”*

So Congress was granted the authority to directly tax [via apportionment] the states of the Union based on the Census. In that structure, Congress can not tax Americans directly in spite of their attempt to do so in the Income Tax Act of 1894. If there is the effort by Congress to use Direct Taxation, each state would receive a bill based on each State's percentage of the total population.

The Federal Government rarely uses this method. The reason is due to the limitations for a one-time charge. You see, once the various states of the Union would pay their proportioned share, the Federal Government could not come back for more money on that particular project.

Under **Article 1, Section 8, Clause 1**,

*“The Congress shall have the power to lay and collect taxes, duties, imposts and excises to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts and excises shall be uniform throughout the United States.”*

Ever hear of the **Income Tax Act of 1894**?

The United States Supreme Court [USSC] is certainly aware of it and has via the Pollock Decision declared this Act of Congress to be **UNCONSTITUTIONAL** as it amounted to a Direct Income Tax upon *American Nationals*.

President Taft had some interesting comments on that USSC decision to our favor!

Here we find the second method of taxation that the Constitution provides the Congress. Duties, Imposts and Excise taxation and these taxes are to be uniform throughout the States of the Union. These types of taxes are considered to be indirect taxation as they are charged on the cost of products, commodities, services, etc which are in many cases not billed directly to the consumer or *American Nationals*.

Congress has no limitations, to my knowledge, from the Constitution that prohibits Congress from creating an amendment to the constitution about laws that apply only the District of Columbia. There is also no



1 constitutional requirement for the Congress to tell Americans the jurisdictional application of each and every  
2 law Congress passes. Think about that for a moment as that is a great tool that Congress can use to create all the  
3 “assumptions” about their laws that in fact only apply to the District of Columbia .

4  
5 Then in 1913, along comes the famous “*INCOME TAX AMENDMENT.*” There are those who contend that  
6 former Secretary of State Philander Knox, as a lame duck bureaucrat, fraudulently ratified this amendment.  
7 There is really no need to go into discussion on this issue because it really doesn’t matter to *American Nationals*.  
8 However, you might find it worthy of study. The documentation I have seen appears to support the claim by  
9 researchers as to the improper ratification by Secretary Knox.

10  
11 So here it is. **Article XVI** –

12  
13 *“The Congress shall have power to lay and collect taxes on incomes, from whatever source*  
14 *derived, without apportionment among the several States, and without regard to any census*  
15 *or enumeration.”*

16  
17 So we see here that Congress granted itself the power to lay and collect taxes on incomes. Is that the end of the  
18 story? Not by a long shot! Once you read the Legislative Intent of the 16<sup>th</sup> Amendment you will better  
19 understand.

20  
21 As you have already noticed, the 16<sup>th</sup> Amendment is rather vague in that there is no identification of the “*parties*  
22 *and jurisdiction*” to which the Income Tax Amendment is applicable. For all these many years, *American*  
23 *Nationals* have rarely, if ever, looked at the Legislative Intent of the 16<sup>th</sup> Amendment.

24  
25 The **Legislative Intent** declares the reason for the creation of the Amendment or any law being created. The  
26 purpose of the Legislative Intent behind laws is to show future legislators, following the passage of time, what  
27 the thoughts and considerations were as a reason for creating the law.

28  
29 **The Legislative Intent of the 16<sup>th</sup> Amendment** clearly identifies the *parties* upon whom “*wages are income*”  
30 and thus taxable and the geographical *jurisdiction* to which the amendment is applicable. This document also  
31 shows you why the IRS claims all prior arguments about the federal income tax are considered “*frivolous and*  
32 *without merit*” by the United States District courts. This will be covered in detail in a later chapter.

33  
34 On June 16, 1909, former **President William H. Taft** sent his letter to Congress requesting that the Congress  
35 create a new piece of legislation. That document has been published in the **Congressional Record** and is the  
36 backbone of the creation of the 16<sup>th</sup> Amendment.

37  
38 When a Judicial Court needs to understand any law, one of the first steps taken is to review what the legislature  
39 was seeking to achieve and the reasons behind the law being created. So now is the right time to take a closer  
40 look at the Legislative Intent.

41  
42 President Taft stated in the Legislative Intent of the 16<sup>th</sup> Amendment,

43  
44 *“I therefore recommend to the Congress that both Houses, by a two-thirds vote, shall propose*  
45 *an amendment to the Constitution conferring the power to levy an income tax upon the*  
46 *National Government...”*

47  
48 What a hoot! He directed the Congress to place an income tax upon the “*employees, officers, and elected*  
49 *officials of the “United States”*. Sadly, for many years we Americans have been voluntarily giving our hard  
50 earned money by self-assessing [electing to have our income treated as taxable] for the Income Tax by filling  
51 out the Form 1040, using a Socialistic Surveillance Number, and mailing the Form and our money to the IRS.

1 The “*assumption*” of having “*taxed income*” was thus converted into an obligation by that voluntary act. Read  
2 26 CFR §1.871-1 again as to how we can “*elect*” to inflict damage on ourselves.

3  
4 Think about what the title for the Form 1040 shows, U.S. Individual Income Tax Return. That’s right, the  
5 “*United States*” [Federal Zone] Individual Income Tax Return. If you volunteered to pay a tax that only  
6 “*United States Citizens*” must pay then you have become a “*Taxpayer*”. If you happen to be an *American*  
7 *National* who works for the Federal Government as an “*employee, officer, or elected official of the Federal*  
8 *Government*” then you must pay the Income Tax because of the imposed liability.

9  
10 Additionally, President Taft stated in the Legislative Intent of the 16<sup>th</sup> Amendment the inclusion of another party  
11 to be taxed by stating,

12  
13 *”Second, the decision in the Pollock case left power in the National Government `to levy an*  
14 *excise tax, which accomplishes the same purpose as a corporation income tax and is free from*  
15 *certain objections urged to the proposed income tax measure. I therefore recommend an*  
16 *amendment to the tariff bill Imposing upon all corporations and joint stock companies for*  
17 *profit...”*

18  
19 **So President Taft identified the “*parties*” to whom “*wages are income*.”** These “*parties*” as you can easily  
20 see are the real “*Taxpayers*” for the Subtitle “A” income tax as expressed via the 16<sup>th</sup> Amendment. The  
21 Constitution is null and void in the Federal Zone [the exclusive sovereign geographical jurisdiction of the  
22 federal government].

23  
24 As the Congress only has to create a Statute in order for it to be considered a law in the Federal Zone, the parties  
25 made liable and those individuals who were born in the “*United States*” who are subject to the exclusive  
26 [municipal] jurisdiction of the “*United States*” were made liable for the passage in 1913, of the Income Tax  
27 Amendment.

28  
29 Why do you think the Internal Revenue Service (I.R.S.) name starts with the word “*Internal*”? When a tax law  
30 is specific to the Federal Zone alone, the name really makes sense. The IRS is the “*Revenue Service*” for  
31 collection of the Income Tax that is applicable “*internally*” to the Federal Government and those subject to the  
32 jurisdiction of the Federal Government.

33  
34 The effect of the Buck Act created the “*overlay of zip codes*” over the geographical 50 States of the Union.  
35 This resulted in the creation of a quasi extension of the Federal Zone by the use of Zip Codes.

36  
37 This is one key reason the IRS has offices outside of the Federal Zone and is operating similar to a State within  
38 the sovereignty of each of the 50 states. The Constitution has strictly forbidden this action but the sovereign  
39 states have been silent on stopping the Federal Government. For those who are academically inclined, check it  
40 out. You will be startled by your discovery here.

41  
42 These tangents are important but there is the need to keep on track. It is vitally important for you to understand  
43 the difference in Citizenship status. It is an imperative necessity that you stop “*assuming*” the term “*U.S.*  
44 *Citizen*” means a citizen of the 50 states of the Union.

45  
46 A “*U.S. Citizen*” has been made liable by virtue of being subject to the jurisdiction of the United States  
47 [meaning the Federal Zone] and is a 14<sup>th</sup> Amendment Statutory citizen without constitutional protections  
48 enjoyed by *American Nationals*.

49  
50 President Taft referenced that **American Nationals are completely excluded** from the imposition of the Federal  
51 **Income Tax**. The Legislative Intent discloses yet further truth by the statement,

1           “and it is now proposed to make up the deficit by the imposition of a general income tax, in  
2 form and substance of almost exactly the same character as, that which in the case of *Pollock v.*  
3 *Farmer’s Loan and Trust Company* (157 U.S., 429) was held by the Supreme Court to be a  
4 direct tax, **and therefore not within the power of the Federal Government to Impose** [upon  
5 American Nationals] unless apportioned among the several States according to population.”

6           [Emphasis & Clarification added]

7  
8 Did you see that? This is a direct statement by the President of the United States!

9  
10 President Taft admitted that the Federal Government does not have the power to impose a Federal income tax  
11 upon American Nationals who live in the Republic and do not work for the Federal government. You should re-  
12 read that last paragraph again until it sinks in.

13  
14 The IRS has to know who the real “*parties are that have been made liable*” and the geographical jurisdiction in  
15 which the 16<sup>th</sup> Amendment is applicable. Even though the IRS seems to have failed to acknowledge the  
16 Legislative Intent of the 16<sup>th</sup> Amendment, the law is still the law.

17  
18 The proper “*parties*” to which the income tax was directed toward does not include *American Nationals* and the  
19 jurisdictional restrictions for the applicability of the income tax does not include the 50 states of the Union. See  
20 the following for exhaustive proof:

Federal Jurisdiction, Form #05.018

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

21  
22 There is no lawful “***taxable liability***” for the income tax upon *American Nationals* unless the Federal  
23 Government employs them. *American Nationals* represent the group called “*Non-Taxpayers*” of the federal  
24 income tax that the Supreme Court stated in *Economy Plumbing & Heating v. US*.

25  
26 **Alexander Hamilton**, First Secretary of the United States Treasury and a Founding Father of the Constitution  
27 of the United States of the America, best described the foundational intent of the Constitution regarding the  
28 Federal Government’s ability to tax. He stated in his **Federalist Paper No. 15, December 1, 1787**,

29  
30           “*Except as to the rule of apportionment, **the ‘United States’** has an indefinite discretion **to**  
31 **make requisitions** for **men** and **money**; but they have ‘**no authority**’ to raise either, ‘**by**  
32 **regulations extending to the individual citizens of America.**’*

33  
34           *The consequence of this is that in theory their resolutions concerning those objects are law,*  
35 *constitutionally binding on the members of the Union, ‘**yet in practice they are mere***  
36 ***recommendations which the States observe or disregard at their option**’.*

37  
38 By now you certainly understand that the term “*United States*” used by Hamilton means the Federal  
39 government. He clearly shows what interests governments the most; Men and Money! Men, and now women,  
40 for staffing the military and money to control the lives of those they seek to dominate.

41  
42 Look at his comment about the fact that he understood the Congress will make “*requisitions for men and*  
43 *money*” while he tells all that the Federal government has

44  
45           “**no authority to raise either by regulations extending to the individual citizens of America.**”

46  
47 Not much “*grey area*” here for the Congress of today to squirm around, is there?  
48

1 Hopefully, the facts are very clear that the 16<sup>th</sup> Amendment does not create an Income Tax Liability upon  
2 *American Nationals*.

3  
4 So now you can review and think about your own personal tax situation, **or lack of it**, in light of the established  
5 legal facts:

- 6  
7 1) The Constitution provides the Federal Government with the ability to tax *American Nationals* by  
8 two basic methods, a direct apportioned tax and via a uniform excise tax on certain imported  
9 commodity items and a variety of services.
- 10  
11 2) The Income Tax Act of 1894 was declared by the United States Supreme Court as being  
12 unconstitutional as a direct income tax upon *American Nationals*.
- 13  
14 3) The Legislative Intent of the 16<sup>th</sup> Amendment by President Taft identified the parties made liable for  
15 the Income Tax as being “*employees, officers, and elected officials of the federal government.*”
- 16  
17 4) U.S. Corporations were made liable by enactment of the 16th Amendment.
- 18  
19 5) As the Federal Zone consists of U.S. Territories, those people born in the Federal Zone [U.S.  
20 citizens per 8 USC §1401] and subject to the jurisdiction thereof were made liable for the Federal  
21 Income Tax.
- 22  
23 6) *American Nationals* were specifically excluded by the Legislative Intent of the 16<sup>th</sup> Amendment  
24 from being made liable as they were “*therefore not within the power of the Federal Government to*  
25 *Impose*”.
- 26  
27 7) As a result of the 16<sup>th</sup> Amendment, the Federal government calls *American Nationals* “***nonresident***  
28 ***aliens***” as stated in 26 CFR §1.871-1 and that their income is not taxable or made liable under Title  
29 26 if that *American National* does not derive their income by being engaged in the conduct of a  
30 trade or business [working for the Federal government] within the United States.
- 31  
32 8) *American Nationals* become liable by “***electing***” to have their income treated as being made liable  
33 for the Federal Income Tax by self-assessment. This occurs by completing, making out a payment,  
34 using Federal property called a Social Security Number, and mailing the Form 1040 to the  
35 “*Internal*” Revenue Service. Such an act is considered a “*voluntary act*” even if you did not have  
36 knowledge of the truth.

37  
38 After 90 years of *American Nationals* “*voluntarily*” paying a tax that was “*assumed*” to be in existence and  
39 lawfully imposed upon those living in the Republic and working in the private sector, finally we uncover the  
40 facts that reveal the truth.

41  
42 There does not exist any Federal Law imposing the non-enacted “Subtitle A Income Tax liability” for *American*  
43 *Nationals*. No longer are you destroyed for a lack of knowledge.

44  
45 Footnotes about the Sixteenth Amendment to the Constitution of the United States:

46 “*This amendment did not confer any new power of taxation on Congress and did not extend the*  
47 *power of taxation to subjects previously exempted. Its whole purpose was to exclude the source*  
48 *from which income tax is a direct tax which must be apportioned among the states, and thus*  
49 *remove the occasion which might otherwise exist for an apportionment.*  
50 [American Jurisprudence 2d, Sixteenth Amendment, §17, pp. 317, 318 (1999)]

1 **Ask yourself, “Who were the subjects previously exempted?”**

2  
3 Then, and only then, will you realize who those parties were that the Income Tax Amendment, the 16<sup>th</sup>  
4 Amendment, did not extend the power of taxation to.

5  
6 Suggestion: Read the Legislative Intent of the 16<sup>th</sup> Amendment written by President William H. Taft, on June  
7 16, 1909 which is published in the Congressional Record of the United States Senate on pages 3344-3345 to  
8 find that answer.

9 *“The source of the taxing power is not the 16<sup>th</sup> Amendment; it is Article 1 Section 8 of the*  
10 *Constitution.”*

11 *[Penn Mutual Indemnity Co. v. Commissioner, 32 T.C. 1959, CCH at p. 659]*  
12

13 *“The decision of the Supreme Court in the income-tax cases [Pollock v. Farmers’ Loan & Trust*  
14 *Company (157 U.S. 429) was held by the Supreme Court to be a direct tax, and therefore not*  
15 *within the power of the Federal government to impose unless apportioned among the several*  
16 *States according to population] deprived the National Government of a power, which by reason*  
17 *of previous decisions of the court; it was generally supposed that government had.*

18 *I therefore recommend to the Congress that both Houses, by a two-thirds vote, shall propose an*  
19 *amendment to the Constitution conferring the power to levy an income tax upon the National*  
20 *Government without apportionment among the States in proportion to population.”*

21 *[President of the United States William H. Taft, Legislative Intent of the 16<sup>th</sup> Amendment,*  
22 *Congressional Record of the United States Senate, June 16, 1909, pages 3344-3345]*

## 7 Chapter 7: Congressional Jurisdictions

Quote to Contemplate:

*“In other words, whilst confined to its constitutional orbit, the government of the United States is supreme within its lawful sphere.”*

*“The laws of Congress in respect to those matters [Federal income taxation] do not extend into the territorial limits of the states, but have force only in the District of Columbia, and other places that are within the exclusive jurisdiction of the national government. Constitutional restrictions and limitations are not applicable to the area of lands, enclaves, territories and possessions over which Congress had exclusive legislative authority.”*  
[Downes v. Bidwell, 182 U.S. 244 (1901)]

This subject matter should initiate with a brief historical review. The Constitution of the United States of America [ratified in 1789] established three power divisions of the national government. In general, the Executive power division deals with the administration or proper execution of the laws passed by Congress. The Judicial power division functions in the role of construing law or applying it to a particular set of facts based on obligation originating from enacted federal law.

The most important power division of the *United States* is the Legislature [Congress]. These are the elected officials of the *United States* that *American Nationals* can vote for to represent us in the affairs of the government. Congress, through elected men and women, has the important job of creating the laws of our great nation.

Sometimes that job is very perplexing and compounds things that create results far beyond that which was intended. There is such a thing as housekeeping that might be helpful to all *American Nationals* if Congress were to organize the laws it passes into two separate jurisdictions. Have a set of books [laws] for the exclusive jurisdiction of Congress and a separate [distinct] set of books for just those in the 50 states of the Union. I have a strong feeling that the laws toward the 50 states of the Union will be a shorter read as most of the laws Congress passes probably are applicable only within the “*United States*”.

Here’s an idea! Tell Congress to create a library of current laws that apply only to the 50 states of the Union. Then mandate that Congress always identify on any legislation which jurisdiction each law applies toward so as to eliminate any potential for confusion on part of the public. That library of laws applicable to the 50 states will be small compared to those applicable in the municipal district identified by Article 1 Section 8 Clause 17.

Congress is where every law originates and so does the confusion sometimes. From this point forward, every time you see the term “*United States*”, I am referring exclusively to the federal government and/or the District of Columbia.

Many *American Nationals* are unaware that Congress has two jurisdictions in which a law **may or may not apply**. The laws that Congress passes, or enacts, may apply to the Federal Zone only or to the 50 states of the Union. This is an important distinction that should not be overlooked when considering the aspects of federal jurisdiction questions.

*“It is clear that Congress, as a legislative body, exercise two species of legislative power: the one, limited as to its objects, but extending all over the Union: the other, an absolute, exclusive legislative power over the District of Columbia. The preliminary inquiry in the case now before the Court, is, by virtue of which of these authorities was the law in question passed?”*  
[[Cohens v. Virginia, 19 U.S. 264, 6 Wheat. 265; 5 L.Ed. 257 \(1821\)](#)]

1 The **Federal Zone** currently consists of: Washington, DC, the U.S. Territories [like Puerto Rico, the U.S. Virgin  
2 Islands, Guam, American Samoa], military enclaves [like Air Force bases], and insular possessions [like federal  
3 buildings we see in our cities].

4  
5 A quick review about the people who were born in or live in the Federal Zone, they are called statutory “**U.S.  
6 Citizens.**” They have **no constitutional protections** of any God-given rights as they are subject to the exclusive  
7 jurisdiction of the *United States*. They carry an ID card proving they are “*U.S. Citizens.*”

8  
9 The United States of America [USA] consists of the 50 states of the Union [the Republic]. This is the  
10 jurisdiction where Congress passes the fewest laws. Surprised? The simple reason for this is because the  
11 *United States* doesn’t have any lawful jurisdiction to do as they choose inside the borders of the 50 states [non-  
12 federal land] because of **Article 1, Section 2, Clause 3 and Article 1, Section 9, Clause 4** of the Constitution.

13  
14 **Congresswoman Zoe Lofgren**, from the 16<sup>th</sup> District of California, stated in her letter to a constituent dated  
15 October 30, 2000:

16  
17 *“Your assertion that Congress has exclusive legislative authority over Washington DC and  
18 limited legislative authority over the states [meaning the 50 States of the Union] is correct.”*

19 *[SEDM Exhibit #04.003;*

20 *SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]*

21  
22 The clarification had to be added, as even these guys may not be totally clear to some readers. This will become  
23 more evident as you continue.

24  
25 Interestingly there is another statement by Zoe Lofgren in which was stated,

26  
27 *“There is no Constitutional requirement to identify the source of authority when passing a  
28 particular law...evaluations of Constitutional authority must be done on a case by case basis.”*

29  
30 Get real! Did you see what the Congresswoman Lofgren just told you? Just because there is no Constitutional  
31 Requirement for the Congress to show the public what the source of authority [meaning the proper jurisdiction  
32 that is applicable] they are going to make it deliberately difficult for the public try and figure it out!

33  
34 *Do you have any idea how many laws Congress created last year? Guess who has to determine if a law applies*  
35 *to American Nationals? **You do!** So you come home tired each evening [unless you work nights] and each of*  
36 *us now have the additional burden of not only trying to understand every law that is passed but we are left with*  
37 *trying to figure out if that law is applicable to the jurisdiction of the 50 states of the Union. That’s the*  
38 *game...but there is help via the Federal Register!*

39  
40 By the way, this would be a great issue to bring up to your Congressman when they are seeking your vote during  
41 the next election. Part of their well paid job should be to clearly identify the “jurisdictional authority” in order  
42 to make it simple for those of us who have to work for a living to know if a law applies to us.

43  
44 Now I will quietly step down from my soapbox and continue. However, I will keep it handy just in case.

45  
46 Wouldn’t it be great if there were a web site, which published every law that is applicable to *American*  
47 *Nationals*? Then one would only have to select the **Legislative Intent of the law** to learn the specifics of the  
48 enacted law. For readers who are not attorneys, the Legislative Intent of the law specifically identifies the law’s  
49 purpose, the parties, and jurisdiction of the newly enacted law in a very specific manner.

50  
51 Hopefully, you are still reading. This takes a little getting use to for most people so don’t give up or get lost.  
52 Let’s summarize what you have just read.

1. Only Congress has lawful authority to create or enact federal laws as stated in Article 1 Section 1 of the Constitution of the United States. Courts and Court decisions do not have such constitutionally granted authority.
2. Congress has never been granted the authority by the Constitution to delegate Legislative authority to federal agencies or Secretaries of federal agencies [like the Secretary of the Treasury] to create their own implementing regulations.
3. Congress has two jurisdictions in which legislative powers can have an impact: The **Federal Zone** and **the 50 states**.
4. Federal Zone Citizens are “*United States Citizens*” and Citizens of the 50 states of the Union are “*American Nationals*” [non-resident aliens to the federal zone].
5. *American Nationals* enjoy the Constitutional Protections of God-Given Rights; “*U.S. Citizens*” do not.
6. Congress has no obligation to tell *American Nationals* if the law they pass applies to the 50 states of the Union.
7. The Legislative Intent of a law tells us the purpose of the law, the parties involved, and the jurisdiction to which it applies.
8. The two key issues of any federal law are:
  - a. Who are the **Parties** that the law applies to or is imposed upon?
  - b. What is the **Jurisdiction** in which the law is applicable?

Soon we will be talking in more detail about your money and the real control over it you were probably not aware of prior to starting this journey.



## 8 Chapter 8: Congressional Publication: How Our Laws Are Made

Quote to Contemplate:

*“When government fears the people, there is liberty. When the people fear the government, there is tyranny.”*

*[Thomas Jefferson, President of the United States]*

Do you like getting something free from time to time? The U.S. Government Printing Office has a short publication that you should write to your Congressman and request one of their Legislative Assistants send a free copy to you. The booklet title is “**How Our Laws Are Made**” and was a product of the 105<sup>th</sup> Congress, 1<sup>st</sup> Session. The Document number you will need to give the Congressman is Document 105-14 and it was published in 1998.

Most of the publication is fairly clear but admittedly somewhat dry in its presentation. However, I draw your attention to page 44 **SECTION XIX Publication** of the booklet. This is where the real meat of the booklet starts to tell the reader the impact of all that has occurred earlier in creation of a law.

This part may be dry but it is important, as you will soon discover. The underlined segments are the key points and you will find them summarized later. Now you need to go get a glass of wine or your other favorite liquid to enjoy with your reading so that you won’t dry out.

### 8.1 **Enacted Law**

Let me quote directly from Congress the most important facts in their publication.

*“One of the important steps in the enactment of a valid law is the requirement that it shall be made known to the people who are to be bound by it. There would be no justice if the state were to hold its people responsible for conduct before it made known to them the unlawfulness of such behavior. In practice, our laws are published [in the Federal Register] immediately upon their enactment so that the public will be aware of them.”*

[Clarification added]

Time for an editorial I think. Did you notice the phrase “*enactment of a valid law*”? By Congress using that phrase the implication is that an “*invalid law*” might exist and be inadvertently “*assumed*” to be a “*valid law*”?

You will start thinking like an attorney when you read the “*words of art*” that are used by those in government to express their acts and intent. Words are the only tools that those in government have to work with every day and the words that they use can and do mean something entirely different from our everyday definitions.

The government has the ability to define the terms they use in any manner they choose. That is why they publish their “*definitions*”. As you have already seen, it is never safe to “*assume*” that the common meaning of a word is the same meaning used by the government. In reality the government’s definitions of words are many times far different from ours.

*“If the President approves a bill, or allows it to become law without signing it, the original enrolled bill is sent from the White House to the Archivist of the United States for publication.”* It is then assigned a number, and paginated for the Statutes At Large volume covering that session of Congress.

So laws that apply to some group referred to as certain “*kind of people*” must be published in the Federal Register. Common sense would say that the “*kind of people*” being referenced here can only be American

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Nationals. This is logical as publication in the Federal Register is required under the Federal Register Act, 44 USC §1505, if the Congressional Act [law] is applicable to that group or “*kind of people*”.

Remember, there is no requirement for the Federal government to publish any of their laws in the Federal Register for the “*kind of people*” called “*U.S. citizens*” as their geographical jurisdiction is considered to be within the “*United States*”.

**26 CFR §601.702(a)(2)(ii) Effect of Failure to Publish in the Federal Register** states:

*“Except to the extent that a person has actual and timely notice of the terms of any matter referred to in paragraph (a)(1) of this section **which is required to be published in the Federal Register**, such person is not required in any manner to resort to, or be adversely affected by, such matter **if it is not so published or is not incorporated by reference therein** pursuant to paragraph (a)(2)(i) of this section.*

**Thus, for example, any such matter which imposes an obligation and which is not so published or incorporated by reference shall not adversely change or affect a person's rights.”**

This regulation, in context to How Our Laws Are Made on page 44, is only applicable toward the “*kind of people*” called American Nationals. It does not apply to those who are “*U.S. citizens*”.

***What if there were no American Nationals? How silly a question, right?*** Think back to the SSN purported constructive trust contract. Oh NO! *Do you see it?* If all American Nationals use a SSN and are identified in the IRS records and databases as a “*U.S. citizen*” or “*resident alien*”, then are there any American Nationals left?

Do you now understand the importance of correcting the misidentification created by documents that have previously asked you if you are a “*U.S. citizen*”? Do you understand the need to correct any erroneous tax class 5 information returns so that the error does not go unchallenged?

## **8.2 Slip Law**

*“The first official publication of the statute is in the form generally known as the ‘slip law’. The heading indicated the public or private law number, the date of approval, and the bill number. The heading of a slip law for a public law also indicated the United States Statutes At Large citation.”*

*“The Office of the Federal Register, National Archives and Records Administration prepares the slip laws and provides marginal editorial notes giving the citations to laws mentioned in the text and other details. Each slip law includes an informative guide to the legislative history of the law consisting of the committee report number, the name of the committee in each House, as well as the date of consideration and passage in each House, with a reference to the Congressional Record by volume, year and date.”*

## **8.3 Statutes At Large**

*“The United States Statutes At Large, prepared by the Office of the Federal Register, National Archives and Records Administration, provide a permanent collection of the laws of each session of Congress in bound volume. The Statutes At Large are a chronological arrangement of the laws exactly as they have been enacted. There is no attempt to arrange the laws according to their subject matter or to show the present status of an earlier law that has been amended on one or more occasions [repealed or revoked]. The code of laws serves that purpose.”*

## 8.4 United States Code

“The United States Code contains a consolidation and codification of the general and permanent laws of the United States arranged according to subject matter under 50 title headings, in alphabetical order to a large degree. The Code is declared to be prima facie evidence of those laws [in the Statutes At Large]. Its purpose is to present the laws in a concise and usable form without requiring recourse to the many volumes of the Statutes At Large containing the individual amendments.” [Clarification added]

Black’s Law Dictionary defines the word “*Prima facie*” to mean

“at first sight; on the first appearance; on the face of it; so far as can be judged from the first disclosure; presumably; a fact presumed to be true unless disproved by some evidence to the contrary.”

So Congress is telling us that Title 26 can be “assumed” to be a “valid law” unless we are sharp enough to dig for the truth to disprove Title 26 as being a “valid law”. The Index to the United States Code tells us clearly that Title 26 is possibly an “invalid law” vis-à-vis being a “valid law”. Time to stop and think about this one!

“Twenty-two of the 50 titles have been revised and enacted into positive law, and two have been eliminated by consolidation with other titles. Titles that have been enacted into positive law are legal evidence of the law and the courts will receive them as proof of those laws.”

A “*positive law*” as defined in Black’s is a “*law actually and specifically enacted or adopted by proper authority for use by the government.*” So over half of the Titles in the USC are not positive law but Congress expects you to “assume” the Titles are “valid law”. 26 USC [Internal Revenue Code] is not positive law.

The Title Index to the United States Code identifies which Titles are enacted as positive law and those Titles, which are not enacted into positive law. You will easily find that Title 26 of the United States Code has not been enacted into positive law. When a question arises, one is required to refer back to the Statutes At Large, the only government publication that shows all “*enacted valid laws*” for our nation, to find out if the law referenced by the non-enacted Title has been stated as a “valid law”.

Looks like the possibility of an “invalid law” toward *American Nationals* might be published in the United States Code and if we are not careful we carelessly make the “assumption” that all Titles are “valid law”. This is the reason that Congress has told us that many of the Titles in the United States Code are not real law at all. 26 USC is only “assumptive” evidence that an “enacted valid law” might exist.

At this juncture, a brief comment on regulations is necessary. There are three (3) types of regulations and only one has the full force and effect of law. There are Administrative Regulations, Procedural Regulations [created by the IRS] and Legislative or Implementing Regulations.

The Legislative or Implementing Regulations created by Congress are the only regulations that have the full force and effect of the law. Implementing Regulations are then published in the Code of Federal Regulations for their respective Title in the USC. Cheryl Kordick [Chief Assistance Section, IRS, Washington DC] stated this fact in her letter dated January 24, 1998.

In order for a federal tax law to be “applicable” to American Nationals you will need to obtain the following three references. Make a note that there must be an “enacted law” in order for the Statute to be in effect. The Implementing Regulation must be published in the Federal Register as Congress stated in their booklet on how laws are made.

- a) The enacted Statute in Title 26 of the United States Code [26 USC].
- b) The Implementing Regulation for the specific enacted Statute published in Title 26 Code of Federal Regulations [26 CFR].
- c) The publication in the Federal Register of the Implementing Regulation as evidenced by the volume, date and page number in the Federal Register.

Wow! That was like eating a bag of popcorn with nothing to drink. This is probably one of those times where you know you read something important but find yourself trying to figure out what you just read. Perhaps I better develop the summary I previously mentioned so that you don't have to read that material again. Don't forget to contact your Congressman and obtain your own copy of this very important and powerful publication. That way your Senator or Congressman will provide you for free what the U.S. Government Printing Office will charge you for. If you are still a college student, free is preferred!

The summary of this chapter will hopefully give you something to think about before you charge into even more exciting information in the following chapters. In order to keep in theme, I call this summary the "*Popcorn Summary*":

1. Congress tells us that when they enact a "*valid law*" that Congress has the requirement to "*immediately notify*" the people who are to be bound by it.
2. Once a "*valid law*" is enacted, the Office of the Federal Register enters the new law as a "slip law", which contains the legislative history including the Legislative Intent for the creation of the law.
3. The Federal Register enters the law into the Congressional Record and it too contains the Legislative Intent of the law.
4. The Office of the Federal Register then enters the enacted "*valid law*" into the Statutes At Large but only on a chronological basis.
5. All enacted "*valid laws*" are published in the Statutes At Large.
6. The "*valid law*" is then published in the United States Code based on subject matter content.
7. The United States Code also contains some Titles that might have "*invalid laws*" as only 22 out of 50 USC Titles are enacted into *positive law*.
8. Congress tells us that The United States Code is "*declared to be prima facie* [a fact "*assumed*" to be true unless disproved by some evidence to the contrary] *evidence of those "valid laws"*.
9. The Title Index of the United States Code identifies Title 26 [the Internal Revenue Code] as not being enacted into positive law.

Take another look at the first item in the "*Popcorn Summary*" where Congress tells *American Nationals* that they [Congress] have the requirement to "*immediately notify*" us. *How does Congress immediately notify us? Didn't expect a pop-up question did you?* Well, time is up for your answer as the buzzer just went off. You know the answer: by the federal government being required to publish the "*enacted valid law*" in the Statutes At Large, in the United States Code, and in the Federal Register.

Here is a 100-point toss up question to quickly ponder. *Do you remember when the 16<sup>th</sup> Amendment was passed?* There is that buzzer again. Try about 90 years ago and then ask yourself if that fits well with you about being "*immediately notified*". The 16<sup>th</sup> Amendment<sup>17</sup> was ratified in 1913, and Title 26 has yet to be enacted

<sup>17</sup> There are researchers who have documentation that prove the states of the Union did not properly ratify the 16<sup>th</sup> Amendment in 1913 but I will not spend time there. You need to know that there remains an area of contention with some individuals on the ratification of the 16<sup>th</sup> Amendment but that issue is separate from the intent of this work.

1 into positive law. Congress has told us the truth all along but we *American Nationals* have “assumed” the  
2 wrong conclusion. After all this, now you find that persistent child in you asking, “Why”?

## 9 Chapter 9: Title 26: Special Law v. Positive Law

Quote to Contemplate:

*“The Constitution is a written instrument. As such, its’ meaning does not alter. That which it meant when it was adopted, it means now.”*

*[South Carolina v. United States, 199 U.S. 437, 448 (1905)]*

Now we are ready to find the answer to “why Title 26 is not positive law.” By the very definition of “**positive law**” one can readily see that it is mostly a euphemism for saying the law is actually and specifically enacted for use by the government outside the “United States”. If you ask the Internal Revenue Service (I.R.S.) when 26 USC was enacted into positive law, the IRS will tell you August 16, 1954.

If you look closely at the 26 CFR §1.0-1, you will notice the date of August 16, 1954. On the surface this doesn’t seem like much of an issue. That is until you look more closely at the Implementing Regulation published at **26 CFR §1.0-1**.

Code of Federal Regulations, **26 CFR §1.0-1 (a) states:**

*“**Enactment of Law.** The Internal Revenue Code of 1954 which became law upon enactment of Public Law 591, 83d Congress, approved August 16, 1954, provides in part as follows:”*

No gray area here. You can easily see that the Internal Revenue Code of 1954 was enacted on August 16, 1954, just like the IRS letter states. *Looks like Subtitle “A” enactment is valid after all.... right?*

Yes it does, when the jurisdiction in question is the District of Columbia. However, we should pause here in regard to the question that addresses the jurisdiction of the 50 states of the Union. We need to read a little more of this regulation.

*Have you ever noticed when a person tells a lie, and they are not good at hiding truth, they tend to get nervous, start sweating, or get real quiet? Well, this is where the IRS breaks out in a cold sweat and gets real quiet when asked to explain the rest of the regulation! When anyone actually reads 26 CFR §1.0-1(a), the IRS must certainly hope the reader does not read beyond the first paragraph of the legislative regulation.*

The Blue Man Group has a great stage act in which they show the audience billboards with lots of information on them and they keep flipping to the next one before you can finish reading the first one. The trick is to keep you distracted so you can’t read all the information before you. Too bad for the IRS, we have plenty of time for you to closely read 26 CFR §1.0-1. If you make a trip to Las Vegas you have to see that show!

Back to work. Hope you are sitting down.

Check out the narrative in the fourth paragraph on 26 CFR §1.0-1, which starts with

*“In general, the provisions of the Internal Revenue Code of 1954 are applicable with respect to taxable years [basically calendar years] beginning after December 31, 1953, and ending after August 16, 1954.”*

That last sentence in the Implementing Regulation just begs to put this one in bold relief. This is even better than the Blue Man Group! **The Congress enacted the Internal Revenue Code of 1954 on August 16, 1954**, and then about 2.4 nanoseconds later [or sometime during the day] **terminated the enactment you just read on the very same day!**

1 The IRS does the best “*Texas Two Step*” you will ever see, when you stick this enacted federal law in front of  
2 them and ask them to explain the “ending of the enactment”. They scurry from the truth in their attempt to boot  
3 scoot away.

4  
5 Well, the IRS is also famous for spouting those Statutes in 26 USC [6001, 6011, & 6012] giving the reader the  
6 impression that the IRS agent knows the law and that the reader has “*taxed income*” and therefore a “*taxable*  
7 *liability*”. Even though a Statute has no full force and effect of law by itself, the IRS isn’t required to provide or  
8 publish implementing regulations in the Federal Register for those who are federal workers, statutory “U.S.  
9 citizens”, resident aliens, or those who operate in a representative capacity for the benefit of the federal  
10 government by exercising some of the sovereign power of the government pursuant to Federal Rule of Civil  
11 Procedure 17(b).

12  
13 Remember when you read a great book but you were so interested in finding out how the author finished the  
14 story? What did you do at least once? That’s right; you jumped to the back of the book. If you have ever seen  
15 a copy of a recent version of the Internal Revenue Code it has around 9,500 pages all written in small print.

16  
17 *So guess what I did?* You got it; I jumped to the back of the book when I found in the index the section of the  
18 Code that deals with “**The Applicability of Revenue Laws**”. The specific section, on page 9,442 in my edition  
19 of the Internal Revenue Code, in **26 USC §7851(a)(1)(A) Subtitle A** states,

20  
21 *“Chapters 1, 2, 4 and 6 [these are the chapters that make up Subtitle A] of this title shall apply*  
22 *only with respect to taxable years [basically calendar years] beginning after December 31,*  
23 *1953, and ending after the date of enactment of this title.”*

24  
25 *Does this look familiar?* Look back at 26 CFR §1.0-1. Nothing has changed in the status of **Subtitle “A”**  
26 [Federal Income Tax] as it **died on August 16, 1954**, the very same day it was created.

27  
28 If I am wrong, then ask the IRS to produce the “volume, date, and page number as to the publication of this  
29 regulation in the Federal Register for it to be applicable toward American Nationals who do not work for the  
30 government. This is a requirement of the Department of the Treasury according to 44 USC §1505 and 26 CFR  
31 §601.702(a)(1).

32  
33 Here is yet another problem for the IRS. 26 USC tells us that Subtitle “A” is “**applicable**” but the “*applicability*  
34 *stops or ends*” on the day 26 USC is enacted into positive law. Slick use of words, this event happened on  
35 August 16, 1954 per 26 CFR §1.0-1.

36  
37 Contrast 26 USC §7851(a)(1)(A) expression of date of enactment wording with 26 USC §7851(a)(4) Subtitle  
38 “D” & 26 USC §7851(a)(5) Subtitle “E” where you find the statement of the effective date of enactment  
39 somewhat less cloudy as they both stated.

40  
41 *“Subtitle ‘D’ of this title shall take effect on January 1, 1955...”*  
42 *“Subtitle ‘E’ shall take effect on January 1, 1955...”*

43  
44 Not much grey area there about when they were enacted or that they too “*ended after the date of enactment*”  
45 verbiage. The government does express itself with clarity when they have nothing to hide. Ask the IRS for the  
46 volume, date, and page number in the Federal Register for the publication of the Implementing Regulation for  
47 the Subtitle “A” Federal income tax. **The response is silence because it is not published there.**

48  
49 A real basic question for the IRS arises, “*How can a ‘law’ be a ‘law’ if it has never been enacted into law?*”  
50 For years the IRS has been using circular logic and semantic gamesmanship to mislead, misdirect, threaten, use  
51 enforcement via liens and levy, avoid clear direct responses, and to generally confuse a great number of people.

52  
53 “*Assumptions*” of facts seem to gain strength over people when the “*assumption*” has been ongoing for a long  
54 period of time and especially when all they can get out of the government is silence deliberately designed to

1 mislead and injure those asking the questions. Many have asked how the wealthy, with all their powerful  
2 attorneys at their call, have not made this discovery. First you have to know the right question to ask to get the  
3 information you need. Perhaps this question is best answered by considering why most people, centuries ago,  
4 thought the world was flat. Those in authority told the masses the world was flat. It was common knowledge.

5  
6 Those who made scientific analysis, and chose to speak up, drew attention to the facts as they found them. They  
7 challenged the common “*presumption of fact*” and were harassed, intimidated, lost their livelihood, and in some  
8 cases lost their lives. Has mankind really evolved since the Dark Ages or do those in power [at whatever point  
9 in history] always resist the changes that inevitably arise from those who prove the former “*presumptions*” to be  
10 invalid? Truth brings light to those who embrace it.

11 *"Believing is easier than thinking. Hence so many more believers than thinkers."*  
12 *[Bruce Calvert]*

13 *"There is nothing so powerful as truth, and often nothing so strange."*  
14 *[Daniel Webster]*

15 There has to be at least one reader who feels sorry for the IRS' predicament. Maybe the attorneys on staff just  
16 didn't read 26 CFR §1.0-1(a). No, I don't think so. They know the law and these attorneys know how to use  
17 the tools of their trade very well. It is interesting that they wrote this statute in such a convoluted manner as to  
18 tell the truth but in doing so, requiring the reader to really dig to understand what they were saying.

19  
20 Want proof that these attorneys can write the enactment of a law clearly and straightforward? Read again the  
21 way Subtitle D enactment was written in 26 USC §7851(a)(4). “*Subtitle D of this title shall take effect on*  
22 *January 1, 1955.*” Subtitle E is written just as clearly. Could it be that the IRS attorneys were hoping that  
23 *American Nationals* would make yet another “*assumption*” that Subtitle A was really enacted?

24  
25 But this is not all. At the beginning of this chapter you read the three statutes [6001, 6011, & 6012 which are  
26 found in Subtitle F enforcement] that the IRS always states as their standard response to anyone who asks if they  
27 are liable for the Subtitle “A” Federal income tax.

28  
29 As mentioned earlier, a Statute by itself has no full force and effect of the law toward American Nationals.  
30 Statutes absent regulations, in fact, may only lawfully be enforced directly against federal employees, officers,  
31 and instrumentalities. See:

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

32  
33 A Statute by itself is like a corvette up on blocks with no tires. It still looks fast but until the tires are attached it  
34 isn't functional. The tires of a Statute are the regulations. *How can that be, you ask?*

35  
36 The problem for the IRS arose when the United States Supreme Court dumped this case decision in their lap. In  
37 the case **California Bankers Assn. v. Shultz, 416 U.S. 21 (1974)**, you will find stated by the USSC,

38  
39 *“we think it important to note that the Act's civil and criminal penalties attach only upon*  
40 *violation of regulations [Implementing Regulations] promulgated [published in the Federal*  
41 *Register] by the Secretary; if the Secretary were to do nothing [not publish the regulations in the*  
42 *Federal Register], the Act itself would impose no penalties upon anyone.” [Clarification*  
43 *added]*

44  
45 No doubt you can see the difference between how the IRS talks about the law and what you are finding in this  
46 material to be specific laws that you can read for yourself and draw your own conclusions.



Your attention is now directed to the specific Implementing Regulation, which requires the IRS to publish any obligation upon *American Nationals* in the Federal Register. Consider **26 CFR §601.702(a)(1) Publication in the Federal Register. Requirement**, which reads in part

*“the Internal Revenue Service is required under 5 USC 552 (a)(1) to separately state and currently publish in the Federal Register for the guidance of the public the following information:*

*(iv) **Substantive rules** of general **applicability** adopted as **authorized by law**”*

Take a closer look at this Implementing Regulation and you will find a powerful benefit that the IRS probably would prefer that you don't know about. The Regulation is found in **26 CFR §601.702(ii) Effect of Failure to Publish** and is worth a second look.

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

If there were an Implementing Regulation imposing taxable liability for Subtitle “A” Federal income tax upon *American Nationals*, then **the regulation must be published in the Federal Register** or then no liability would exist for *American Nationals*.

The answer to this conundrum has been provided by **Office of the Federal Register**, Attorney Michael L. White, in his legal opinion letter date May 16, 1994. Federal Attorney Michael White stated the results of his search of the Federal Register Archives in his legal opinion letter as follows,

*“Our records indicate that the Internal Revenue Service **has not** incorporated by reference [as required by Implementing Regulation 26 CFR §601.702(a)(1)] a **requirement to make an income tax return.**”* [Emphasis added]  
[SEDM Exhibit #05.005;  
SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]

So there you have it straight from the Office of the Federal Register, an agency under the National Archives, stating that 26 CFR §1.0-1 imposing the Subtitle “A” Federal income tax has not been published in the Federal Register. As a result of that regulation not being published in the Federal Register it *“will not adversely change or affect a person's rights.”*

You might be further interested to note that Federal Attorney Michael White also stated when asked about the IRS having published the implementing regulations for 6020 [Substitute for Returns], 6201 [Assessments], 6321 [Liens], 6331 [Levies], and many others statutes in the IRC, that

*“There **does not exist** in the Parallel Table of Authorities and Rules, a finding aid compiled and published by the Office of the Federal Register as part of the CFR Index, **any corresponding entries for Title 26** [for provisions regarding Subtitle “A” income tax].”* [Clarification added]

Could you imagine the IRS response, if they were forced to explain “why” Federal Attorney Michael White arrived at his conclusions? It would be the sound of silence.

Simply put, **the Federal Register has been researched by federal employees and there is not present any Implementing Regulation, which imposes the Subtitle “A” Federal income tax upon American Nationals.**

Why isn't there an implementing regulation published in the Federal Register, you ask? The answer resides in the Legislative Intent of the 16<sup>th</sup> Amendment. The only "parties" that have a Subtitle "A" Federal income tax liability are "employees, officers, and elected officials of the United States, federal corporations & like entities, statutory creations of Congress called "U.S. Citizens", residents [aliens], and those who derive income from being engaged in the conduct of a trade or business [performance of the functions of a public office] in the United States [like those who use an SSN]." 44 USC §1505(a) and 5 USC §553(a) specifically exempt these groups from the requirement for publication of enforcement regulations in the Federal Register.

Now do you understand the truth as to "Why" 26 USC isn't enacted into Positive Law? Perhaps it would be a good idea to provide a summary of the facts according to enacted Federal Law, Implementing Regulations, and Legal Opinion Letter from a Federal official.

Summary regarding why 26 USC is not positive law:

- 1) 26 CFR §1.0-1 (a) states "Enactment of Law. The Internal Revenue Code of 1954, which **became law upon enactment** of Public Law 591, 83d Congress, approved **August 16, 1954**."
- 2) 26 CFR §1.0-1, also states emphatically the fact, "In general, the **provisions** of the Internal Revenue Code of 1954 are **applicable** with respect to taxable years [basically calendar years] beginning after December 31, 1953, and **ending after August 16, 1954**." [Emphasis and Clarification added]
- 3) The enactment of the Internal Revenue Code of 1954 under Implementing Regulation 26 CFR §1.0-1 **started and ended on the same day, August 16, 1954**.
- 4) In the section of Title 26 pertaining to "The **Applicability** of Revenue Laws". [26 USC §7851(a)(1)(A)] and addressing Subtitle A [Federal Income Tax] specifically you will find stated, "Chapters 1,2,4 and 6 [these are the chapters that make up Subtitle A] of this title shall apply only with respect to taxable years [basically calendar years] beginning after December 31, 1953, and **ending after the date of enactment of this title**." [Clarification added]
- 5) The United States Supreme Court stated in California Bankers Assn. v. Shultz, that civil and criminal penalties **attach only upon violation of regulations** [Implementing Regulations] published in the Federal Register and that if such required regulations were not published in the Federal Register then "the Act itself would impose no penalties upon anyone."
- 6) Federal Law as stated in 26 CFR §601.702(a)(1) **requires** the IRS to publish in the Federal Register under 5 USC §552 (a)(1) "to separately state and currently publish in the Federal Register for the guidance of the public the following information: (iv) **Substantive rules of general applicability adopted as authorized by law...**"
- 7) Federal Law as stated in 26 CFR §601.702(ii) **Effect of Failure to Publish** states, "...**any such matter which imposes an obligation and which is not so published or incorporated by reference will not adversely change or affect a person's rights**."
- 8) The Office of the Federal Register has stated in a legal opinion letter that, "Our records indicate that the Internal Revenue Service **has not** incorporated by reference [as required by Implementing Regulation 26 CFR §601.702(a)(1)] a requirement to make an income tax return." [Clarification added]
- 9) The Office of the Federal Register has also stated in their legal opinion letter that there does not exist in the Code of Federal Regulations under 26 CFR any enforcement authority for the IRS to use "Assessment, Liens, or Levy by distraint" for applicability toward the Subtitle A Federal Income Tax.

- 10) *American Nationals* not engaged in federal franchises are free from any type of penalty or enforcement actions arising from not filing and paying the Subtitle A Federal Income Tax because there are no implementing regulations imposing such a requirement.
- 11) 26 USC is “*special law*” designed only for the federal judicial district, Washington, DC. It is fully applicable there and for those who have legal domicile in that internal revenue district per Treasury Order 150-02.
- 12) The only occasion where federal statutory law may be enforced directly against an individual absent proof of an implementing enforcement regulation is the cases specifically identified in 44 USC §1501(a) and 5 USC §553(a). The specifically exempted groups include:
- a. A military or foreign affairs function of the United States. [5 USC §553\(a\)\(1\)](#) .
  - b. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts. [5 USC §553\(a\)\(2\)](#) .
  - c. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 USC §1505\(a\)\(1\)](#).

Therefore, *American Nationals*, nonresident aliens to all federal jurisdictions, have no imposed duty to file an income tax return or to pay the Subtitle “A” federal income tax. All such duties are imposed exclusively by statute and there is no implementing regulation, and therefore apply only to the three groups specifically exempted from the requirement to publish implementing enforcement regulations identified above.

“Federal income tax regulations governing filing of income tax returns do not require Office of Management and Budget control numbers because **requirement to file tax return is mandated by statute, not by regulation.**”

[*U.S. v. Bartrug, E.D.Va.1991, 777 F.Supp. 1290, affirmed 976 F.2d. 727, certiorari denied 113 S.Ct. 1659, 507 U.S. 1010, 123 L.Ed.2d 278*]

Did you get that? The federal court above essentially just admitted that the only persons lawfully required to file income tax returns are federal instrumentalities, agents, and officers ONLY in the conduct of their official duties? Thus, a “trade or business” within the “United States” [District of Columbia]. That is unless they “*elect*” to have their income treated as that of a resident alien or they actually derive income from being engaged in a “trade or business” in the “United States” (government).

Let there be no misunderstanding of what **26 CFR §1.871-1(a)** plainly tells all who read it. Keeping in mind the definitions for

- (1) “nonresident alien” individuals [26 USC §7701(b)(1)(B)],
- (2) “United States” [26 USC §7701(a)(9), 7701(a)(39), & 26 USC §7408(d)], and
- (3) “trade or business” [26 USC §7701(a)(26)] then you can clarify this regulation by the substitution of defined terms.

This would read accordingly:

“***Nonresident alien individuals*** [American Nationals those who are not U.S. citizens or resident aliens] ***are taxable only on certain income from sources within the United States*** [the District of Columbia] ***and on the income described in section 864(c)(4) from sources without the United States***[the District of Columbia] ***which is effectively connected for the taxable year with the conduct of a trade or business*** [the performance of the functions of a public office by working for the federal government] ***in the United States*** [the District of Columbia].”

1 A shorter more clarified version would read:

2  
3 ***“American National individuals are taxable only on certain income from sources within the***  
4 ***District of Columbia and on the income described in section 864(c)(4) from sources without the***  
5 ***District of Columbia which is effectively connected for the taxable year from the conduct of***  
6 ***federal employment in the District of Columbia.”***

7  
8 As good as this is there is the most powerful federal law that implodes the IRS “presumptions” and proves once  
9 and for all the *American Nationals* have never had any taxed income because *American Nationals* were never  
10 made liable for the Subtitle “A” income tax since it’s creation.

11  
12 That law being referred to is the 16<sup>th</sup> Amendment and the supporting Legislative Intent of the 16<sup>th</sup> Amendment  
13 created by President Taft that confirms this as fact once again.

14  
15 Until later, keep thinking about this question: ***“How can a “law” be a “law” if it has never been enacted into***  
16 ***law?”***

17  
18 *“A great industrial Nation is controlled by its system of credit. Our system of credit is*  
*concentrated. The growth of the Nation and all our activities are in the hands of a few men.*

19  
20 *We have come to be one of the worst ruled, one of the most completely controlled and dominated*  
21 *Governments in the world – no longer a Government of free opinion, no longer a government of*  
22 *conviction and vote of the majority, but a Government by the opinion and duress of small groups*  
23 *of dominant men.”*

*[Woodrow Wilson, President of the United States]*

## 10 Chapter 10: Fears & Concerns about the IRS

Quote to Contemplate:

*“The IRS is prohibited by an Act of Congress from giving any individual any document from which that individual could determine if he owed a tax to the IRS or how much he owed.”*  
*[Maxwell v. Rubin, 3 F.Supp.2d. 45, 48 (D.D.C. 1998)]*

Many Americans, who have made inquiries of the IRS as to their being made personally liable for the Subtitle A Federal Income Tax, have received letters or brochures from the IRS, such as IRS Publication 586A - The Collection Process, stating “Dear Taxpayer” or ...

*“Our legal right to ask for information is found in the Internal Revenue Code Sections **6001, 6011, and 6012(a) and respective regulations.** They say that **you must file a return** or statement with us for any tax **for which you are liable.** This is so we know who you are, and can process your return and papers. **You must fill in all parts of the tax form that apply for you.**”*

As a reminder, “A Statute [like those presented Internal Revenue Code Sections 6001, 6011, & 6012(a)] *without an Implementing Regulation has no full force and effect of the law*” per USSC decisions like **California Bankers Assn. v. Shultz**, 416 U.S. 21 (1974) *toward American Nationals who are not engaged in a “trade or business” in the District of Columbia nor have “elected” to have their income so treated.*

Also, the IRS statement is only applicable within an internal revenue district as described in 26 USC §7601(a) and Treasury Order 150-02. You will find that 26 USC §7601 authorizes the IRS to “**Canvass of districts for taxable persons and objects**” and states the following:

*“General rule. The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to proceed, from time to time, **through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax,** and all persons owing or having the care and management of any objects with respect to which any tax is imposed.”*

Remembering that there must exist a regulation published in 26 CFR Part 1 for the full authority of the IRS to do as they purport in their collection activities, you will find it very interesting to review the regulation supporting 26 USC §7601.

The regulation found in the CFR, which can easily be located on Cornell University Law Website [<http://www.law.cornell.edu>], is **27 CFR Part 70**. This regulation is first of all for use by only ATF as 27 CFR are the regulations for use only by ATF. The IRS is not permitted to use them per 1 CFR §21.21(c) which prohibits cross-referencing to regulations in another title of the CFR. Secondly, **27 CFR Part 70 pertains to Procedure & Administration within ATF only.** Care to guess what is meant by” **each internal revenue district**”? *The District of Columbia is the answer* according to Treasury Order 150-02.

Keep in mind that “canvassing” is not applicable toward those American Nationals who “*are not engaged in the conduct of a trade or business within the United States.*” Four important notes to draw to your attention about the above statement are:

- 1) The IRS will always focus on “*The Collection Process*” and will skillfully try to avoid dealing with the **specifics as to what exactly imposes liability** upon *American Nationals* for the Subtitle “A” Federal Income Tax. You know, “*electing*” or engaging in a “*trade or business*” in “*DC*”.

- 2) The Code sections mentioned above **fall under Subtitle F**, which pertain to enforcement, and you will soon see that Subtitle F Statutes only go into effect one day after the date of enactment of 26 USC. When you review 26 CFR Part 1 for IRS enforcement regulations – there are none!
- 3) The IRS talks about “*respective regulations*” but makes no reference to the exact regulations and they do not tell the reader if the “*regulations*” are Administrative, Procedural, or Implementing. The important distinction is that Implementing Regulations have the full force and effect of the law while the Administrative and Procedural do not.
- 4) Skillfully, the IRS avoids telling you directly that you, as an *American National*, are made liable for the Subtitle “A” Federal Income Tax.

Notice the IRS also avoids telling the reader the Form that they are required to file for the tax. You are to “*assume*” the IRS is referring to the Subtitle “A” income tax. The Government no doubt has a form for everything they do especially when it comes to collecting money. Without the form being identified, the IRS wants to put the burden on you because they are attempting to compel you to “*assume*” you have such a responsibility.

An illustration is found in the IRS response to the questions about what tax you are liable for and what form is required to file the tax. The **filer** “*determines the source of income, the type of form to file, and the particular tax they are liable for*”.

*How can anyone be so bold and make such statements against the IRS, you might ask?* It has been a common occurrence that you have to push the IRS to even respond, and to respond truthfully, not to mention that they make direct threats in their literature. If you don’t know the federal law, you better take their threats seriously.

The IRS 586A literature states, “**If you do not file a return**, do not provide the information we ask for, or provide fraudulent information, **the law provides** that you may be charged **penalties** and, in certain cases, you may be subject to **criminal prosecution**.” Can you see the “*presumption*” the IRS hopes you make? Do you have any doubt that this sentence includes a **direct threat** to your person? Intimidation is a powerful motivator. By the way, **what “law” is the IRS referring to?** “*Why*” doesn’t the IRS tell you the **specific Statute and Implementing Regulation** that requires American Nationals **who do not engage in a “trade or business” nor elect to have their income treated as that of a resident alien to do as the 586A brochure declares** and enacted Federal Regulations require of the IRS? Why don’t they identify which “*you*” they are talking about? “*Taxpayers*”, “*Nontaxpayers*”, or “*All Americans*”? Why don’t they cite the statute imposing the liability for the tax? Because there ain’t no stinking liability statute!

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

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

*“A tax is a legal imposition, exclusively of statutory origin (37 Cyc. 724, 725), and, naturally, liability to taxation must be read in **statute**, or it does not exist.”*  
[Bente v. Bugbee, 137 A. 552, 103 N.J. Law. 608 (1927)]

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

If the IRS would answer these very pertinent questions, then American Nationals would know with certainty if they had a federal income tax liability. The IRS can't produce the enacted Statutes and Implementing Regulations because they don't exist, as you will soon discover!

Here is what the IRS does say in their IRS Publication 519 on page 26, and what the federal government says in The Federal Retirement Thrift Savings Plan (T.S.P.) pamphlet, indicating that

**“A nonresident alien participant who never worked for the U.S. Government in the United States [the District of Columbia] will not be liable for U.S. income tax.”**  
[IRS Publication 519, p. 26]

Read nonresident alien as American National per the definition for nonresident alien at 26 USC §7701(b)(1)(B) as “one who is neither a U.S. citizen or resident.”

Remember, an “assumption” remains valid if you do not rebut the “assumption”. You can show the IRS you know the laws by demonstrating “wages that are income” apply only to those “parties” who have a taxable source of income. As an American National not engaged in federal franchises and not domiciled in the “United States”, you have no “taxable liability” for the Subtitle “A” Federal income tax if you do not derive those funds by being engaged in “the performance of the functions of a public office” in the “District of Columbia.” Correct understanding of what the IRS states in their literature and letters must be carefully determined by enacted federal law.

Perhaps this is why in a letter dated October 27, 1998, from **Commissioner Charles O. Rossotti** via Joseph H. Cloonan, in which Deborah Gasurd signed the letter for him, made basically the same statement but without as much clarity. See:

SEDM Exhibit #05.022  
<http://sedm.org/Exhibits/ExhibitIndex.htm>

By the way, it is noticeable if you have frequent correspondence with those in management levels within the federal government, that they use this daisy chain method of plausible deniability in which someone else signs their correspondence in order to reduce or eliminate any personal risk exposure regarding their government subcontracted employee status.

Anyway, Director Cloonan, in behalf of Commissioner Rossotti, stated in his letter to an American National from Louisiana,

**“Our system of taxation is dependent on taxpayers’ belief that the ‘laws’ they follow apply to everyone....”**

Wait just a New York minute! Did you see that statement clearly?

To rephrase slightly, the entire tax system [for Subtitle “A” Federal Income Tax] is dependent on taxpayers “belief” that they are following the “law”. A “belief” is far from a mandatory obligation. Talk about a “GRAND ASSUMPTION”, this is it! Sounds more like a “religion” than an exercise in the science of law, now doesn't it? In fact, it IS a religion, as you can see for yourself in the following document:

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

Now consider what the IRS actually does on a District level. The IRS has a personnel section referred to as a **Non Filer Group** that artificially generates a 26 USC §6020(b) **Substitute for Return** [SFR]. Only Forms 940,

941, 942 and others for excise taxes is authorized by this statute and Delegation Order (D.O.) 182 Rev3 shows that there is no authority for the IRS to create a SFR for a Form 1040 or 1040A. But they still do it! See the following authorities for proof:

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

**Jerry Oliver, a former IRS subcontracted employee**, stated in a taped interview with Irwin Schiff that the IRS creates “dummy returns”. The reason being, according to Mr. Oliver, is that “when a natural person does not file a return the IRS cannot assess a tax.” All taxes the IRS claims a natural person owes must be self-assessed before the IRS can act. The IRS even admitted in a GAO report to Congress the following amazing facts:

*“In its response to this letter, the IRS officials indicated that they do not generally prepare actual tax returns. Instead, they said the IRS prepares substitute documents that propose assessments. Although the IRS and legislation refer to this as the substitute for return program, these officials said that the document does not look like an actual tax return.”*

*[Government Accountability Office (GAO) Report GAO/GGD-00-60R IRS Substitute For Returns;*

*SOURCE: <http://famguardian.org/PublishedAuthors/Govt/GAO/GAO-GGD-00-60R-SFR.pdf>]*

According to Mr. Oliver, the IRS Non Filer Group incorrectly creates these dummy returns when they get information from private sector nonfederal employers on IRS Form 1099s and W2s.

*“The IRS agents take a Form 1040, according to Mr. Oliver, and stamp ‘Prepared by Examination Division’ and the Form has nothing but zeros on it or the Form is left completely blank. Then the IRS Non Filer Group creates a fraud by entering into the computer wage information [from and erroneous tax class 5 information return] so that they can create a report showing that there is money owed to the IRS by a taxpayer.”* [Emphasis & clarification added]

The computer is designed to only handle legal taxes and the fraud occurs when the IRS Agents in the Non Filer Group identify a person as a nom de guerre. The IRS does this even though there is no law or Delegation of Authority allowing the IRS to do this and even though the IRS Internal Revenue Manual (I.R.M.), Section 5.1.11.6.8 does not authorize it.

Mr. Oliver further stated in his interview, “During the orientation program for new IRS employees they are shown the Mission Statement that indicates **taxes are only liable for those who voluntarily comply and self-assess.**” [Emphasis added]

The most alarming part in Mr. Oliver’s interview was his statement that:

*“Each IRS employee working in the Non Filer Group is fully aware that they are committing a fraudulent act upon a natural person by their actions in behalf of and under the direction of the IRS.”*

At this point, a **Freedom of Information Act** [FOIA] Request [allowed under 5 USC §552] must be sent to the IRS Automated Collection Section if you receive an IRS Collection Notice like a IRS CP504 letter or IRS CP71C letter. This will provide the proof that the actions taken were fraudulent. In the FOIA Request four basic questions can be asked to document the hypothesis presented above.

Ask for the following documents to be provided by the Internal Revenue Service (I.R.S.) Chief of Automated Collection Section:



1. A copy of the formal **Assessment and IRS Form 4340 Supporting Document** for the year in question, which only identifies the *American National* [you] as having been assessed. The Assessment Documents must have been signed and dated by an IRS Assessment Officer under Penalties of Perjury against the IRS Assessment Officer in order for the assessment to be a valid document. [The IRS may try to get away with sending a RACS report, which lists no specific individual but only dollar amounts for the region. Tell the IRS that a RACS report will not be an acceptable or appropriate response document.]
2. A copy of the **Substitute Tax Return [IRS Form 1040A]** for the year in question showing the name of the IRS employee who completed the document [with the date of completion] and showing the dollar amount for the liability claimed by the IRS employee who created the document under enacted federal tax law. Ask them for the exact statute and enforcement regulation in 26 CFR Part 1 that makes a direct reference to Form 1040 which is the form they claim they have authority to create. See the section in exhibits that document there is no reference to SFR authority **for a FORM 1040.**
3. A copy of the **Delegation of Authority from the Secretary of the Treasury** authorizing the identified IRS Agent to complete the Substitute for Return **for a FORM 1040** for the year in question on behalf of the IRS.
4. Ask the IRS for an **identification of the enacted federal tax law** consisting of the specific Statute section in 26 USC and the specific Implementing Regulation section located in 26 CFR imposing the tax the Substitute for Return tax upon *American Nationals*.

10-4

The typical response letter to your FOIA Request will come from an IRS Disclosure Officer. Remember, the FOIA Request was sent in response to a “*Collection Notice*”, which routinely includes a “threat by the IRS” for enforcement action. Don’t worry about the “*threat*” if you have rebutted the presumption created by the purported constructive trust contract [the SSN application] indicating that you are a “*U.S. citizen*” and a “*Federal employee*” which allows the “*assumption*” that you are a “*Taxpayer*”. You will soon see that the IRS has no lawful basis for using any Subtitle F enforcement action for a Subtitle “A” income tax.

If you want a powerful tool to uncover the above types of fraud within the IRS’ administrative files that you can use in a court setting, see the following:

Master File (M.F.) Decoder

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

Also, the IRS tries to protect itself by stating in the “*Collection Notice*” something similar to:

***“This means we may file a federal tax lien against your property or levy (seize) your wages, bank account or other assets. If you believe the amount we say you owe is not correct, please call us.”***

*What was your immediate psychological response when you read that IRS statement? Did you feel anxious? Did you start to have doubts?*

Good thing you recognized the intimidation attempt that is made by that statement. *Did you notice that the IRS did not reference any enacted federal tax law for those threats that were made? Do you think this can lawfully be done to anyone who does not derive any income from being engaged in the conduct of a “trade or business” in the “United States”?*

1 *Did you see any reference to the use of those threats regarding a lawful imposition for the Subtitle “A” income*  
2 *tax imposed upon American Nationals? How are you starting to feel now? The lie exists and ...truth is the*  
3 *greatest enemy of the State after all.*

4  
5 Take a second look at the threat in the “*Collection Notice*” comment. See the fourth word in that sentence? The  
6 IRS used the word “*may*”. We all know that the word “*may*” is a permissive word, which implies a general idea  
7 that the IRS “*might*” do something. Think about it, the IRS said they “*might*” file a federal tax lien and so on.  
8 If you were obligated under enacted federal tax law there would be no softening of a threat but a belligerent  
9 direct statement of their intentions.

10  
11 A good magician will always misdirect the obvious in order for you to see the illusion that he or she is trying to  
12 present. Thus you are amazed with the magician’s “*ability*” to make items disappear or whatever the illusion is  
13 intended to portray. The IRS uses intimidation to try and get you to focus on their objective, which is also an  
14 illusion.

15  
16 The IRS will always focus on “*collection efforts*” and rarely, if ever, get drawn into a discussion on any  
17 obligation via enacted federal tax law for the Subtitle “A” Income Tax. The reason is simple, those the IRS seek  
18 must be a “*Taxpayer*” because they are using that “*Socialist Surveillance Number*” and SSN user claims in that  
19 situation to the IRS are “*frivolous and without merit.*”

20  
21 In a recent letter from such an IRS Disclosure Officer, the federal employee stated,

22  
23 *“Regarding items 1, 2, and 3 of your request, it appears that the documents you are requesting,*  
24 *to the extent they may or may not exist, would be under the jurisdiction of the Ogden campus*  
25 *Director.”*

26  
27 There is no direct reference to the items referred to in their response letter for what items 1, 2, and 3 addresses.  
28 *Are you having fun looking for the phrases that the IRS uses in their illusion?* At first you might have to focus  
29 to lock onto the choice of words in any IRS response.

30  
31 It would be interesting to ask any Disclosure Officer to explain exactly “How is it possible for the IRS to send  
32 out a “*Collection Notice*” without ever knowing for certain as “***to the extent they [Assessment and IRS Form***  
33 ***4340 supporting documents] may or may not exist?*” “*Why is that question important, you ask?* Just keep  
34 reading, as the IRS will now start to get very uncomfortable when trying to apply their special municipal laws  
35 outside the United States [the District of Columbia].**

36  
37 Fraud is a factor when the IRS sends out a “*Collection Notice*” along with “*Threats for enforcement*” and there  
38 is obviously no valid Assessment [signed and dated under penalties of perjury by an IRS Assessment Officer]  
39 against the particular American National [*who made no “election” or did not derive income from being*  
40 *engaged in the performance of the functions of a public office]* who has not rescinded the SSN application as  
41 one that was voidable from the date it was signed as it is not a valid contract.

42  
43 Enacted Federal Tax Law only permits assessments under the Statutes At Large, Revised Statutes of 1874;  
44 Section 3182 for Excise Taxable events identified in 27 CFR.

45  
46 This Title of the United States Code of Federal Regulations only applies to the Federal Agency ATF. If the IRS  
47 sends any conveyances or “*Collection Notices*” without any basis found in enacted federal tax law, then such a  
48 conveyance can only be considered a fraudulent action for the extortion of the truth and extortion of the money.  
49 This is a serious criminal offense pursuant to 18 USC §1956.

50  
51 As you can tell, it doesn’t take long for the subject to get real serious. Time to show you something that the  
52 Internal Revenue Manual (I.R.M.) tells each IRS Assessment Officer before any “*Collection Notice*” can be sent  
53 to any individual.

The **Internal Revenue Manual (I.R.M.), Section 3(17)(63)(14).1** states,

***“All tax assessments must be recorded on the Assessment Certificate. The Assessment Certificate must be signed by the Assessment Officer and dated. The Assessment Certificate is the legal document that permits collection activity...”***

So as you can tell by what you just read, in order for any assessment to be valid the IRS must first complete the assessment on a form [along with the IRS Form 4340 Supporting Documents]. Then the IRS Assessment Officer must sign and date the Assessment document [under penalties of perjury by the way] in order for the assessment to be a “*valid assessment*.”

The last sentence in the IRM reference really says it all.

***“The Assessment Certificate is the legal document that permits collection activity.”***

Easy to see that if you use the Freedom of Information Act [FOIA] Request [if you ever receive such a “*Collection Notice*”] then **there must be** an Assessment Certificate [along with Supporting Documents] in the IRS Regional Office to justify mailing the “*Collection Notice*”. If the IRS were to send a “*Collection Notice*” without such an Assessment Certificate then not only would such an action be fraudulent, but it would clearly show that there never was any lawful permission to send a “*Collection Notice*” in the first place.

We need to review just a few more sections in the Internal Revenue Manual (I.R.M.) so that things get even clearer for everyone. The **Internal Revenue Manual (I.R.M.), Section 3(17)(46) 2.3** [regarding Certification] states,

***“All assessments must be certified by signature of an authorized official on the Assessment Certificate. A signed Assessment document authorizes issuance of notices and other collection action...” “These assessments will require immediate preparation of the Assessment document from RACS...”***

No gray area in that IRM section, is there? The IRS tells their own employees that “*A signed Assessment document authorizes issuance of notices [Collection Notices] and other collection action [threats for use of enforcement action]*.” Read that last sentence one more time, as I really want this to sink in firmly.

Furthermore, the Internal Revenue Manual (I.R.M.) states in the same section last referenced,

***“The Assessment document is used to officially assess tax liabilities. The completed form is retained in the Service Center case file as a legal document to support the assessment made against the taxpayer.”***

[Note: The “Assessment document” in prior years was “IRS Form 23C” but that has been changed.]

Now I would like you to consider the statement made by yet another IRS Disclosure Officer. When the Disclosure Officer stated in her response letter made under the FOIA Request regarding the first item #1, she stated,

***“There are no SRAs [Assessment document Form 23C & Form 4340 Supporting Documents] on file which identifies you or any other taxpayer by name. The information you are seeking is not available at this time.”***

Is that a smile starting to form on your face? Do you really think she wanted to make that statement? If the Assessment document IRS Form 23C and IRS Form 4340 Supporting Documents existed the IRS is required by The Freedom of Information Act [enacted federal law] to provide a copy. But there are none on file as she stated.

Then the obvious question arises. *How can the IRS lawfully send out the IRS CP71C or IRS CP504 letter conveyances or "Collection Notices" if these assessment documents don't exist?* What would you call the act of anyone or any business sending you a bill for something you never purchased [or signed a contract to purchase]? A bogus claim or fraudulent act comes to mind for many people. Keep in mind we are discussing this matter in context to those who rebutted the purported constructive trust contract as being voidable ab initio for any of the three reasons [or all] that are required for a contract to be valid.

Keeping on track, the IRS Disclosure Officer did provide with her FOIA response letter a copy of the "**Substitute for Return**". The "*Substitute for Return*" was a Form 1040 that was created by the IRS Non-Filer Group of federal employees. However, the Form 1040 **showed "no dollar amount, had no signature of any IRS employee** and basically just wrote the particular individual's name and SSN on the top of the form! That was it. The Form 1040 for all practical purposes was completely blank. It would be interesting to see the result for a taxpayer if they were to send them such a Form 1040. Would the IRS consider it a "*valid return*"?

Also, no lawful authority was provided for anyone in the IRS to create the "blank Form 1040" document. "Why" you might ask? The answer is that the IRM only refers to the Non-Filer Group having the authorization to complete Forms 940, 941, 942, etc for such specific taxes owed and that there is no authorization for that group of IRS employees to complete a Form 1040 or 1040A. See Internal Revenue Manual (I.R.M.), Section 5.1.11.6.8:

*Internal Revenue Manual*

[Section 5.1.11.6.8: IRC 6020\(b\) Authority \(03-01-2007\):](#)

1. *The following returns may be prepared, signed and assessed under the authority of IRC 6020(b):*

A. *Form 940, Employer's Annual Federal Unemployment Tax Return*

B. *Form 941, Employer's Quarterly Federal Tax Return*

C. *Form 943, Employer's Annual Tax Return for Agricultural Employees*

D. *Form 720, Quarterly Federal Excise Tax Return*

E. *Form 2290, Heavy Vehicle Use Tax Return*

F. *Form CT-1, Employer's Annual Railroad Retirement Tax Return*

G. *Form 1065, U.S. Return of Partnership Income.*

2. *Pursuant to IRM 1.2.44.5, Delegations of Authority, Order Number 182 (rev. 7), dated 5/5/1997, revenue officers GS-09 and above, and Collection Support Function managers GS-09 and above, have the authority to prepare and execute returns under IRC 6020(b).*

Regarding the Substitute for Return Authority [IRC §6020(b) & Delegation Order (D.O.) 182 Rev 3], the IRS Disclosure Officer gave a statement but one that is not a statement of the truth,

***"There is no delegation of authority required for the preparation of these particular substitutes for returns. Thus, there are no documents responsive to your request."***

**She did not specify the Form 1040 directly in her statement.** Words are very carefully chosen and when you focus on what is really being said the facts simply jump out at you! Delegation Order (D.O.) 182 Rev 3 is very specific as to authority limitations on SFR creation.

Try calling the IRS on their 800 number if you receive a "*Collection Notice*". Ask the Collection Section for the type of tax that the IRS is claiming you were made liable. They will dance all around your question and try to get you to focus on questions that they might have instead. The bottom line is that you will only be able to get them to tell you something like a 1040 tax or a 1040A tax. Ask them if that is the same tax as the Subtitle "A" income tax. They avoid stating that at all costs but if they were to tell you that it related to Subtitle "A" tell them you want that statement in writing.

Oh, the fun just continues. Take a look at the statement by the Disclosure Officer to document that the “Collection Notice” was based upon the Subtitle “A” income tax. She stated,

*“For your information, we wish to point out that **once the account is established on the master file, the taxpayer’s liability is then determined under the deficiency procedures provided under Internal Revenue Code sections 6211, 6212, and 6213.**”*

Check with your Congressman or U.S. Senator and ask them if an IRS internal document called the Individual Master File [IMF] has lawful authority to impose an obligation for the Subtitle “A” Income Tax or can an obligation only be imposed as a result of legislation passed by the Congress?

You know the answer; the Master File cannot impose liability, only Congress can impose such an obligation but under the limitations as provided for by the Constitution of the United States [ratified 1789]! *So how do they do it?* The SSN and the franchise that it connects you to is the answer!

Getting back to the Disclosure Officer statement, *“the taxpayer’s liability is then determined under the deficiency procedures provided under Internal Revenue Code sections 6211, 6212, and 6213.”* It is time to take a closer look at those sections in 26 USC and find out what these sections really pertain to.

1. First of all, these IRC sections basically refer to *“income taxes imposed by Subtitle A”*.
2. Secondly, *a statute without an implementing regulation* has no full force and effect of the law.
3. Thirdly, **26 USC §7851 (a)(1)(A), 26 CFR §1.0-1, and 26 USC §7851(a)(6)(A)** prove that Subtitle “A” is non-enacted and thus non-existent as a *“valid law.”* **The regulation for 26 USC §7851(a)(1)(A) is 27 CFR Part 25 which is applicable only for Wine Production!**
4. Fourthly, the **Legislative Intent of the 16<sup>th</sup> Amendment** [written by President Taft on June 16, 1909] documents the *“parties and jurisdiction”* in which the income tax was intended to be imposed upon and **specifically states that American Nationals were excluded from the imposition of such a tax as declared by the U.S. Supreme Court.**

*So what are your impressions about the use of the Freedom of Information Act Request?* Very powerful and a very informative piece of legislation that, when used properly, can document the lack of authority for the “Collection Notice” attempts by the IRS as there does not exist any statute or regulation allowing the IRS to create a SFR for a Form 1040.

It even documents that the IRS is acting fraudulently when such conveyances are mailed without a valid Assessment Certificate and Implementing Regulation existing prior to any notices being mailed to American Nationals who have rebutted the purported constructive trust contract as being voidable ab initio.

**Section §7214(a)(2) & (a)(7)** of Title 26 addresses *“Offenses by officers and employees of the United States.”* Any unlawful acts by revenue officers or agents are punishable. If any officer or agent were to:

*‘**make or sign** any fraudulent **certificate, return,** or statement’ against you and ‘**who knowingly demands or attempts to collect any sum of money not authorized by enacted federal tax law**’.*

That agent could face dismissal from office or be discharged from employment.

That is why you, an American National living in the Republic and working only in the private sector, need to send the IRS the letter documenting your rebuttal to the purported constructive trust contract as being voidable from the date it was signed by you as a child. See:

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

1 Furthermore, the lack of full disclosure along with the lack of any willful and knowing intent to enter into a  
2 financial indentured servant contract with the Federal government makes the SSN contract voidable ab initio.

3  
4 Additionally, the IRS officer or agent could be fined up to \$10,000 or imprisoned for up to 5 years or both upon  
5 conviction. Therefore, if the IRS is operating properly under color of law, then the IRS should readily forward  
6 you complete copies of their documents, like the Substitute for Return and Assessment documents they created,  
7 and be in compliance by providing you with the documents made by the FOIA request.

8  
9 However, you must remember that the IRS will, more than likely, not provide you the documents they created in  
10 which they used to make a claim of your owing a tax without lawful authority unless you send the IRS a FOIA  
11 request. FOIA is the best tool you can use to document the fraudulent offenses, by the IRS officers or agents, as  
12 to their actions exceeding lawful authority. Look up “*Color of Law*” and “*Color of Office*” in your copy of  
13 Black’s Law Dictionary. You will better understand the IRS violations you have just read.

14  
15 You might want to reference 26 USC §7214(a)(2) & (a)(7) in any FOIA request to show the IRS there is a  
16 statute that can be used against them directly for such fraudulent acts. A Statute by itself can be very effective  
17 against an “*officer, employee, or elected official of the federal government*” [which is not effective by itself  
18 against American Nationals].

19  
20 Before we head off into the next chapter, take a second look at the Rossotti letter responded to by Mr. Cloonan  
21 in which someone else signed the letter. This is somewhat comical as you start to understand how the IRS and  
22 the government play their semantic games but also disappointing to learn how those in government really value  
23 enacted law.

24  
25 In the Rossotti letter you will read something else that is definitely interesting. In paragraph 8 of the delegated  
26 response by Director Cloonan [in behalf of Commissioner Rossotti] he clearly states,

27  
28 “*The ‘law’ itself does not require individuals to file a Form 1040.*”

29  
30 Excuse me! You know he really did not want to say that. Your wheels must be turning by now! The obvious  
31 question arises from the Commissioner’s response that since “*the law does not require individuals to file a*  
32 *Form 1040*” then why all the “*Collection Notices*”?

33  
34 As you read previously, the IRS Non Filer Group creates a Substitute for Return document that is used to  
35 supposedly validate the IRS claim that you owe a tax. Can such actions condoned by the IRS be considered as  
36 anything but a fraudulent act against American Nationals? **A Substitute for Return is diametrically opposed**  
37 **to the Commissioner’s delegated statement.**

38  
39 Let me ask you another 100-point toss up question:

40  
41 “*What other form do those who file and pay the Subtitle ‘A’ Federal Income Tax regularly use?*”

42 I see you picked up the points as the majority of “*taxpayers*” routinely use the Form 1040.

43  
44 That was an easy 100 points, right? So review the paragraph at the beginning of this chapter where the IRS  
45 brochure states, “*If you do not file a return...*” Then, in review of statement by the Commissioner of the  
46 Internal Revenue Service (I.R.S.) [indirectly] telling everyone that **absolutely no one is required by law to file**  
47 **a Form 1040** does create confusion.

48  
49 ***What is going on? Why can’t they get their act together?*** The answer lies in the Constitution which prohibits  
50 the Federal government and any of its bureaucrats from exceeding the scope of their authority under “*color of*  
51 *law.*”

Questions to think about in context to the law:

- 1) How can any American National owe a Federal income tax if they are not required to file a return?
- 2) How can any American National [nonresident alien] owe a federal income tax when 26 CFR §1.871-1(a) states they only have a taxable liability if their income is derived by being engaged in the conduct of a “trade or business” within the “United States”?
- 3) How can any American National not engaged in a federal franchise owe a Federal income tax if such an obligation [Implementing Regulation] is not published in the Federal Register?
- 4) How can the IRS create a SFR for an IRS Form 1040/1040A when the former IRS Commissioner stated in a delegated response letter that “*The “law” itself does not require individuals to file a Form 1040.*”
- 5) Can any American National really be obligated for the federal income tax when the IRS merely makes a “request” via a Collection Notice [which has no valid assessment behind it]?
- 6) When the IRS prepares a Substitute For Return, why don’t they clearly identify it simply as an optional and voluntary “proposal” instead of an outright legal liability?

If:

1. You do not work for the Federal government.
2. You do not maintain a domicile on federal territory, then you are not a statutory “U.S. citizen” by federal definition at 8 USC §1401 and you are not a resident alien by the federal definition in 26 USC §7701(b)(1)(A)
3. You have rescinded the SSN application as being voidable ab initio.

. . . then “How do they make the claim that you are a “Taxpayer”? **By the erroneous tax class 5 information returns that are sent in annually!**

The SSN [purported] constructive trust application and promoting and exploiting your own ignorance are the only remaining ways that they can use the label of “**Taxpayer**” against you. By now you understand all too well what that SSN really does to your identity and the financial injury it inflicts upon you. You also know that what you *don’t* know really can hurt you very badly because the government will use it as a way to maliciously exploit and enslave you.

Perhaps you now understand why the IRS management hesitates to sign their names directly to any IRS correspondence. Perhaps it is from the same concern that causes the IRS only to make references to those who are “**Taxpayers**” lawfully but perpetuate the illusion that “*every American National owes the Federal income tax*” when such is far from the truth.

*Where and when did this mindset establish itself in our country?* I recommend that you read **Petrodollar Warfare** by William R. Clark. His book discusses in detail the situation on oil, Iraq, and the future of the dollar. Leo Strauss, a German political philosopher left Nazi Germany in 1938, because he was an ethnic Jew, and settled into a teaching position at the University of Chicago. He taught a philosophy of governance which promotes:

***“. . . this openly advocates an end-justifies-the-means mentality, allowing deception, violence, and the abrogation of international law”.***

Here is a direct quote from Strauss in his thoughts on government and the wise “*elites*” need for secrecy, in his publication Natural Right and History and Persecution and the Art of Writing. It is openly odd from one who was so fearful of persecution in his own country that he left it only to bring that mindset to America and work to instill it in the fabric of the leadership of this country.

*“Because mankind is intrinsically wicked, he has to be governed. Such governance can only be established, however, when we are united – and **they can only be united against other people. Those who are fit to rule** are those who realize there is **no morality** and that there is **only one natural right – the right of the superior to rule over the inferior....The people are told what they need to know and no more.**”*

[Natural Right and History and Persecution and the Art of Writing, Leo Strauss]

Therefore, secrecy is a paramount goal of government if one accepts Strauss’s Neoconservative Philosophy. Strauss believed that society comprised three classes of people, of which only the “*wise elite*” were capable of governing. He proposed that the elites were required to engage in “*perpetual deception*” over those that were to be ruled.

Strauss advocated a “*perpetual war*” in a political framework by the creation of “*external threats*” and must be fabricated if they do not exist for the purpose of keeping the people they rule “*united against other people.*” Straussian governance philosophy requires people to be united under fear and hatred.

Yet consider this direct quote by President George W. Bush as quoted from Bob Woodward’s book, Bush at War.

*“I’m the commander – see, I don’t need to explain – I do not need to explain why I say things. That’s the interesting thing about being president. Maybe somebody needs to explain to me why they say something, but I don’t feel like I owe anybody an explanation.”*

[Bush at War, Bob Woodward]

Here is another quote from a well-known historical figure. See if you can identify the man who made the quote before I reveal it....look on the cover page of the book.

*“It is the absolute right of the States to supervise the formation of public opinion. If you tell a lie big enough and keep repeating it, people will eventually come to believe it. **The lie can be maintained only for such time as the State can shield the people from the political, economic, and/or military consequences of the lie.** It becomes vitally important for the State to use all of its powers to repress dissent, for the truth is the mortal enemy of the lie, and thus by extension, **the truth is the greatest enemy of the State.**”*

Do you know the source of this statement? It is none other than Joseph Goebbels, German Minister for Public Enlightenment and Propaganda, 1933-1945.

Has Strauss’ philosophy become the mantra in our government today? Do those in government reflect the sentiments of President George W. Bush? Can you imagine what the long term consequences are for those who ignore the law and inflict such harm on a trusting public?

There will be references to a term that might be new to the reader so I take this time to give a short definition so that you might refer back to this definition when necessary.

The term is “Color of Law” and it is defined in Black’s Law Dictionary [Sixth Edition] to mean:

*“The appearance or semblance [of lawful authority] **without the substance of legal right. Misuse of power made possible only because the wrongdoer is clothed with the authority of state.** It is the unlawful acts done **while such official is purporting or pretending to act in the***



1 performance of his official duties but in fact is merely an abuse or misuse of power which would  
2 not have occurred but for the fact that the person committing them was an official then and  
3 there exercising his official powers outside the bounds of lawful authority.”

4 [Emphasis & Clarification added]

5  
6 By the way, should you be interested in acquiring a copy of this legal dictionary you should consider purchasing  
7 only the Sixth Edition or earlier. Editions 7 and higher show that words have been purposely deleted or omitted.  
8 Perhaps a broader audience is now using this legal reference and this was not anticipated by those who produced  
9 such publications.

10  
11 One such illustration is that in all the first 6 editions one can find the definition for “*United States*”. In the 7<sup>th</sup>  
12 that definition is not found any longer. Perhaps this term and others that were “omitted” by the publisher will be  
13 brought back over time.

14 “During times universal deceit, telling the truth becomes a revolutionary [terrorist] act”.  
15 [1984, George Orwell]

## 11 Chapter 11: Who Carries “The Burden of Proof”?

Quote to Contemplate:

*“Any obligation imposed upon the general public must be published in the Federal Register.”  
[Federal Register Act, 44 USC Section 1501]*

When one reads the Legislative Intent of the 16<sup>th</sup> Amendment, written by President William H. Taft on June 16, 1909 [it is published in the Congressional Record of the United States Senate, 1909, on pages 3344-3345] one sees clearly what was stated about those upon whom the federal income tax was levied.

*“The decision of the Supreme Court in the income-tax cases deprived the National Government of a power... it was generally supposed that government had.”*

Thus, *the federal income tax was “levied upon the National Government”* [those who worked for it and those identified within its “exclusive jurisdiction” such as “U.S. citizens”, resident aliens, and those who operate in a representative capacity in behalf of the federal government by using federal property such as the SSN] as recommended by then President W. H. Taft in his letter to Congress. There is no argument as to its proper application of the special laws by the government, within its proper jurisdiction, upon those who have made their election by federal employment or willful and knowing choice. For that the government can expect “We The People” to respect its sovereign but limited jurisdiction for the proper application of its special laws found in the IRC.

To illustrate how clear the federal government writes their statutes and regulations when there is no purpose to be vague or to use circular logic one only needs to look at 26 USC §5001 which addresses the **“Imposition, rate, and attachment of tax on distilled spirits.”** Keep in mind that this is all inside Title 26 which is for use by the IRS and anything related to ATF should have been removed by now as ATF laws are found in Title 27. These two were bureaus and jointly used Title 26 up until around 1953 when ATF was segregated from the IRS. When you think about the statement by FDR expressing how government plans their actions and does not act precipitously, it is curious as to how Congress “forgot” to remove those statutes in Title 26 that were for ATF use only.

Here is what is stated for the Imposition of taxation on distilled spirits at 26 USC §5001:

*“There is hereby imposed on all distilled spirits produce in or imported into the United States a tax at the rate of \$13.50 on each proof gallon and a proportionate tax at the like rate on all fractional part of a proof gallon.”*

So look for yourself in Title 26 for that same clarity for the imposition of the federal income and you will find only a reference to “gross income”. Furthermore, the term “income” is amazingly defined in 26 USC §643 in the context of ONLY “trusts and estates”, which is entirely consistent with the income tax being connected with the Social Security franchise, which is also a “trust”:

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

(b) **Income**

*For purposes of this subpart and subparts B, C, and D, the term “income”, when not preceded by the words “taxable”, “distributable net”, “undistributed net”, or “gross”, means the amount of income of the estate or trust for the taxable year determined under the terms of the*

*governing instrument and applicable local law.* Items of gross income constituting extraordinary dividends or taxable stock dividends which the fiduciary, acting in good faith, determines to be allocable to corpus under the terms of the governing instrument and applicable local law shall not be considered income.

To date I have not found a direct statement on the federal income tax as you see pertaining to a tax imposed on all distilled spirits.

After what you have just read the Internal Revenue Service (I.R.S.) should have the opportunity to respond, and respond truthfully, with any enacted Federal Law that can demonstrate *American Nationals* [nonresident aliens to all federal jurisdiction], who do not derive their income from being engaged in the performance of the functions of a public office, have been made liable for the federal income tax applicable in the municipality of the District of Columbia.

Perfect! It just so happens that there is an enacted Federal Law, The Administrative Procedures Act. The IRS is placed in the position of carrying the Burden of Proof. This is where the burden should lie and proof provided in the form of an Implementing Regulation published in the Federal Register as required of the Department of Treasury.

Review the exhibit section for the reference for an IRS letter from Carroll Field, an IRS Tax Law Specialist, in the Washington, DC office [dated June 26, 1998]. The IRS has the “*Burden of Proof*” when claiming anyone has “*taxed income*” and thus a “*taxable liability*” for the Subtitle “A” income tax. Ms. Field’s letter documents the IRS awareness of being subject to this Act of Congress.

Congress created The Administrative Procedures Act and it is located in Title 5 of the United States Code. Under 5 USC §556, the IRS carries the full burden of proof when any authority they state is challenged. In **5 USC §556(d)** you will find stated.

**“Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof.”**

The proponent is the IRS when they claim that one is a “*Taxpayer*”.

Years ago, I completed correcting my true “national identity” and counteracted the Social Security status with the “Socialistic” Security Administration using a state notary as a Third Party Witness. This was accomplished by asking formal questions [about *American Nationals* being made liable and citizenship] in a series of mailings to the IRS on the same material you are reading.

The IRS & the SSA were totally silent. They purposely chose to ignore Enacted Federal Law stated in 5 USC §556(d). As a result, the state official witnessed a formal document [as a result of the IRS failure to respond as required by enacted federal law]. The documents are entitled:

1. Affidavit of Citizenship Clarification.
2. Resignation of Compelled Social Security Trustee, Form #06.002  
<http://sedm.org/Forms/FormIndex.htm>
3. Why I am not Legally Liable to File, Form #07.103  
<http://sedm.org/Forms/FormIndex.htm>

The courts have a strong admonition to any person or entity that remains silent when asked for information but avoids a response.

According to the courts in U.S. v. Prudden, 424 F.2d. 2021:

1 **“Silence equates to fraud where there is a legal or moral obligation to reveal the information or**  
2 **where a question left unanswered would be intentionally misleading.”**

3  
4 Additionally, the IRS was required to provide what is called “*reliable, probative, and substantial evidence*” in  
5 any attempt to prove their position. Obviously, such proof of Enacted Federal Law must be provided to meet  
6 such requirements placed upon the IRS by 5 USC §556(d). The IRS certainly had a legal obligation to respond  
7 but did not.

8  
9 Interesting to note, this section prevents the IRS from any use of lawful authority to impose any penalty or other  
10 coercive measure, for noncompliance, prior to providing such “*reliable, probative, and substantial evidence*”.  
11 The IRS carries the burden of proof according to The Administrative Procedures Act.

12  
13 The section in 5 USC §556(d) relating to the IRS burden of proof further states,

14  
15 **“A sanction may not be imposed or rule or order issued except on consideration of the whole**  
16 **record or those parts thereof cited by a party and supported by and in accordance with the**  
17 **reliable, probative, and substantial evidence.”**

18  
19 A valid Federal Tax Law, which is applicable toward *American Nationals*, who are secured parties to the  
20 constitution and do not function in a public office for the federal government nor engage in commerce with that  
21 government, must consist of the following three elements:

- 22  
23 1) A Statute in an enacted Title of the United States Code [26 USC].  
24  
25 2) An Implementing Regulation for the specific Statue in the enacted Title of the USC being published  
26 in the Code of Federal Regulations [26 CFR].  
27  
28 3) The publication of the same 26 CFR Implementing Regulation in the Federal Register and  
29 evidenced by a volume, date, and page number.

30  
31 Such a response would most certainly meet the burden of proof criteria outlined in 5 USC §556(d) as “*reliable,*  
32 *probative, and substantial evidence*” but the IRS will remain silent.

33  
34 One last thought on this issue of “*Burden of Proof*” to consider. The United States Supreme Court has  
35 addressed the law based on the rules of statutory construction and stated that no one may extend the meaning of  
36 a term beyond that specifically defined or enclosed within its definition.

37  
38 You will find this fact stated in Gould v. Gould, 245 U.S. 151 at 153, which the U.S. Supreme Court concluded,

39  
40 ***“In interpretation of statutes levying taxes, it is the established rule not to extend their***  
41 ***provisions by implication beyond the clear import of the language used, or to enlarge their***  
42 ***operations so as to embrace matters not specifically pointed out.***

43  
44 **In case of doubt they [enacted federal laws] are construed most strongly against the**  
45 **government and in favor of the citizen.”** [Emphasis and clarification added]

46  
47 The IRS’ own Internal Revenue Manual (I.R.M.) **in section [4.2] 7.2.9.8 (5/14/99)** states:

48  
49 ***“Decisions made at various levels of the court system...may be used by either examiners or***  
50 ***taxpayers [and by Non-Taxpayers to rebut claims made as if they were Taxpayers] to***  
51 ***support a position...*** [Emphasis and clarification added]

52  
53 **A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence**  
54 **over decisions of lower courts.”**

**If there is any doubt** as to the implications, interpretations, or meaning of language used in an instrument, statute, regulation, court decision or other legal authority, then the **federal laws are to be determined most strongly against the government and strongly in favor of the citizen.**

This is even more powerful when the IRS has a legal obligation to reveal information or where “*a question left unanswered would be intentionally misleading*”.

The U.S. Supreme Court decision in Gould v. Gould “has *become the law of the land and takes precedence over any lower court decision*” as the IRS has openly stated.

This is why the Legislative Intent of the 16<sup>th</sup> Amendment [created by President William H. Taft on June 16, 1909 and published in the Congressional Record of the U.S. Senate on pages 3344-3345] documents the validity of the USSC Pollock decision in 1895 that the Federal government was denied and therefore deprived of any power or authority to levy an income tax against those in the Constitutional Republic [the states of the Union].

Anything else the IRS might attempt to do by “*presumption*” or semantic gamesmanship amounts to a fraudulent conveyance of the language for “*extortion under the color of law*”.

If you would like to learn more about the subjects covered in this chapter, see:

1. *Silence as a Weapon and a Defense in Legal Discovery*, Form #05.021  
<http://sedm.org/Forms/FormIndex.htm>
2. *Government Burden of Proof*, Form #05.025  
<http://sedm.org/Forms/FormIndex.htm>

We now close this chapter with some interesting quotes:

*“No matter what political reasons are given for war, the underlying reason is always ECONOMIC.”*

*[A. J. Taylor, British Historian]*

***President Franklin D. Roosevelt “declared the United States bankrupt!”***

*[Presidential Executive Order 6073 and subsequent Executive Orders 6102, 6111 & 6260 which are publicly available on the Internet]*

## 12 Chapter 12: Responses from the IRS: Frivolous & Without Merit

Quote to Contemplate:

*“The IRS is prohibited by an Act of Congress from giving any individual any document from which that individual could determine if he owed a tax to the IRS or how much he owed.”*  
*[Maxwell v. Rubin, 3 F.Supp.2d. 45, 48 (D.D.C. 1998)]*

For years, *American Nationals* have been asking questions of the IRS regarding the imposition of the Federal Income Tax but many have not been aware of exactly how the IRS was responding. The IRS is certainly correct in their responses when the context is only their area of proper jurisdiction. The IRS jurisdiction is exclusively the Federal Zone [the District of Columbia]. However, think about this in light of the Buck Act and what you have learned about “U.S. Citizens” and being “subject to” the federal jurisdiction.

Consider the following internet article on the Federal Holiday that is only observed in the District of Columbia:

***“The municipality of Washington, D.C., celebrates April 16 as Emancipation Day. On that day in 1862, President Abraham Lincoln signed the Compensated Emancipation Act for the release of certain persons held to service or labor in the District of Columbia. The Act freed about 3,100 enslaved persons in the District of Columbia nine months before President Lincoln issued his famous Emancipation Proclamation which presaged the eventual end of slavery to the rest of the nation. The District of Columbia Compensated Emancipation Act represents the only example of compensation by the federal government to free enslaved persons.*”**

***On January 4, 2005, Mayor Anthony Williams signed legislation making Emancipation Day an official public holiday in the District. Each year, a series of activities will be held during the public holiday including the traditional Emancipation Day parade celebrating the freedom of enslaved persons in the District of Columbia. The Emancipation Day celebration was held yearly from 1866 to 1901, and was resumed as a tradition and historic celebration in 2002 as a direct result of years of research, lobbying and leadership done by Ms. Loretta Carter-Hanes.*”**

***In 2007, the observance of this holiday in Washington, DC had the effect of nationally extending the 2006 income tax filing deadline from the 16<sup>th</sup> to the 17<sup>th</sup> of April, a delay that will recur in April 2012. This 2007 date change was not discovered until after many forms went to print.”***

Here is a clear example for all to see that the District of Columbia is separate and distinct from all the other states of the Union. Emancipation Day is a “public holiday” ONLY within the municipality of Washington, D.C. just as the IRC special laws are applicable ONLY within the same municipal jurisdiction. The seat of all “public offices” are only within ***the District of Columbia and no where else*** per 4 USC §72.

*Did you notice that the “public holiday” only had effect in the singular jurisdiction and only upon those who worked for the federal government? Did you notice that it affected the IRS activity on April 16<sup>th</sup>? The only jurisdiction in question was the District of Columbia [the Federal Zone] and upon those who are federal workers who were given the day off to celebrate and to file their tax returns. Now do you see the relationship to the SSN as an identifier of those who are “Federal Employees” having a holiday before those federal workers had to file their tax returns?*

The IRS claim that arguments like filing a tax return being voluntary are “frivolous and without merit” are indeed correct. However, that is true only when the IRS is solely responding to the Federal Zone and about

1 those who by law are “*Taxpayers*”. Federal Court decisions are correct when the one who is questioning the  
2 government fails to understand the distinctions of proper jurisdiction in which the responses are created.

3  
4 Many have been **inappropriately identified** as having **a federal domicile**, labeled as **a statutory “U.S.  
5 citizen”**, and have been established in IRS records and databases as one who operates in a representative  
6 capacity [a federal trustee of the SSN trust] exercising some of the sovereign powers of the federal government  
7 **holding a public office and using federal property - - the SSN**.

8  
9 However, the IRS routinely and deliberately fails to tell the *American Nationals* that their responses are only  
10 applicable to the exclusive [sovereign] jurisdiction of the “*United States*”. Ah yes...the sin of omission!

11  
12 The deception created by their attitude and response is totally inappropriate when the American Public is not  
13 told that the term “*United States*” [by IRS definition] only refers to the Federal Government’s exclusive  
14 jurisdiction and not the 50 states of the Union. The same thing is true about the term “*U.S. citizen*” defined by  
15 the Federal government in 8 USC §1401 and that which is used in everyday context by an unsuspecting  
16 American Public.

17  
18 The bottom line is that the IRS Standard Responses are only applicable in the context of the Federal Zone  
19 toward those who are truly “*Taxpayers*”. It would be an act only under Color of Law by the IRS if they were to  
20 state that their responses were applicable to the 50 states of the Union and toward American Nationals who are  
21 domiciled and who work only in the private sector regarding the Federal income tax.

22  
23 Perhaps now you better understand the confusion and the damage the Federal government has allowed to prevail  
24 over the *American Nationals* who trusted their government to tell the truth but were unaware of the waiver of  
25 their rights by presumption from applying for an SSN.

26  
27 Consider this in light of the governance philosophy of Leo Strauss. This shows that perhaps this totalitarian  
28 mindset has more influence over the government elite than the Constitution.

29  
30 Consider each of the following examples in light of what you just read regarding the Federal Zone vis-à-vis the  
31 50 states of the Union. Let’s take a look at how the IRS routinely answers questions with the understanding that  
32 the IRS is referring only to the Federal Zone. The IRS fails to state that their jurisdiction does not extend into the  
33 50 States of the Union with their standard responses and thus the lack of forthrightness to *American Nationals*:

- 34  
35 1) **“Concerns regarding the authority by which the Internal Revenue Service (IRS) requires an  
36 individual to file a federal income tax return.”**

37  
38 You can look until the moon turns into green cheese but you will not find the word “*individual*”  
39 defined in Title 26, the Internal Revenue Code. Not giving up, I did locate that term and its  
40 definition in 5 USC §552(a)(2) . *Care to guess what it means?* As soon as you see the definition  
41 you will understand why that term is not defined in Title 26.

42  
43 The term “*individual*” as defined at 5 USC §552(a)(2) is defined as **“the term “individual” means  
44 a citizen of the United States or an alien lawfully admitted for permanent residence.”** Hence, an  
45 “individual” is a person with a legal domicile on federal territory and who works for the federal  
46 government. What “citizens of the United States” and “permanent residents” have in common is  
47 that they are “U.S. persons” as defined in 26 USC §7701(a)(30) who have a legal domicile on  
48 federal territory and not within any state of the Union.

49  
50 This one is a very basic example of “truly stated” and is an example of a half-truth due to the  
51 implied jurisdiction over the 50 states and that American Nationals are “individuals” as defined  
52 above.

1 “U.S. Citizens” who were born in and are subject to the exclusive jurisdiction of the federal  
2 government, “employees, officers, and elected officials of the federal government”, resident aliens,  
3 U.S. corporations, those nonresident alien individuals who “elect” to have their income treated like  
4 a U.S. resident alien, and those who operate in a representative capacity in behalf of the Federal  
5 government are the only “parties” required to file a Federal income tax return.  
6

7 The IRS knows, better than most, who the “parties” are that are liable for paying the Federal  
8 income tax. It is the IRS employee’s job to know the laws they practice in their profession and the  
9 applicable jurisdiction they apply toward or their Oath of Office is meaningless. As the IRS special  
10 laws only apply to those domiciled in the Federal Zone wherever they may actually be physically  
11 located, the IRS hopes you “assume” liability of a “U.S. Citizen” by not understanding the IRS  
12 gamesmanship.  
13

14 The Legislative Intent of the 16<sup>th</sup> Amendment completely proves that *American Nationals* were  
15 never made liable for the federal income tax. As such Americans have **no** “taxed income” or  
16 “taxable liability” and therefore are not required to file a federal income tax return further  
17 supported by former IRS Commissioner Rossotti’s statement. American Nationals are not  
18 “individuals” under 26 USC. Game, set, and match on who the “parties” are that are required to file  
19 a return.  
20

21 2) ***“It is not the policy of the IRS to respond to letters on a point-by-point basis.”***  
22

23 That is not what the Administrative Procedures Act, 5 USC §552 & 556, [an Act of Congress]  
24 states. *Guess which takes precedence, the IRS policy or enacted Federal Law?* You already know  
25 that 5 USC §556(d) requires the IRS to adhere to federal law as stated,  
26

27 ***“The proponent of the rule or order [the IRS] has the burden of proof and that proof must be***  
28 ***reliable, probative, and substantive.”***  
29

30 This is why you must know the Federal Law well enough to stick the law in their face so that the  
31 IRS “assumption” made by this and similar statements stops them immediately.  
32

33 *Why doesn’t the IRS want to respond to questions on a point-by-point basis? Could it be for the*  
34 *same reason that IRM section 4.10.7.2.8.1 portrays to all who ever read it that you can not depend*  
35 *on anything the IRS creates or writes to be valid? Perhaps we now understand why the IRS states*  
36 ***“Publications are nonbinding on the Service and do not necessarily cover all positions for a***  
37 ***given issue. While a good source of general information, [IRS] publications should not be***  
38 ***cited to sustain a position”.***  
39

40 All the IRS would have to do is show the federal law, you know, the ones that Congress told us  
41 were,  
42

43 ***“In practice, our laws are published immediately upon their enactment so that the public will***  
44 ***be aware of them.”***  
45

46 The “Public” the Congress is referring to is the “American Public” and not those domiciled in the  
47 Federal Zone. That would stop all the “assumption” that has been ongoing for over 90 years. They  
48 can’t produce a law against American Nationals who do not derive income from being engaged in  
49 the conduct of a trade or business –the performance of the functions of a public office – in the  
50 United States [the District of Criminals....oops, Columbia]  
51

52 3) ***“Letters such as his almost always reflect personal opinions and frustrations with the tax***  
53 ***system...”***



1  
2 This is an interesting response. The IRS tries to misdirect the intent of the one who is asking the  
3 question. When the questions are asked on a basis of federal law, the IRS can at best only  
4 “*semantically two-step*” around each subject using words that makes inferences while showing the  
5 reader absolutely nothing.

6  
7 The last thing the IRS wants to admit is that the “*assumption game*” has been discovered and to be  
8 forced to admit the truth to *American Nationals*.

9  
10 The IRS is absolutely unable to provide *American Nationals* with any established or enacted federal  
11 tax law demonstrating “*reliable, probative, or substantive proof*” that *American Nationals* have any  
12 federal income tax liability. *Is that Leo Strauss governance philosophy making its appearance*  
13 *once again? “The people are told what they need to know and no more.”*

14  
15 4) “*The federal tax law enacted by the Congress is contained in Title 26 of the United States*  
16 *Code...*”

17  
18 This is where the IRS really starts to skate on thin ice. Notice that the IRS talks about the enacted  
19 federal tax law but completely avoids showing the reader any “enacted federal tax law”. You  
20 know – the Implementing Regulations published in the Federal Register as required of the IRS by  
21 44 USC §1501. But wait, these guys have this game down cold. Notice that the IRS doesn’t  
22 indicate any direct reference to the enactment of Subtitle “A” income tax. So you don’t really know  
23 specifically what federal tax law is being referenced to that statement. There is no reference to  
24 which jurisdiction they are addressing in order to provide any reader with accurate and complete  
25 clarity.

26  
27 The net result is yet another half-truth. You will find in Subtitles “D” and “E” [Title 26] that those  
28 subtitles are enacted into law but they don’t apply to Subtitle “A” Income Tax law. Subtitle “D”  
29 enactment applies only to “*Miscellaneous Excises*” and Subtitle “E” applies only to “*Alcohol,*  
30 *Tobacco, and Certain Other Excises*”. These are ATF excise taxes that should have been removed  
31 from 26 USC when ATF was established as a separate federal entity.

32  
33 So it is truly stated that federal tax law [Subtitle “D” & “E”] enacted by Congress are contained in  
34 Title 26. However, the subject question related to Subtitle “A” income tax is not enacted and has  
35 never applied to *American Nationals* when they live and work outside the “*United States*” and are  
36 not engaged in the conduct of a “*trade or business*” in the “*United States*”.

37  
38 You might “*assume*” that the IRS is referring to Subtitle “A” income tax enactment but in reality, “*Are they*  
39 *merely referring to some other Subtitle tax enactment?*” They are only addressing the municipal jurisdiction of  
40 the District of Columbia.

41 Remember 26 CFR §1.0-1 where you find stated,

42  
43 ***“In general, the provisions of the Internal Revenue Code of 1954 are applicable with respect***  
44 ***to taxable years beginning after December 31, 1953, and ending after August 16, 1954.”***

45  
46 Also, show the IRS the statute at 26 USC §7851(a)(1)(A) Subtitle “A”, Applicability of Revenue Laws. Ask the  
47 IRS to explain to you how a “law” can be a “law” without an effective date of enactment? Ask the IRS how  
48 you could have ever been made liable for an income tax when the “*law*” ends on the date it becomes enacted  
49 law?  
50  
51

1 Get the IRS to address that one with you. But don't forget to ask them where in the Federal Register this  
2 Implementing Regulation has been published. Tell the IRS, if they can't provide the Federal Register proof,  
3 then enacted Federal Law tells you that American Nationals [who do not engage in the conduct of a "trade or  
4 business" within the "United States" and do not use a SSN] have no obligation or duty to file or pay any federal  
5 income tax.

6  
7 **The regulation supporting 26 USC §7851(a)(1)(A) Subtitle "A" federal income tax is only 27 CFR Part 24**  
8 **Wine production** under ATF and cross-referencing is not permitted by the IRS under 1 CFR §21.21(c).

- 9  
10 1) ***"The Constitution, Article 1, Section 6 through 9, and the Sixteenth Amendment give the Federal***  
11 ***Government the right to levy and collect taxes."***

12  
13 This is classic misdirection of the issue. See their "*assumption*" again. You are supposed to  
14 "*assume*" that the IRS is talking about Federal income taxes being applicable to American  
15 Nationals by every reference cited even for those who do not work for the Federal government in  
16 any capacity nor use a SSN.

17  
18 **Absolutely, the federal government has the right to levy and collect taxes.** However, ask the  
19 IRS specifically **what kind of taxes, who are the parties** obligated to pay and **what is the proper**  
20 **jurisdiction** for each of those taxes made applicable as revenue laws?

21  
22 That is where silence becomes their response. *Silence indicates a species of conduct, according to*  
23 *federal courts, and equates to a fraud when the question is of legal or moral importance.* Nothing  
24 legal than about confiscating someone's wealth created by their labor when they owe nothing.

25  
26 *American Nationals* would pay a direct tax by apportionment imposed only on the state legislature.  
27 *American Nationals* would pay an excise, impost or other duty tax. But as you already know, the  
28 16<sup>th</sup> Amendment [the Federal Income Tax] only applies to certain "*parties*" and is only applicable  
29 in the "*jurisdiction*" of the Federal Zone to persons with a legal domicile there, wherever situated.  
30 The IRS leaves this completely unanswered and for good reason.

- 31  
32 2) ***"The positions raised have been the subject of numerous court decisions that have held these***  
33 ***positions to be contrary to existing law."***

34  
35 Look at the phrase "*contrary to existing law*" and notice that **there is not a single reference of**  
36 **what specific "law" the IRS might be referring to** as well as the "*parties*" to whom the inferred  
37 law applies.

38  
39 *Did you notice any cites from the USSC?* Do you see any reference to the types of parties making  
40 such claims in federal court? *Were they "US citizens", "resident aliens", federal workers, or ones*  
41 *who use an SSN and proclaim by their ignorance that they are federal trustees of the federal SSN*  
42 *trust created by their SS-5 application?*

43  
44 This is a generic statement with no supporting reference to direct anyone to the actual law. The IRS  
45 repeatedly wants you to "assume" that they are addressing a franchisee called a "taxpayer", as  
46 defined in 26 USC, even though you did not waive any of your God-given rights. You could not  
47 waive your rights because you filled out the application for a social security number when you were  
48 a minor...incapable of making any legal agreement. Or your parents filled it out for you. But, no one,  
49 not even your parents, can surrender your God-given rights.

Are they referring to “enacted valid law” or the *prima facie* evidence that somewhere the law might exist? This is how the IRS truly works their wizardry in their grand game of semantic gamesmanship.

Did you notice the reference to “*numerous court decisions*”? Are Federal Court decisions enacted law? No, they are not enacted law. Nor are they even relevant to a person not domiciled on federal territory and not engaged in federal franchises. As you are certainly aware, **Article 1, Section 1 of the Constitution** states,

*“All legislative powers herein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives.”*

**Federal Rule of Civil Procedure 12(b)(1)** is used routinely by United States Tax Attorneys to stop all United States District Court procedures on Constitutional Tax questions, as these Courts have no Subject Matter Jurisdiction.

So the IRS use of the phrase “*numerous court decisions*” is not the same thing as stating specifically enacted federal law and USSC decisions. Additionally, federal courts have no subject matter jurisdiction regarding Constitutional tax questions they are only courts of consent as these courts have been administrative courts since 1976. See:

*What Happened to Justice?, Form #06.012*

<http://sedm.org/ItemInfo/Ebooks/WhatHappJustice/WhatHappJustice.htm>

Where is the enacted Statute, the Implementing Regulation for the Statute and where in the Federal Register has the Regulation been published? The answer is “there is no implementing regulation published which imposes the Subtitle “A” federal income tax in the Federal Register requiring Americans to file an income tax return according to Federal Attorney Michael L. White, Office of the Federal Register.

- 3) ***“Some people believe with great fervor preposterous things that just happen to coincide with their self-interest. Certain individuals have convinced themselves that “wages are not income”, that only gold is money, that the Sixteenth Amendment is unconstitutional, and so on.”***

There is that word “individual” again. *Do you remember who that term refers to?* The IRS by doing so is making yet another attempt to misdirect the attention of the real issue. The IRS is correct in stating that “*wages are income*” but only for those “*parties*” previously identified as well as those stated in the Legislative Intent of the 16<sup>th</sup> Amendment. 26 CFR §1.871-1(a) shows that a nonresident alien individual only has a taxable liability if their income is derived by being engaged in the conduct of a *trade or business* in the *United States*.

**26 CFR §1.861-8(f)(1)** Determination of Taxable Income from sources within the United States shows a defined list of all “*sources*” of taxable income. There is not a single reference to *American Nationals* or the 50 states of the Union in this implementing regulation. *American Nationals* are presumed “*exempt*” from this tax unless they choose to work for the National government or make an “*election*” to have their income treated as taxable like that of a U.S. resident alien. [Spreckels Sugar Refining Co. v. McClain, 192 U.S. 297 \(1904\)](#)

Notice again how the IRS attempts to drag the reader into misdirection by creating an issue of the Sixteenth Amendment being unconstitutional and that gold is money, and so on.

- 1           4) ***“If an individual is required by law to file a return or pay tax, it is mandatory that he or she do***  
2 ***so. Failure to do so could cause the individual to be subject to civil and criminal penalties;***  
3 ***including fines, and imprisonment.”***

4  
5           Do you see that the IRS uses the small word “if” instead of stating clearly whom the “parties” are  
6 that are made liable in the first place for the income tax? *Why doesn't the IRS readily identify those*  
7 *“parties”?* Well they did if you know the definition of the word “**individual**” and you do now,  
8 right?

9  
10           The IRS again shows no “law” that they were referring to in this statement but want the reader to  
11 “assume” the fact that a law imposing the income tax exists and that the reader is required by this  
12 non-existent law to file a return or pay the tax.

13  
14           When these IRS statements are addressed to nonresident aliens [American Nationals] who do not  
15 derive any income from being engaged in the conduct of a trade or business in the United States  
16 then they are nothing more than semantic half-truths, and misdirection that the IRS routinely uses.

17  
18  
19           The IRS cannot show you any enacted federal regulation imposing the federal income tax upon *American*  
20 *Nationals* simply because none exists in either 26 CFR Part 1 or are there any implementing regulations  
21 published in the Federal Register.

22  
23           Michael L. White, Federal Attorney, Office of the Federal Register confirmed this by his statement in a 1994  
24 legal opinion letter to an American National:

25  
26           ***“Our records indicate that the Internal Revenue Service has not incorporated by reference in***  
27 ***the Federal Register a requirement to make an income tax return.”***

28  
29           Hopefully by now you understand the significance of the Federal Register and the ramifications that the IRS has  
30 utterly failed to have published in the Federal Register any requirement upon American Nationals to make an  
31 income tax return...the Form 1040!

32  
33           When the IRS is asked to provide the following “*reliable, probative, and substantial*” proof of income tax  
34 liability for “*American Nationals*” via:

- 35  
36           1) A Statute in an enacted Title of the United States Code [26 USC].  
37  
38           2) An Implementing Regulation for the specific statute in the enacted Title of the USC being published  
39 in the Code of Federal Regulations [26 CFR].  
40  
41           3) The publication of the same 26 CFR Implementing Regulation in the Federal Register and  
42 evidenced by a volume, date, and page number.

43  
44           **....there is no point-by-point response but rather only silence from the IRS.**

45  
46           The only alternative they have to justify their authority to directly enforce a statute against an American  
47 National absent an implementing regulation is to provide evidence on the record that you are a member of one  
48 of the three groups specifically exempted by the Federal Register Act, 44 USC §1505(a) and the Administrative  
49 Procedures Act, 5 USC §553(a).

- 50  
51           1. A military or foreign affairs function of the United States. [5 USC §553\(a\)\(1\)](#) .

- 1 2. A matter relating to agency management or personnel or to public property, loans, grants, benefits, or  
2 contracts. [5 USC §553\(a\)\(2\)](#) .  
3 3. Federal agencies or persons in their capacity as officers, agents, or employees thereof. [44 USC §1505\(a\)\(1\)](#).

4  
5 Of course, they NEVER meet this burden of proof and hence admit they are engaging in illegal enforcement and  
6 a criminal conspiracy against your constitutional rights in violation of 18 USC §241.

7  
8 Worth repeating is the decision by the courts pertaining to silence on questions of this magnitude.

9 *“Silence equates to fraud where there is a legal or moral obligation to reveal the information or*  
10 *where a question left unanswered would be intentionally misleading.”*  
11 *[U.S. v. Pruden, 424 F2d]*

12 *“The income tax is fulfilling the Marxist prophecy that the surest way to destroy a capitalist*  
13 *society is by steeply graduated taxes on income and heavy levies upon the estates of people when*  
14 *they die.”*  
15 *[T. Coleman Andrews, Commissioner of the Internal Revenue Service, (A section from his*  
16 *resignation statement)]*

## 13 Chapter 13: IRS Liens & Levies: Applicable upon whom?

Quote to Contemplate:

*“The United States Code does not prevail over the Statutes at Large when the two are inconsistent.”*

*[Stephan v. United States (1943) 319 U.S. 423, 87 L Ed 1490, 63 S.Ct. 1135 ]*

Every year near April, there seems to be the IRS ritual to boldly dramatize the enforcement of the Subtitle “A” income tax. Major personalities who have drawn the attention of the IRS are vigorously attacked and headlined in the news media. Liens are also filed in county recorder’s offices across this nation on these individual’s property and Levy by distraint is used to attach their bank accounts, payroll checks, and other accounts.

The IRS claims Subtitle “A” Federal income tax [sometimes the IRS refers to this in their correspondence as the “1040 tax”] enforcement authority for their actions under **26 USC Section 6201 [Assessment Authority], Section 6321[Lien for taxes], and Section 6331(a) [Levy and distraint]**.

The Internal Revenue Service (I.R.S.) then proceeds with “*enforcement*” actions without ever showing the “*American Nationals*” [who do not derive their income from being engaged in the conduct of a “*trade or business*” within the “*United States*”] the enacted Statute or the Implementing Regulations for the specific Statutes as published in the Federal Register. When such proof is nonexistent, there can be *no enforcement* for laws that do not exist.

American Nationals, nonresident aliens to federal jurisdiction should learn and challenge the creation of an information return by their private sector nonfederal employer. At the least the erroneous information return should be corrected in order to eliminate the presumption that they are engaged in the “trade or business” franchise. This may be accomplished using the following free resource:

[Correcting Erroneous Information Returns](http://sedm.org/Forms/FormIndex.htm), Form #04.001

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

It all starts by the IRS Form W-4 but any information return which is incorrectly identifying one as who they are not and that they are not one who with full knowledge and awareness should consider correcting that report. Otherwise the IRS will treat the information return [the Tax Class 5 W-2, 1099, 1098, etc] as originating from the named party as if they made an “*election*” to have their income treated as taxable like that of a U.S. resident alien per 26 CFR §1.871-1(a).

Those poor unsuspecting people merely “*assumed*” that the IRS had such authority and most certainly did not know to ask the IRS to meet the Burden of Proof responsibility imposed by 5 USC §556(d) before they took such damaging actions. These enforcement Sections the IRS uses are all published in 26 USC under Subtitle F [enforcement]. In 26 USC §7851 Applicability of Revenue Laws, the supporting regulation was located only in **27 CFR Part 24 for Wine production!** Cross-referencing to another Title in the CFR is prohibited.

Actions inspired by the government are taken against unaware “*American Nationals*” who have been falsely and fraudulently reclassified as statutory “*U.S. Citizens*” (see 8 USC §1401) or “*U.S. persons*” (see 26 USC §7701(a)(30)) in part for having a Social Security Number. Hopefully you remember the regulation [26 CFR §301.6109-1] that shows the IRS generically identifies anyone with a Social Security Number in the records and databases of the IRS as being a “*U.S. Citizen*” or *resident* alien individual. See 26 CFR §301.6109-1(g).

You might recall that 26 USC is only prima facie or “*presumed*” evidence that a law might exist. This is confirmed by 1 USC §204. When a Title of the United States Code is not enacted into positive law the Statutes

1 At Large take precedence. From the Congressional publication “How Our Laws Are Made“, you no doubt  
2 understood that the Statutes At Large contain all enacted Federal Law in chronological order.

3  
4 Should you ever venture into the realm of the **Statutes At Large** for documenting the origination of the 26 USC  
5 §§6201, 6321, and 6331(a) which the IRS uses in Subtitle A Federal Income Tax enforcement you will find that  
6 the authority is located in the Revised Statutes of 1874.

7  
8 In the **Revised Statutes of 1874**, you will find **Section 3182 [Assessment]**, **Section 3186 [Lien for taxes]**, and  
9 **Section 3187 [Levy and distraint]** listed as enacted Congressional tax law. No recent revisions or amendments  
10 to these Statutes for tax enforcement have occurred since 1874. *Are you holding your breath?*

11  
12 The Revised Statutes of 1874 enforcement Sections refer to the following Excise Taxable events that have been  
13 approved by Congress, for the collection of excise taxes regarding Tobacco, Distilled Spirits, and Cotton only.  
14 Noticeable by its’ absence is the use of the enacted Congressional law for the Subtitle “A” Federal income tax!

15  
16 In 1953, the **House Ways and Means Committee** held a hearing investigating the Internal Revenue Service  
17 (I.R.S.). The U.S. Government Printing Office published the findings of the 83<sup>rd</sup> Congress, 1<sup>st</sup> Session,  
18 Administrative Investigation on Internal Revenue Laws.

19  
20 Mr. **Dwight E. Avis**, Head of Alcohol and Tobacco Tax Division, Bureau of Internal Revenue [ATF and IRS  
21 were one organization at that time], testified under sworn oath and made the following statement.

22  
23 ***“Let me point this out now: Your income tax is 100 percent voluntary tax and your liquor tax***  
24 ***is 100 percent enforced tax. Now, the situation is as different as night and day.***  
25 ***Consequently, your same rules [regulations] just will not apply.”***

26 *[SEDM Exhibit #05.011;*

27 *SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]*

28  
29 **Mr. Avis was a Federal Official who swore under oath that the [Subtitle A] income tax was a 100%**  
30 **voluntary tax** [for American Nationals]. He also stated that the same rules for the liquor tax [Statutes &  
31 Implementing Regulations] would not apply to the voluntary [Subtitle “A”] income tax. Not long after this  
32 investigation, the Federal Agency known today as ATF was split away from the Internal Revenue Service  
33 (I.R.S.) and a separate Title was created for the laws and enforcement of ATF taxation. The sections in the  
34 Internal Revenue Code that were for ATF use were “conveniently” overlooked from being removed from the  
35 Code.

36  
37 The rather purposeful negligence for ATF statutes created the problem that exists today for statutes in the IRC  
38 that only apply to ATF jurisdictional excise taxes. What all this means is that the IRS is using Statutes in 26  
39 USC inappropriately as they are only valid for excise taxable events under the ATF enforcement jurisdiction.  
40 The Bureau of Alcohol, Tobacco and Firearms operate under Title 27, which has been enacted into positive law.

41  
42 But wait, there is even more damaging proof that the Internal Revenue Service (I.R.S.) claims do not apply to  
43 “*American Nationals*”. In **28 USC §7851(a)(6)(A) [Applicability of Revenue Laws - Enforcement]** reads

44  
45 ***“The provisions of Subtitle F shall take effect on the day after the date of enactment of this***  
46 ***title and shall be applicable with respect to any tax imposed by this title.”***

47  
48 Creativity by IRS attorneys and their legal staff is certainly not lacking. In light of what you have previously  
49 read and seen as proof of existing federal tax law, the IRS legal staff says that the enforcement provisions  
50 [Assessment, Lien, and Levy by distraint] for the Subtitle A Federal Income Tax shall be applicable to this non-  
51 enacted revenue law [Subtitle A Income Tax] on the day after the enactment of Title 26 into positive law.

52  
53 Supreme Court Justice Brandeis stated in *Olmstead v. United States*, 277 U.S. 438, 485 (1928):

1           *“In a government of laws, existence of the government will be imperiled if it fails to observe*  
2           *the law scrupulously.”*

3           [Olmstead v. United States, 277 U.S. 438, 485 (1928)]

4  
5 Justice Brandeis certainly must have known more than the average “*American National*” about the intent of the  
6 federal government to not observe its own laws and thereby disregard the character of its own existence. *For*  
7 *what other reason would he have deliberately made such a statement?*

8  
9 **The IRS simply does not have any delegated authority to enforce the Special Laws of the Subtitle “A”**  
10 **Federal income tax upon *American Nationals* inside the boundary of the sovereign 50 states on non-**  
11 **federal land when they do not operate in a representative capacity for the benefit of, or work for, the**  
12 **Federal government.**

13  
14 Wait a minute! *Have you ever heard about, or perhaps know of, someone who has had their bank account*  
15 *served with a Notice of Tax Levy for the Federal Income Tax?*

16  
17 As you have just learned, the IRS can only use enforcement regulations to enforce any Levy. A Statute by itself  
18 has no full force and effect of the law according to the USSC in U.S. v. **Mersky** and **California Bankers Assn.**  
19 **v. Shultz**. Furthermore, you will recall that there must be an effective date of enactment of Title 26, in order for  
20 any enforcement statutes to become effective. Title 26 has not been enacted and published in the Federal  
21 Register as required by Federal law found at 26 CFR §601.702(a)(1).

22  
23 *Where is all this heading you might ask?* The IRS via one of their agents, who takes such action against an  
24 *American National* [under color of law and color of office] to get the bank to turn over their money to the IRS,  
25 does so without any lawful authority according to the Statutes At Large, Revised Statutes of 1874.

26  
27 Even if the *American National* was an identified “*party*” and if the IRS lawfully had “*jurisdiction within the 50*  
28 *states of the Union*”, the IRS routinely presents the bank with only a Notice Statement of a Federal Tax Levy.  
29 As banks are now federal agencies of the National government they will of course ignore your concerns readily.  
30 Read the Bank Secrecy Act and you will discover your exposure to such attacks, not to mention the complete  
31 lack of privacy.

32  
33 Take a look at the section relating to “Surrender of Property Subject to Levy” as found in 26 USC §6332(c)  
34 “**Special rule for banks**”. This section reads,

35           *“Any bank shall surrender (subject to an attachment or execution under judicial process) any*  
36 *deposits (including interest thereon) in such bank only after 21 days after service of levy.”*

37  
38  
39 The IRS should present to the bank an attachment or execution [for the Levy] based “*under judicial process*”.  
40 If you know of anyone in this predicament, suggest to them to ask the bank to produce the Levy document from  
41 the IRS and a copy of the execution of the Levy under judicial process for the Subtitle “A” federal income tax  
42 [1040 tax]. The IRS will not be able to produce such a document against *American Nationals*. They will  
43 against those who use a SSN who are identified as a statutory “*U.S. person*” or one who is operating in a  
44 representative capacity on behalf of the Federal government.

45  
46 The United States District Courts are Administrative Courts not Judicial. The only Judicial Court that could  
47 ever issue an execution under judicial process would be The Court of International Trade. **United States District**  
48 **Courts have no subject matter jurisdiction over constitutional taxation issues and could never extend their**  
49 **“authority into a jurisdiction” in which that court lacked proper jurisdiction.**

50  
51 US District Courts are mere territorial or tribunal courts as explained in Balzac v. People of Porto Rico, 258  
52 U.S. 298 (1922) where you find Justice W. H. Taft declaring:



1 “The United States district court is not a true United States court established under Article III  
2 of the Constitution to administer the judicial power of the United States therein conveyed. It is  
3 created by virtue of the sovereign congressional faculty, granted under Article IV, § 3, of that  
4 instrument, of making all needful rules and regulations respecting the territory belonging to  
5 the United States. The resemblance of its jurisdiction to that of true United States courts, in  
6 offering an opportunity to nonresidents of resorting to a tribunal not subject to local influence,  
7 does not change its character as a mere territorial court.” [Emphasis Added]  
8 [Balzac v. People of Porto Rico, 258 U.S. 298 (1922)]  
9

10 You will quickly learn more about the Jurisdiction of the United States District Courts in the next chapter.  
11 When you better understand this important issue of “*jurisdiction*” you will see even clearer why the IRS will  
12 never be able to produce an execution under judicial process.

13  
14 Keep in mind that 26 USC §6332(c) is found under Subtitle F which would only be applicable when Title 26  
15 became enacted into law.

16  
17 As you remember, 26 USC §7851(a)(1)(A) told you that Subtitle A “*ends upon the date of enactment of this*  
18 *title.*” Also, remember **the regulation behind the Applicability of Revenue Laws** per 26 USC §7851 shows  
19 **27 CFR Part 24 for taxation due from Wine Production.** There would also be a great deal of difficulty for  
20 the IRS to prove that they were acting lawfully in their unauthorized enforcement and collection actions,  
21 initiated against many “*American Nationals*”, for a non-enacted tax that was never legally owed by Americans.  
22

23 By the sworn testimony of Dwight Avis you also see that Congress did nothing to stop the fraudulent actions of  
24 the IRS by their use of enforcement statutes that had no lawful applicability to the non-enacted Subtitle “A”  
25 income tax. *Could the reason be the desire for power, money, and control?* Not really sure but we all know this  
26 is going on.  
27

28 With all the enforcement authorities discussed you need to understand that they originate from a “*return*” that  
29 would have been filed by those who are “*Taxpayers*”. It is curious that when researching the IRS authority for  
30 the creation of Form 1040/1040A Substitute for Returns [SFR] for “*Taxpayers*” who may have overlooked  
31 filing requirements you see a puzzling situation falling upon the IRS Non Filer Group.  
32

33 Jay Hammer, an IRS Disclosure Officer, wrote a letter on November 2, 1993, in which he stated the following:  
34

35 ***“Delegation orders which authorize Internal Revenue Service employees to create substitutes***  
36 ***for return do not exist.”***  
37 [SEDM Exhibit #05.032;  
38 SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]  
39

40 This is quite an admission which will not be likely repeated by those in the IRS today. *Did you notice his*  
41 *reference to Delegation Orders?* Take a close look at Delegation Order (D.O.) 182 (Rev 3) and you will see  
42 something that is missing from IRS authority in regard to SFR. The following statement says it all:  
43

44 ***“The IRM restrict the broad delegation*** shown in figure 23-2, for revenue officers, to  
45 ***employment, excise, and partnership tax returns because of constitutional issues.*** (You have  
46 already studied audit referrals as a means to enforce compliance on income tax returns).  
47 Generally you can file the following returns, using the authority granted by IRC Section  
48 6020(b): 1. Form 940, Employer’s Annual Federal Unemployment Tax Return, 2. Form 941,  
49 Employer’s Quarterly Federal Tax Return  
50

51 The entire Delegation Order (D.O.) 182 never references a Form 1040 SFR. Surprised?  
52

1 Take a look at the more recent version of Delegation Order (D.O.) 182 (Rev 7) and you will notice that narrative  
2 is now missing. In the newer version you find “*Sources of Authority*” listed as 26 CFR §301.6020(b) and 26  
3 CFR §301.7701-9.

4  
5 At first glance you might be persuaded to assume that “*Well, there it is!*” It is not until you look up these  
6 Administrative Regulations [“301” is the clue to the regulation being administrative] vis-à-vis Implementing  
7 Regulations to learn that in 26 CFR §301.6020(b) there is no reference to any SFR authority for the Form 1040.

8  
9 Also, the Implementing Regulation would be stated as 26 CFR §1.6020(b) but there is no such implementing  
10 regulation.

11  
12 You will find stated in 26 CFR §301.6020(b) the following narrative in this administrative regulation:

13 (b) *Execution of returns—*

14  
15 (1) *In general.*

16  
17 ***If any person required by the Code or by the regulations prescribed thereunder to make a***  
18 ***return (other than a declaration of estimated tax required under section 6654 or 6655) fails to***  
19 ***make such return at the time prescribed therefore, or makes, willfully or otherwise, a false,***  
20 ***fraudulent or frivolous return, the Commissioner or other authorized internal revenue officer or***  
21 ***employee shall make such return from his own knowledge and from such information as he can***  
22 ***obtain through testimony or otherwise. The Commissioner or other authorized internal revenue***  
23 ***officer or employee may make the return by gathering information and making computations***  
24 ***through electronic, automated or other means to make a determination of the taxpayer's tax***  
25 ***liability.***

26 By reading this section, can you determine “*which returns*” specifically are being referenced? **There is no**  
27 **reference to a Form 1040 throughout the regulation.**

28  
29 *Does it reference how anyone is required in this regulation to make a return?* Michael L. White, Federal  
30 Attorney in the Office of the Federal Register really clarified the facts on this question.

31  
32 I recommend you take the time to review this regulation and in his concluding statement of his legal opinion  
33 letter in which Mr. White stated,

34  
35 ***“Our records indicate that the Internal Revenue Service has not incorporated by reference in***  
36 ***the Federal Register a requirement to make an income tax return.”***

37 [SEDM Exhibit #05.005;

38 SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]

39  
40 Continuing to review the purported “*Sources of Authority*” in Delegation Order (D.O.) 182 (Rev 7), 26 CFR  
41 §301.7701-9 pertains to “Secretary or his delegate” does state in part:

42  
43 ***“(c) An officer or employee, including the Commissioner, authorized by regulations or***  
44 ***Treasury decision to perform a function shall have authority to redelegate the performance of***  
45 ***such function to any officer or employee performing services under his supervision and***  
46 ***control, unless such power to so redelegate is prohibited or restricted by proper order or***  
47 ***directive.***

48  
49 However, reading the entire administrative regulation fails to reference any direct statement to SFR authority for  
50 the creation of a Form 1040/1040A return. *Humm? Shouldn't a Source of Authority be specific so as to not*  
51 *create assumptions but to document specific reference to what it is talking about?*

1 Then there is that delegated response letter of October 27, 1998, in which then IRS Commissioner Charles O.  
2 Rossotti, requested Joseph H. Cloonan [District Director in the Bensalem, PA office at that time] to reply  
3 directly to the question about:

4  
5 ***“Your inquiry concerned the Authority by which the Internal Revenue Service [IRS]  
6 requires an individual to file a tax return. “***

7 *[SEDM Exhibit #05.022;*

8 *SOURCE: <http://sedm.org/Exhibits/ExhibitIndex.htm>]*

9  
10 You better sit down when you review this exhibit because of the statement [delegated as if it were coming from  
11 the Commissioner himself] on page 2 of his letter which stated,

12  
13 ***“The law itself does not require individuals to file a Form 1040.”***

14  
15 *Do what in the middle of the street, you say?*

16  
17 Mr. Cloonan, on behalf of Commissioner Rossotti, knew he was writing the reply letter to an American National  
18 who did not work for the Federal government [easy to check IRS records for Federal payments for a public  
19 office]. Just as easy he knew all too well that his income was not *“derived from being engaged in the conduct of  
20 a trade or business within the United States”* or from his operating in a representative capacity in behalf of the  
21 Federal government via a valid SSN constructive trust contract.

22  
23 *What could have possibly possessed him to say otherwise?*

24  
25 *Well what does that all mean, you ask?* The IRS will always tell you that they have the authority to create a  
26 SFR, which is absolutely correct as you have seen. The omission in their statement is the outright statement that  
27 they have authority by statute and regulation to create a Form 1040 return. They also readily admitted to the  
28 Government Accounting Office that an SFR is merely a “proposal” and not a valid assessment:

29  
30 

<i>Government Accountability Office (GAO) Report GAO/GGD-00-60R IRS Substitute For Returns</i> <a href="http://famguardian.org/PublishedAuthors/Govt/GAO/GAO-GGD-00-60R-SFR.pdf">http://famguardian.org/PublishedAuthors/Govt/GAO/GAO-GGD-00-60R-SFR.pdf</a>
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31 Without any authority to create a SFR for a Form 1040, the question begs to be asked:

32  
33 *“What authority do they really have when all their Sources of Authority fail to reference a Form  
34 1040 return?”*

35 Once a SFR for a Form 1040 [so far with no specific statute or regulation even mentioning the Form 1040 as  
36 Delegation Order (D.O.) 182 Rev 3 did ***“due to constitutional issues”*** which can only apply to American  
37 Nationals and not other “Taxpayers”] is created then the IRS proceeds to create Assessments under 26 USC  
38 §6201 [but ***there is no implementing regulation found at 26 CFR §1.6201*** like there is at 27 CFR §1.6201].

39  
40 A Notice of Deficiency is later created based on the ***“assessment”*** [which was established by the SFR for a  
41 Form 1040] and this eventually leads to a Lien under 26 USC §6321 [but ***there is no implementing regulation***  
42 ***found at 26 CFR §1.6321*** like there is at 27 CFR §1.6321] or Levy under 26 USC §6331 [but ***there is no***  
43 ***implementing regulation found at 26 CFR §1.6331*** like there is at 27 CFR §1.6331].

44  
45 The Notice of Deficiency letter [like IRS Letters 3219, 984, 620, et al] is then sent certified mail return receipt.  
46 The recipient is given a 90 day window to appeal the matter to United States Tax Court in Washington, DC by  
47 filing an amended petition and a filing fee [today the fee is \$60].

48  
49 Most people today are frightened of the government. Yet this is the very government that was brought into  
50 existence to protect and defend us - - We the People - - not to convert us into their financial indentured servants.

1  
2 While it is well known that the IRS will never admit any of this as fact, a Federal Judge who has integrity should  
3 abide by the law when the facts are clearly stated for a judicial determination. However, the question arises,  
4 “Who pays their salary?”

5  
6 Interestingly enough, an American National [nonresident alien] who did not derive his income by being engaged  
7 in the conduct of a “trade or business” in the “United States” recently received a positive decision in his favor by  
8 the U.S. Tax Court. That Federal Tax Court Judge in Washington, DC issued a decision on the IRS Notice of  
9 Deficiency (N.O.D.) claim overturning it via a **Court Order for Dismissal for Lack of Jurisdiction**. A copy  
10 of the Court Order dismissing the IRS Notice of Deficiency (N.O.D.) is in the exhibit section.

11  
12 As you read the Court Order, keep in mind the powerful distinction of jurisdiction of the Tax Court being  
13 exactly as Supreme Court Justice Taft stated in Balzac v. People of Porto Rico. The petitioner did not submit an  
14 amended petition and/or the filing fee as he was astute enough to recognize that if he had done so, then the  
15 United States Tax Court would have gained jurisdiction by the petitioner “electing” to have his income treated  
16 as taxable as that of a U.S. resident alien.

17  
18 Those who work for the IRS are obligated to abide by United States Tax Court decisions and this is clearly  
19 stated in the Internal Revenue Manual (I.R.M.), Section 4.10.7.2.9.8 (05/14/99) Importance of Court Decisions  
20 as follows:

- 21  
22 i. *“Decisions made at various levels of the court system are considered to be interpretations of*  
23 *tax laws and may be used by either an examiner or taxpayers to support a position.*
- 24  
25 ii. *Certain court cases lend more weight to a position than others. A case decided by the U.S.*  
26 *Supreme Court becomes the law of the land and takes precedence over decisions of lower*  
27 *courts. The Internal Revenue Service must follow the Supreme Court decisions. For*  
28 *examiners, Supreme Court decisions have the same weight as the Code.*
- 29  
30 iii. *Decisions made by lower courts, such as Tax Courts, District courts, or Claims Court are*  
31 *binding on the Service ONLY for the particular taxpayer and the years litigated. Adverse*  
32 *decisions of lower courts do not require the Service to alter its position for other taxpayers.”*

33  
34 In summary, the Internal Revenue Service’s use of Enforcement Statutes for the **Non-existent, Non-enacted**  
35 **Subtitle “A” Federal income tax** against “American Nationals” who **do not work for the National**  
36 **Government**, hold **no public office**, and **do not operate in a representative capacity for the benefit of the**  
37 **Federal government** is invalid and fraudulent for the following reasons:

- 38  
39 1) Title 26 has been around for over a half century without being enacted into law. *Title 26 is merely*  
40 *“Special Law” that applies only to a limited group called “Taxpayers”. Those who are*  
41 *“Taxpayers” should and must file and then pay all taxes legally imposed upon them.*
- 42  
43 2) Congress has told us that all enacted federal law is “immediately published” in the Federal Register  
44 in How Our Laws Are Made as well as in 44 USC §1505 supporting this as fact.
- 45  
46 3) 26 USC has not been enacted into positive law and is prima facie or “assumed law” outside the  
47 “United States”. 1 USC §204.
- 48  
49 4) 26 CFR §1.0-1 has shown that the Internal Revenue Code of 1954 and Subtitle “A” in particular  
50 was enacted on August 16, 1954 and was terminated or ended on the same day. There simply is no  
51 enacted application toward American Nationals that has been published in the Federal Register.  
52 Under **26 CFR §601.702(a)(2)(ii) Effect of Failure to Publish in the Federal Register** the law  
53 states that “no adverse effect can be imposed against a person’s rights.”

- 5) The Office of the Federal Register has stated that there are no Implementing Regulations imposing the “Special Laws” found in Subtitle “A” income tax” as there is no record of any publication in the Federal Register.
- 6) Michael L. White, Federal Attorney, Office of the Federal Register has openly stated in his legal opinion letter dated 1994 that **there are no enforcement regulations published in the Federal Register nor is there any published requirement there requiring American Nationals to file or pay an income tax.**
- 7) At best the Statutes [for use only by ATF but still remain in 26 USC] found in 6201 [assessment], 6321 [lien], & 6331 [levy] apply to those “parties” identified in the Legislative Intent of the 16<sup>th</sup> Amendment [*officers, employees, and elected officials of the federal government*].
- 8) The Statutes At Large [SAL] are the enacted law and in the Revised Statutes of 1874 Sections 3182, 3186, and 3187, lawful taxation enforcement [assessment, liens, and levy by distraint respectively] is only applicable to excise taxes under Title 27 [Bureau of Alcohol, Tobacco & Firearms]. There is no authority for the IRS to cross-reference to these SAL authorities per 1 CFR §21.21(c).
- 9) Federal Official Dwight Avis swore under oath that the income tax was only a voluntary tax and that the enforcement regulations for ATF “just will not apply”.
- 10) In 28 USC §7851(a)(6)(A) under Applicability of Revenue Laws states there is no authority for the IRS to use any enforcement action against “*American Nationals*” until 26 USC has been enacted into positive law.
- 11) 26 CFR §1.871-1 shows that the income of a nonresident alien [that is the name the Federal government has given to American Nationals] is **ONLY** taxable under 26 USC if that income was derived from one being engaged in the conduct of a trade or business within the United States. It is a well known fact that most Americans do not work for the Federal government.
- 12) There is no law that requires mandates, obligates, or imposes a duty or “liability” for any American National to make application for a “Socialistic Surveillance Number”. **A SSN is viewed by the government in the Federal Rule of Civil Procedure 17(b) to settle the jurisdiction of “one who operates in a representative capacity” for the benefit of the Federal government to be the District of Columbia.**
- 13) **Therein lays the real problem with the SSN. The SSN program was the purposeful tool designed to ensnare all who sign up for the socialistic program to be identified as “federal employees” and thus by being labeled so the government can declare users of the SSN that their earnings can then be identified as being derived from being engaged in the conduct of a “trade or business” in the “United States”. This continues until the user recognizes the situation and declares the SSN application as voidable ab initio and does not meet the criteria as a federal contract under the USSC decision Clark v. United States, 95 U.S. 539.**
- 14) If Title 26 were to ever become enacted, 28 USC §7851(a)(1)(A) tells us that Subtitle “A” income tax would end upon the enactment date.
- 15) Under 28 USC §7851(a)(6)(A), any enforcement attempts for the Non-existent, Non-enacted Subtitle A Income Tax should not take place. Subtitle “A” Income Tax would have already ended on the date of enactment and would not be around a day later. There would be no Subtitle “A” Income Tax to enforce.

1 16) A Notice of Deficiency can be defeated by proper correspondence to the U.S. Tax Court with the  
2 emphasis on jurisdiction and income not derived from being engaged in the conduct of a trade or  
3 business in the District of Columbia per 26 CFR §1.871-1(a).

4  
5 You are your own judge of the facts and the law presented is for your educational understanding. *What is the*  
6 *law presented telling you? Do you understand the difference between those who are legally identified as*  
7 *“Taxpayers” and those who are just as legally defined as “Non Taxpayers”?* If there is no law, then you  
8 become liable only by your own “*presumption*” of a law that does not exist. This is further explained in the free  
9 pamphlet below:

10 

<p><i>Reasonable Belief About Income Tax Liability</i>, Form #05.007 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a></p>
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11  
12 All Americans are encouraged to be law abiding and I applaud that as well. One must first know what the law  
13 declares and that is not an easy task but is one that Americans should embrace if we are to be a lawful nation.  
14 Then it is an imperative to consider following the Supreme Court statement addressed to all of us:

15 *“It is not the function of our Government to keep the citizen from falling into error; it is the*  
16 *function of the citizen to keep the government from falling into error.”*  
17 *[American Communications Association v. Douds, 339 U.S. 382, 442, (1950)]*

## 14 Chapter 14: Federal Courts & Subject Matter Jurisdiction

Quote to Contemplate:

*“In the interpretation of statutes levying taxes, it is the established rule not to extend their provisions by implication beyond the clear import of the language used, or to enlarge their operation so as to embrace matters not specifically pointed out. .*

*In the case of doubt, they are construed most strongly against the government and in favor of the citizen.”*

*[Gould v. Gould, 245 U.S. 151 (1917)]*

The Constitution of the United States of America [ratified 1789] very clearly outlines the three structures comprising the federal government and their responsibilities. In **Article 1, Section 1 of the Constitution** states,

***“All legislative powers herein granted shall be vested in a Congress of the ‘United States’, which shall consist of a Senate and House of Representatives.”***

Article 1 Section 8 Clause 17, establishes Territorial courts called United States District Courts. Under 4 USC §110(e) you will find the jurisdiction of the U.S. District Courts and as such have no authority within the 50 states of the Union.

This is also upheld by the USSC decision in Balzac v. People of Porto Rico, 258 U.S. 298 (1922) which is worth repeating the statement made by Supreme Court Justice [former President] William H. Taft:

***“The United States district court is not a true United States court established under Article III of the Constitution to administer the judicial power of the United States therein conveyed. It is created by virtue of the sovereign congressional faculty, granted under Article IV, § 3, of that instrument, of making all needful rules and regulations respecting the territory belonging to the United States. The resemblance of its jurisdiction to that of true United States courts, in offering an opportunity to nonresidents of resorting to a tribunal not subject to local influence, does not change its character as a mere territorial court.”*** [Emphasis Added]

As such, only the Congress has the authority to create or enact law and the United States District Courts have no constitutional authority to create law.

This is important to distinguish this fact because **the Internal Revenue Service (I.R.S.) repeatedly cites** or refers to **Federal Court decisions** in their responses to Income Tax questions **as if the Courts were permitted to create law**. Keep reading and you will see the importance of this paragraph but do so **in context to “jurisdiction”** in so far as to the Constitution.

**Article 3, Section 2** describes the jurisdictional authority for the District Courts of the United States, which have the authority to function within the 50 states of the Union. In **Article 3, Section 1** of the same Constitution, we find that:

***“Judicial power of the ‘United States’ is vested in the Supreme Court, and in such inferior courts as the Congress may from time to time ordain and establish.”***

The key here is that the courts are “ordained and established” by the Congress. This means that Congress can change their structure because the Congress has the Constitutional authority to do so.

1 Congress made such a change in the structure of the Judiciary Branch of the government in 1976.  
2 Congress passed Public Law 94-381 changing the jurisdiction of the Federal District Courts.

3  
4 United States District Courts are now Administrative Courts under the Legislative Branch of the federal  
5 government and as such have no legal authority to hear or consider the law. More details to this surprising  
6 change in jurisdiction of the federal courts are discussed in Senate Report 94-204.

7  
8 On the surface this doesn't seem like much of a big deal. The United States District Courts are Administrative  
9 "Franchise" Courts and cannot hear or consider constitutional law, but only statutory law limited to federal  
10 territory and property. United States District Judges should have an Oath of Office that applies only to the  
11 "Territorial office" they hold. The only Article III courts are found in 28 USC §251(a). United States District  
12 Courts are charged with hearing matters relating to federal territory, property, and franchises arising under  
13 Article 4, Section 3, Clause 2 of the Constitution.

14  
15 The Constitutional Judicial Court known as the Court of International Trade located in New York City per 28  
16 USC §251(b)., however, is an Article III constitutional court that can only hear matters occurring outside of  
17 federal territory or relating to parties domiciled outside of federal territory.

18  
19 As a result, all United States District Courts are "At Law courts" and are not "In Law Courts" and as such the  
20 Federal District Courts are only franchise courts of consent. That's right, for the Court's judgment to be valid  
21 you must consent. Hence, the term they use when you appear in their tribunal:

22 ***appearance.** A coming into court as a party to a suit, either in person or by attorney,*  
23 *whether as plaintiff or defendant. The formal proceeding by which a defendant submits*  
24 *himself to the jurisdiction of the court. The **voluntary submission** to a court's*  
25 *jurisdiction.*

26 *In civil actions the parties do not normally actually appear in person, but rather*  
27 *through their attorneys (who enter their appearance by filing written pleadings, or a*  
28 *formal written entry of appearance). Also, at many stages of criminal proceedings,*  
29 *particularly involving minor offenses, the defendant's attorney appears on his behalf.*  
30 *See e.g., Fed.R.Crim.P. 43.*

31 *An appearance may be either **general** or **special**; the former is a simple and*  
32 *unqualified or unrestricted submission to the jurisdiction of the court, the latter is a*  
33 *submission to the jurisdiction for some specific purpose only, not for all the purposes of*  
34 *the suit. A special appearance is for the purpose of testing or objecting to the*  
35 *sufficiency of service or the jurisdiction of the court over defendant without submitting*  
36 *to such jurisdiction; a general appearance is made where the defendant waives defects*  
37 *of service and submits to the jurisdiction of court. **Insurance Co. of North America v.***  
38 ***Kunin, 175 Neb. 260, 121 N.W.2d 372, 375, 376.***

39 *[Black's Law Dictionary, Sixth Edition, p. 97]*

40  
41 But you are not forced to consent if you find yourself in such a Court and you hold the first chair position and  
42 not your hired attorney. All attorneys are Officers of the Court and the attorney's first and foremost duty is to  
43 the Court and not to their clients. All former impressions are merely "*assumptions*".

44  
45 The **Court of International Trade** is an "In Law Court" and is **the only court to hear or read the law when**  
46 **Constitutional questions like taxation arise as stated in 28 USC §255(a)(1).**



1 All the Judges in this court have Oaths of Office. This court works in conjunction with the State Courts in every  
2 county [referred to as parishes in Louisiana] across the 50 states of the Union. It might be of interest to ask  
3 those senators in the Senate Judiciary Committee to identify which courts are Article III, their geographical  
4 location, and who are the Judges. Think about this before going on. *Are there any Article III courts?*

5  
6 Another major mistake is to “assume” that all State Courts are Constitutional “Judicial Courts”. According to  
7 **Caha v. United States**, 152 U.S. 211:

8  
9 **“The laws of Congress in respect to those matters, do not extend into the territorial limits of**  
10 **the States, but have force only in the District of Columbia, and other places that are within**  
11 **the exclusive jurisdiction of the national government... It is the State’s responsibility to**  
12 **protect the People and their Property. It is of no concern of the National Government that**  
13 **has no jurisdiction within a State.”** [Emphasis & Clarification added]

14  
15 A “nontaxpayer” must file any case paperwork in a State Judicial Court to address your Constitutional tax  
16 question involving illegal enforcement of the Internal Revenue Code. The IRS routinely files tax liens in the  
17 county jurisdiction. As the Federal Government and the IRS have no legal jurisdiction within the sovereign  
18 State, the Notice of Federal Tax Lien against *American Nationals* is an incorrect Lien on a jurisdictional basis  
19 and even more so when *American Nationals* who do not work for the Federal government and do not operate in  
20 a representative capacity have never been made liable for the federal income tax.

21  
22 *Notice what the U.S. Supreme Court just told you in Caha v. United States?* The Federal Government has no  
23 “jurisdiction” within any State of the Union. Only in a State Judicial Court can you seek protection of your  
24 Rights and utilize the Remedies that are afforded you as an “*American National*”.

25  
26 By now you must have noticed that the emphasis has been on the phrase “*State Judicial Courts*”. Most  
27 Americans are not aware that all State Courts wear two hats, if you will, and primarily function as  
28 Administrative “Franchise” Courts.

29  
30 Should you ever have a Constitutional issue, like a **Federal Tax Lien**, to take before a State Court you must  
31 invoke the Judicial Court by bringing forth the State Court Judge’s Oath of Office and request a three-judge  
32 court. By invoking the three-judge judicial court, the Judge must adhere to his or her Oath of Office, which  
33 includes the phrase “to protect and defend the Constitution of the United States of America”.

34  
35 Consider contacting the Senate Finance Committee on defeating Notice of Federal Tax Liens against American  
36 Nationals who have no nexus with the government by a valid SSN or conduct commerce with the federal  
37 government. There should be some lawyer who does not have an ABA Number and sworn allegiance to the  
38 Court to help if that is a factor. Now let’s return to the United States District Courts that the IRS references  
39 exclusively in their correspondence. As previously mentioned, these courts are Administrative Courts and they  
40 are Courts of Limited Jurisdiction.

41  
42 United States District Courts have no “*subject matter jurisdiction*” over constitutional issues and the court cases  
43 cited by the IRS are lacking subject matter jurisdiction over “*American Nationals*” unless they are unaware of  
44 the IRS deception to reference their decisions. Such decisions of United States District Courts, referenced by  
45 the IRS, on Constitutional issues are simply **VOID FOR LACK OF SUBJECT MATTER JURISDICTION**.

46  
47 United States District Courts have no Subject Matter Jurisdiction, in Constitutional Tax Issues, is found in  
48 documents from these very courts.

49  
50 I direct your attention to 2001 WL 306496 (S.D. Cal.), case number 00-CV-2293-J (LSP) on February 6, 2001.  
51 The U.S. District Court Judge answered the question on Federal Jurisdiction of Tax Questions presented by the  
52 federal governments

1  
2 *“Motion to dismiss for lack of subject matter jurisdiction must be granted pursuant to 28*  
3 *USC §2201(a), which expressly declares an exception to federal court jurisdiction in*  
4 *controversies ‘with respect to Federal taxes’ when the plaintiff request declaratory relief.”*

5  
6 The Federal Government’s attorney further proved that United States District Courts have no subject matter  
7 jurisdiction over constitutional tax issues by stating,

8  
9 *“Because federal courts are courts of limited jurisdiction [only having authority in U.S.*  
10 *Territorial jurisdictions], the plaintiff must demonstrate that the court has been authorized to*  
11 *preside over the case either by statute or the constitution.”*

12  
13 The United States District Court Judge agreed with **Federal Rule of Civil Procedure 12(b)(1)** and accepted the  
14 defendant’s motion to dismiss for lack of subject matter jurisdiction pursuant to Section 2201(a).

15  
16 The reason the United States District Judge further accepted the motion to dismiss by the United States Attorney  
17 is found in **Scheuer v. Rhodes**, 416 U.S. 232, 236, 94 S.Ct. 1683, 1686 (1974).

18  
19 This Supreme Court decision stated:

20  
21 *“In passing on a motion to dismiss, whether on the ground of lack of jurisdiction or failure to*  
22 *state a cause of action upon which relief can be granted, the allegations of the complaint*  
23 *should be construed favorably by the pleader.”*

24  
25 The United States Attorney was the pleader on Federal Rule of Civil Procedure 12(b)(1) and the court granted  
26 the motion.

27  
28 **Once subject matter jurisdiction has been challenged, the court shall go no further.** In **Federal Rule of**  
29 **Civil Procedure 12(h)(3)** states:

30  
31 *“Whenever it appears by suggestion of the parties or otherwise that the court lacks*  
32 *jurisdiction of the subject matter, the court shall dismiss the action.”*

33  
34 United States District Courts are the only court decisions that the IRS has ever cited, and again, the Federal  
35 District Courts have no subject matter jurisdiction over constitutional taxation issues. U.S. District Court  
36 decisions are ones that the IRS will have to abide by per Internal Revenue Manual (I.R.M.), Section 4.10.7.2.9.8  
37 acknowledgment of the obligation imposed upon the Service. Truly it is worth repeating.

38  
39 Jurisdiction is a very important factor in authorities granted by statutes and regulations. State courts have made  
40 concurrent statements which buttress the conclusion of the U.S. Supreme Court such as in **City Street Improv**  
41 **Co. v. Pearson**, 181 C 640, 185 P. (1962) where the court stipulated:

42  
43 *“Jurisdiction is essential to give validity to the determinations of administrative agencies and*  
44 *where jurisdictional requirements are not satisfied, the action of the agency is a nullity*  
45 *[absolutely no authority or legal effect]...” [Emphasis & Clarification added]*

46  
47 **Judicially invoked State Courts** are the proper “*courts with original subject matter jurisdiction*” on  
48 constitutional tax issues as they are adjunct courts of the Court of International Trade and provide remedies for  
49 injuries made by defendant parties.

50  
51 So when the IRS references United States District Court decisions, those court decisions carry no constitutional  
52 legal weight. This is confirmed in their own Internal Revenue Manual (I.R.M.), Section 4.10.7.2.9.8. Those  
53 United States District Court decisions on Constitutional questions are merely opinions that you have the Right to  
54 reject if you chose not to consent to them.

The reasons you can reject these court decisions cited by the IRS is that these courts have no “*subject matter jurisdiction*” over the income tax question. Such a question is a Constitutional question, which can only be lawfully addressed by a three-judge court in a State Judicial Court arising from challenges to the IRS when made by defendant parties [*American Nationals*].

**Summary:**

- 1) Congress has the Constitutional authority to change the jurisdiction of the courts. In 1976, Congress changed the “*jurisdiction*” of the United States District Courts from “*In Law Courts*” to “At Law Courts” via P.L. 94-381 & Senate Report 94-204.
- 2) United States District Courts cannot hear [consider] the law, as they are Administrative Courts by consent. These Judges have authority only in U.S. Territories per Article 1, Section 8, Clause 17 of the Constitution of the United States.
- 3) The Court of International Trade is the only Judicial Court allowed to hear and consider Constitutional Law per 28 USC §255(a).
- 4) As the Federal Government has limited “*jurisdiction*” within the 50 states, only State Judicial Courts can protect the Rights and Property of “*American Nationals*”.
- 5) “*It is the State’s responsibility to protect the People and their Property*”, not the federal government’s responsibility.
- 6) The Federal Government openly admitted in United States District Court that the Administrative Federal District Courts have no “*Subject Matter Jurisdiction*” and the United States Attorney validated his motion to dismiss the case based on the Federal Rule of Civil Procedure 12(b)(1).
- 7) If the IRS ever attempts to file a Notice of Federal Tax Lien, there is a method of attacking such using the Uniform Commercial Code at the State level. Another process could be contacting the Senate Finance Subcommittee on Taxation & IRS. Identify yourself properly as one who is not a party so identified and that the SSN has been voidable from the date it was signed and was never a valid contract as there was no full disclosure of any terms, conditions, implications, or definitions. On top of that you were more than likely a child at the signing of the application and there was no consideration granted to you by the SSN application. Therefore, you could never have been one who waived their God-given constitutionally protected rights and that subcommittee should protect you from such misapplication of the law.
- 8) A State Court can become a State Judicial Court by tendering a certified copy of the State Judge’s Oath of Office and requesting a three-judge court. Only State Judicial Courts afford “*American Nationals*” protection of their Rights and provide Remedies from injuries by the Fraudulent Filing of a Tax Lien by the IRS. “*The National Government has no jurisdiction within a state.*”
- 9) The United States District Courts would never accept a motion to dismiss if the government had lawful jurisdictional authority to impose the non-enacted [and thus non-existent] Subtitle “A” income tax upon *American Nationals*.
- 10) An IRS created Notice of Federal Tax Lien is a fraudulent act against *American Nationals* because Americans have never been made liable for the Subtitle A income tax as seen in the Legislative Intent of the 16<sup>th</sup> Amendment by President Taft.
- 11) IRS created Notice of Federal Tax Liens is a fraudulent act against *American Nationals* because the Federal Government does not have exclusive [sovereign] jurisdiction within the 50 states of the Union.

1 12) *American Nationals* have the right to sue the federal government and the IRS employee for the fraud in  
2 a State Judicial Court as this court is the court of competent jurisdiction and is authorized to provide  
3 remedies for the violation of constitutionally protected God-given Rights of *American Nationals*.

4 \_\_\_\_\_  
5 “*We are grateful to the Washington Post, The New York Times, Time Magazine, and other great*  
6 *publications whose directors have attended our meetings and respected their promises of*  
7 *discretion for almost forty years.*”

8 *It would have been impossible for us to develop our plan for the world if we had been subjected*  
9 *to the lights of publicity during those years. But, the world is now more sophisticated and*  
10 *prepared to march towards a world government. The supranational sovereignty of an*  
11 *intellectual elite and world bankers is surely preferable to the national auto-determination*  
12 *practiced in past centuries.*

13 [*David Rockefeller, speaking in Baden-Baden, Germany, 1991*]

## 15 Chapter 15: If Everyone Stopped Paying “How Would the Government Survive?”

Quote to Contemplate:

*“The individual, unlike the corporation, cannot be taxed for the mere privilege of existing.*

*The corporation is an artificial entity which owes its existence and charter powers to the State; but the individual’s rights to live and own property are natural rights for the enjoyment of which an excise tax cannot be imposed.”*

*[Redfield v. Fisher, 292 P. 813, 891 (1930)]*

The information you have read so far is probably very different from what you previously took for granted. In fact, it would be perfectly normal for some to ask the question, “How would the Federal Government generate any money to operate with if everyone [without a taxable liability] stops their Income Tax Withholding and no longer files a Form 1040?”

No doubt the bureaucrats in the Federal Government would smile at your expression of concern for the welfare of the State. In fact, the most likely expression by the Federal Government would be laughter all the way to the bank. When you read preliminary information pertaining to the Comprehensive Annual Financial Report (CAFR) below you will understand this statement more easily.

Don’t forget that the Constitution of the United States of America [ratified 1789] provides the federal government with a wide range of Excise Taxes, Duties, and Custom fees. The founding fathers provided graciously for the welfare of the Federal State with the authority to use this plentiful resource to cover expenses for constitutional obligations.

By the 16<sup>th</sup> Amendment, the Federal government can tax all those who work it. These include statutory but not constitutional “U.S. citizens” (8 USC §1401), statutory but not constitutional “resident aliens” (26 USC §7701(b)(1)(A)), and those who by [purported] constructive trust contract operate in a representative capacity in behalf of and for the benefit of the Federal government by using Federal property. This would include those using federal property such as the Social Security card or associated number. The U.S. Supreme Court confirmet that there was really no need for the Sixteenth Amendment because the national government always had the jurisdiction to tax the only proper subjects of the Amendment anyway. It was just a subterfuge to deceive people.

*“The Sixteenth Amendment, although referred to in argument, has no real bearing and may be put out of view. As pointed out in recent decisions, **it does not extend the taxing power to new or excepted subjects**, but merely removed all occasion, which otherwise might exist, for an apportionment among the states of taxes laid on income, whether it be derived from one source or another.”*

*[Stanton v. Baltic Mining Co., 240 U.S. 103 (1916)]*

Today, there exist so many different types of excise taxes that it boggles the mind. Some of the more common and noticeable excise taxes are those you see every month on your long distance telephone bill.

*Ever stop to think about the number of gallons of gasoline you purchase in a year’s time?* The Federal Government has an excise tax on every gallon of gasoline sold in this country. As gasoline prices continue to rise due to the devaluation of our fiat currency that brings in even more into their coffers. Many of the excise taxes are hidden in the price you pay for services or products. That way you never [or at least rarely] notice them.

1  
2 The Federal Government has so much money that there never was a need for the income tax in the first place  
3 according to Beardsley Rummel, former Chairman of the Federal Reserve Bank of New York. This is even  
4 more factual when you realize that American Nationals were never made liable for the income tax as previously  
5 discussed in the Legislative Intent of the 16<sup>th</sup> Amendment. Another element related to the overflowing amounts  
6 of new money being created that the **M3 Money Supply** is now a **secret** as it is no longer being reported. The  
7 printing presses could be run 24/7 for all we know.

8  
9 *How is that possible you ask?* You can find the source of all federal revenues listed in the Comprehensive  
10 Annual Financial Report (CAFR) [CAFR]. The Federal Government continues to this day making large  
11 amounts of money via investments of these funds. So do the State, County, and City governments all across this  
12 nation.

13  
14 In 1981, the United States mandated that all local governments prepare a CAFR. At present, there exists around  
15 54,000 separate government entities; cities, counties, school districts, and state governments that also produce  
16 their own CAFR. Collectively, this group of 54,000 reporting entities shows a grand total of over \$60 Trillion.

17  
18 Depending upon the city, county, or particular state you look at, the ration of the annual budget to the reality of  
19 the total wealth ranges from a low of 8:1 to as high as 40:1. Don't forget, this "*budget*" game continues anew  
20 each and every year.

21  
22 This is a massive operation, a multi-trillion dollar organized syndicate of composite government wealth,  
23 instituted by the Federal Government itself. The CAFR shows the revenues or the wealth of the government.  
24 The reason the CAFR has rarely been mentioned to the public is that it shows the ridiculous amount of money  
25 the government has confiscated from the trusting public it was intended to serve and protect.

26  
27 To illustrate the point, take a look at the **State of Texas**. In the Texas CAFR there is a section devoted to the  
28 Tex Pool Fund. Back around **1996**, The State of Texas had accumulated over \$2 Trillion in that fund. It is  
29 mainly invested in the stock market and other investment vehicles. In that publication on page 158, the Tex  
30 Pool Fund's assets and liabilities were displayed. **The real story is found under the Tex Pool Fund's Total  
31 Asset Additions of about \$2 Trillion.**

32  
33 Viewed in proper context, the \$2 Trillion is 10 times as much as the State of Texas Total Assets [which  
34 amounted to around \$200 Billion in 1996]. This means that the Tex Pool Fund Total Assets were in excess of  
35 50 times the annual revenues of \$40 Billion for the State of Texas [in 1996]. The State of Texas could have  
36 given each citizen and resident in 1996 a check for over \$100,000 each before running out of money.

37  
38 According to Walter J. Burien, Jr., in a published article dated February 2001,

39  
40 *"The various levels of governments own and control over 53% of all stocks listed on all the  
41 various stock exchanges."*

42  
43 Now you know who the "*Institutional Investors*" are...the governmental investments made from their CAFR  
44 funds.

45  
46 You have to admire that man for his revealing work. However, as he has been hounded and pressured so much  
47 by those in powerful positions within many levels of government, he has "*gone off the radar*" in fear for his life  
48 and well-being of his family. At least this was what has been reported on the Internet.

49  
50 The federal government is more skillful at non-disclosure of the total financial assets than a single state like  
51 Texas would be. You know the reasons, national security and so forth. What you need to understand is that,

1 here in your own country, you have government control under the pretense of a free market system in which the  
2 government is rapidly gaining ownership of virtually every engine of business via stock ownership.

3  
4 *Is it any wonder that Gorbachev saw the light? What about the comment that Yeltsin made after his meeting  
5 with Clinton when he said, "I like the man. He is a socialist."*

6  
7 Walter J. Burien, of Prescott, Arizona, further stated in his article:

8  
9 ***"If every American gave every penny of the money they earned to the Federal Government  
10 for 10 years, it still would not equal the sum our collective governments have amassed in their  
11 investment accounts".***

12  
13 ***You can visit Walter Burien's website at:***

14  
15 <http://www.cafрман.com/>

16 ***Concerned for the survival of the federal government?*** I don't think so. By the way, why are all the levels of  
17 government like large cities, counties, states and the feds accumulating so much of our money in reserve by their  
18 heavy taxation schedules? *Do they tell the American public what they are doing with this entire surplus?*  
19 ***Beardsley Rummel was right, "Are taxes really necessary anymore?"*** "

20  
21 You better be thinking about your own economic survival. The money is so massive and the control so  
22 pervasive that perhaps now you understand the laughter and arrogance of those in elected office and in  
23 bureaucratic positions of authority.

24  
25 With the average American currently paying over 64% of their income in some form of tax or another, Sweden  
26 might be looking good to some people. At least they offer "free" medical coverage from their heavy taxation.  
27 With the Federal [state and local] governments securing the massive amounts of money reflected in their CAFR  
28 accounting, what is the notion behind the government wanting Americans to "pay their fair share?"

29  
30 Americans pay numerous lawful taxes, as you have learned. Tax levels seemingly continue to increase  
31 annually. Americans should support their governments' at the various levels so that they can function in their  
32 service to all Americans. However, at what price level and what accountability level should it cease as taxation  
33 for paying their bills to the now offensive levels of today which is far beyond their purported budgetary  
34 requirements?

35  
36 *How can that be accomplished?* That is a good question and one far beyond my expertise. If there is not some  
37 discipline and accountability developed soon by those in positions of delegated authority, then history shows us  
38 the outcome. The life span of nations and civilizations wanes when those governments abuse their design in an  
39 attempt to subjugate their own people who only want to live a quiet life, keep what is theirs, and to mind their  
40 own business.

## 16 Chapter 16: Assumptions & Is the Earth Really Flat?

Quote to Contemplate:

*“They that can give up essential liberty to obtain a little temporary safety deserve neither liberty nor safety.”*  
*[Benjamin Franklin]*

Stated in the Introduction, this subject matter causes many people studying the income tax to experience a wide range of emotions...from fear to anger to disbelief. If you really understand the fullness of what has been presented to you, I trust you are sitting down.

As a reminder, you need to prove the validity of the documentation presented. **Take no one’s word for anything from here on out.** When each of us is confronted with the opportunity to do what is right, or give in to temptation, we each must face the decision squarely. Any decision should be made on accurate and quality information.

Thomas Jefferson made the statement,

*“Men by their constitutions [nature] are naturally divided into two parties: (1) Those who fear and distrust the people and wish to draw all powers from them into the hands of the higher classes, (2) Those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and safe, although not the most wise depository of the public interest. In every country these two parties exist; and in every one where they are free to think, speak and write they will declare themselves.”*

Jefferson’s comments reflect that principle which is the natural order of organized societies. People are inclined to either relinquish power into the hands of the “higher classes” [the “elite” according to Leo Strauss] of that particular society or to have power residing in the hands of the common citizenry. However, there is the realization that “the people” may not always be the most prudent or most effective managers of that power, because their level of commitment and energy varies from time to time.

There are many Americans who have become very concerned about what the Federal government is causing to take place inside the 50 states of the Union. By what lawful authority does the federal corporation [IRS] extend their activities in jurisdictional conflict to the restrictions placed upon the Federal Government by direct jurisdictional violation [Article 1, Section 8, Clause 17] of the Constitution of the United States of America?

Is the IRS acting outside the exclusive sovereign jurisdiction of the “United States” [meaning the federal government] and, as such, only functioning by the unconstitutional creation of a “state within a state”? This indeed would be a direct violation Article 1, Section 2, Clause 3 and Article 1, Section 9, Clause 4 of the Constitution as well.

Perhaps the IRS was really functioning in their intended capacity when you freely made the “presumptions” by applying for a “Socialist Surveillance Number”. If *American Nationals* with knowledge and willful intent subjugated themselves to the exclusive jurisdiction of the Federal Government then there is absolutely nothing to argue.

Those who did so told the Federal Government exactly who they were and then swore to it under penalties of perjury. *Should American Nationals be disturbed by the actions of the IRS? Perhaps yes in one sense but overall I say, “No”.*

The reason being is that it is the responsibility of each *American National* to know and understand the Enacted Federal Law.



1  
2 When an *American National* understands what has transpired without knowledge and willful intent to be  
3 identified a “*U.S. Citizen*” via the SSN application [which is to say be identified as a federal employee with all  
4 their income being claimed as originating from the performance of the functions of a public office in the United  
5 States] then that is another matter altogether. Contracts must provide terms, conditions, and definitions so that  
6 the party signing is fully aware of what the contract comprise. Americans need, in regard to the later situation,  
7 to consider correcting that misapplication or identifying label established by the voidable ab initio contract.  
8 Again, that is an individual choice.  
9

10 Only if you desire to continue in the semantic gamesmanship by that label should you be happy and secure with  
11 such a declaration. Each American must decide on their own as to a rebuttal of the former “*assumptions*” that  
12 were previously presented to the Federal government. Each American National must understand the situation  
13 fully before taking steps to correct it. A good start is to obtain a copy of the original SSN application and look it  
14 over well for your age at signing and to review the “contract” for the full disclosure of terms, conditions, and  
15 definitions provided by the Social Security Administration. Then compare that application against the USSC  
16 decision in *Clark v. United States*, 95 U.S. 539.  
17

18 Our founding fathers left all Americans their profound convictions and greatest confidence in the ability of the  
19 People to control the government and not the other way around. As expressed by the Declaration of  
20 Independence and the Constitution of the United States as the supreme law of the land, our founding fathers  
21 were rightfully concerned about the nature of government witnessed throughout world history.  
22

23 Jefferson eloquently and succinctly expressed his foundational desires about the new government being created  
24 when he stated:  
25

26 ***“I know of no safe depository of the ultimate powers of a society but the people themselves;  
27 and if we think them not enlightened enough to exercise their control with a wholesome  
28 discretion, the remedy is not to take it away from them, but to inform their discretion by  
29 education.”***  
30

31 This is a far cry from the governance philosophy of Neo Conservatism professed by Leo Strauss and functioning  
32 in government centers today. Jefferson was more eloquent than I could ever hope to be but our paths are  
33 identical. Americans may not have the fullness of knowledge necessary but it can be acquired. Americans do  
34 not need elitists ruling over us or government to possess the attitude that it is the source of all. Socialism or  
35 fascism is not the answer. For if it is, the Constitution suddenly has become recycle material.  
36

37 Hopefully, the “*education*” presented in this writing has caused you to consider your options under the light of  
38 knowledge. Perhaps you are now thinking about matters related to governmental authority related to taxation in  
39 a different light. Maybe you stimulated you own desire for more information. Share your knowledge with  
40 others!  
41

42 Such a journey will not be easy. Life is not easy. But you will grow stronger in your ability to stand up for  
43 yourself over time. Learn the facts and apply what is just, true, and honorable. Respect your fellow American.  
44 Teach your children as this information will never see the light of day in a classroom in our lifetime. Make the  
45 effort to help your family become more critical thinkers about this subject and others as well. Learn to ask  
46 numerous questions of those who are currently your elected “*elite*”.  
47

48 Only you can restore your identity as an *American National*, one who is a sovereign American as expressed by  
49 the *United States Supreme Court* in *Yick Wo v. Hopkins*, 118 U.S. 356 as  
50

51 ***“Sovereignty itself is, of course, not subject to the law for it is the author and source of law;  
52 but in our system, while sovereign powers are delegated to the agencies of government,  
53 sovereignty itself remains with the people, by whom and for whom all government exists and  
54 acts.”*** [Emphasis added]

No one else can do that for you. You, and only you, can do that for yourself. There are research tools you can use to accomplish this task. If you are interested in the steps to re-confirm your American National vis-à-vis a “U.S. citizen” or “federal employee” identity then take the time to ponder the questions to ask the government as is your Right under the First Amendment to the Constitution to Petition the government.

One should not expect the IRS to lie down and not challenge your alternate position. It will take a period of time to correct your rightful American National status BEFORE they assume “nontaxpayer” status. Then if the IRS refuses to operate according to Enacted Federal Tax Law, you will know that there indeed is something very wrong with the actions of your government.

Do not “*assume*” that the transition will be simple or easy but it will be worthwhile and provide you with years of benefits that you should never have sacrificed in the first place. Never forget that the IRS is used to having their way with the unaware. There is little to no accountability in their jobs. From comments shared by others in their personal experience with the IRS in attempts to correct the errors, the IRS acts with an attitude of superiority and does not reflect the role of a servant of “We The People”. Their job is to do their job. They will not to assist or inform you of the law and your Rights. They are there to look out for number one and we will give you a hint: You are not number one.

However, the subcontracted IRS agents should retire when presented with the forceful evidence presented in this book or face jeopardy if they don’t under the Westfall Act [28 USC §2679(d)(1)].

After all, those who work for the Federal government [the National government] took an Oath of Office “*to protect and defend the Constitution*” which we Americans are secured parties to. That same Constitution places limitations against the government. We should all desire to live a quiet and peaceful life free from government interference but that is getting harder to accomplish. Without an SSN, there would be no contact with the IRS at all. **The SSN is the lowest common denominator as it is the root cause of the entire problem. Eliminate this and you eliminate any connection with the government.**

In the meantime, you must protect yourself and your assets. Re-consider your current banking relationships. Close all your bank accounts and reopen them without numbers according to the following:

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

There are many banking locations around the world that afford privacy and full banking resources. There are banks that have been around longer than this nation have existed and your money is protected from the federal corporation’s control.

Should you desire privacy in banking, the Internet is a great place to start your search. Do not “*assume*” your money and property will be respected by the Federal corporation. You may have to fight for it as there are many instances of unfair practices that the federal corporation has taken in the past.

Avoidance of “ownership” is really a good thing. *After all, do you really own anything in this life?* If you did then you could take it with you when you die. All of us are only stewards of what God has blessed us with; we are not the owners of anything.

Consider the fact that you need to stop using any SSN in all financial activities and that will go a long way to giving you a quiet and peaceful life. After all, there is no law which requires Americans to obtain that Federal property by contract with the Social Security Administration. Go ahead, ask the SSA yourself to see if there is a single statute and implementing regulation published in the Federal Register which requires American Nationals [non-resident aliens to all federal jurisdictions] to secure and use federal property for your private purposes.

1 If you own property [possess legal title] that ownership is recorded in your name. You should consider  
2 protecting such a major asset by such lawful instruments like Quit Claim Deed filings because of the litigious  
3 society in which we live. Perhaps a foreign investor would like to take ownership and you simply enjoy the  
4 house as a tenant. Consider renting your home and if you own an automobile a lease might be the most direct  
5 and simple solution until the IRS understands the validity of your position based on Enacted Federal Tax Law.  
6

7 For some Americans this is an issue in and of itself. Again, life is not easy but neither should anyone be careless  
8 in protection of what is of value. Most people have insurance of many types without the expectation of  
9 incurring a loss. Consider these steps as insurance to protect what is legally and lawfully yours so that you do  
10 not find yourself in a situation of having to function without them. Make yourself as judgment proof as  
11 possible. Be proactive in your strategy in advance of implementing a decision to rebut all claims of your being  
12 anything other than an American National.  
13

14 Lastly, consider the effort to write the Social Security Administration and ask the pointed questions about your  
15 children being “*required*” to obtain a Social Security Number. Ask the SSA to provide you with the Enacted  
16 Federal Law [ask for Implementing Regulations and where they are published in the Federal Register] which  
17 impose such a requirement upon *American Nationals*.  
18

19 Keep the letter as a document for making copies for future use when other unaware people try to convince you  
20 contrary to Enacted Federal Law. Create your children’s own offshore retirement plan [with their future  
21 earnings] that they would otherwise have paid the SSA over their lifetime. Think... 40 years of funds being  
22 compounded and 100% theirs and all of it available at any time that it is needed. If you do, it might be an even  
23 wiser step to **not** keep those funds in a U.S. dollar denominated account as it is heavily discounted by many  
24 nations. By 2012 it is expected that Organization of Petroleum Exporting Countries (OPEC) to not accept the  
25 dollar as payment for oil purchases. Think, and protect your hard earned assets as best you can.  
26

27 Require the SSA to prove their position via 5 USC §556 and ask the SSA to document any requirement with the  
28 following documentation:  
29

- 30 1) A Statute in an enacted Title of the United States Code,
- 31 2) An Implementing Regulation for the specific Statute in the enacted Title of the USC being published  
32 in the Code of Federal Regulations,
- 33 3) The publication of the same CFR Implementing Regulation in the Federal Register and evidenced by  
34 a volume, date, and page number.  
35

36 Seek answers to questions as to the nature of the application such as, “*Is the SSN application a contract?*” Ask,  
37 “*Is the SSN a constructive trust?*” Ask if the SSN identifies you in the IRS records and database [as a holder or  
38 user of that number] as a “*U.S. citizen or resident alien?*” Ask yourself, “*Did I willingly and knowingly, with  
39 full knowledge of the consequences, at any time waive my God-given Rights?*”  
40

41 If you don’t have a copy of the original SSN application, you should seek that from the SSA by asking for a  
42 “*photocopy*” [**NOT an extract**] of the original application. The cost is currently \$27 payable to the SSA  
43 [subject to change]. The form to use is found in the exhibit section of this book.  
44

45 If you signed that SSN application as a minor, ask the SSA “*Is it lawful for a child to enter into a valid  
46 contract?*” It is our Right to ask questions of the government. You must understand and not assume what you  
47 use to think is valid without proof or confirmation.  
48

49 The Constitution, without question, was designed to provide the people with the ultimate power in governing  
50 their nation. The source of that power originates to this day from our Creator and each man and woman  
51 experiences the gift of His grace equally.  
52

53 That being the case, the Constitution clearly guarantees the individual’s rights and greatly restricts the federal  
54 government. Keep in mind that contracts can surrender that Right and permit subjugation. Your right to

1 contract, in fact, is the most dangerous right you have because it can literally destroy all your other rights and  
2 leave you entirely without remedy, because the government cannot lawfully interfere with the exercise of that  
3 right. The lawful barriers that limits and restricts the power of the Federal government from attempts at  
4 encroachment and usurpation of powers not lawfully delegated by the People must not be left unchallenged.

5  
6 The reality in your country today is that even with the presence of the unambiguous and restrictive language  
7 found within our Constitution, there are those who do not identify with the People. Diversity in opinion is vital  
8 and protected. However, there are those in your country with the intellectual disposition who continually strive  
9 and thirst to seize control of the powers delegated to and retained by the People.

10  
11 Eternal vigilance is required for there are those who no longer accept the foundational precepts that “We The  
12 People” are capable of governing. The idea that the “*higher classes*” can and should be the final answer for all  
13 social and national problems while trampling the unalienable rights of the People is unacceptable in your form  
14 of government.

15  
16 Those who profess social engineering, Keynesian economics of wealth redistribution, socialistic welfare, and  
17 other “*advanced*” theories of “*new governance*” must be exposed for what they really are: frauds and usurpers.  
18 In reality, Socialism simply does not work well and is characteristically ephemeral. Socialism is simply  
19 communism in slow motion and a milder form. The failure of communism in the Soviet Union is proof that  
20 collective rather than individual sovereignty simply does not work.

21  
22 Consider the statement from Professor Alan Dershowitz of Harvard University on his position regarding the  
23 Constitution. Decide for yourself if the government should be free to ignore the letter, intent, and spirit  
24 embraced in the Constitution.

25  
26 Professor Dershowitz of Harvard University has been attributed to proclaim,

27  
28 ***“We have no unalienable rights, all rights are subject to modification, the Constitution is  
29 merely a piece of paper and government should not be limited by the Constitution because it  
30 can do good things for people.”***

31  
32 Voices like Professor Dershowitz proclaim that the nature of men and government has changed so radically over  
33 the last two centuries that the “*higher classes*” can now solve every social and national problem without regard  
34 for the unalienable rights of “We The People”.

35  
36 The statement by Dershowitz tells us that the Constitution is nothing more than an antediluvian piece of paper  
37 that has no meaning in our “*advanced*” civilization. Do you hear a chuckle? Leo Strauss must be thrilled to  
38 hear what his colleague is espousing. Is it time to “*Sieg Heil*” or to just go quietly into the night in an effort to  
39 hide from fear.

40  
41 The concentration camps of Nazi Germany were the result of massive silence by a once trusting German public.  
42 Arising from fears for “***security best provided by government***” caused everybody to line up in single file, raise  
43 their arm and “*Sieg Heil*”...”*Sieg Heil*”.

44  
45 What do you say? *Do you have the time to care anymore?* Do you still believe that the government is a  
46 government of the People, by the People, and for the People? *Does it really matter anymore that your God-  
47 given constitutionally protected unalienable rights are declared to be “out-dated” by those in educational  
48 institutions of higher learning and simply an antiquated hindrance to be ignored by those in the government?*  
49 Read the Constitution. Read the laws. Study and apply what is good, true, and correct.

50  
51 Perhaps that end day of your nation will come, as the hearts of many have grown cold. Many American  
52 Nationals cannot even tell their children, from their own memory, what the first ten Amendments to the  
53 Constitution guarantees for Americans.

1  
2 However, until that day occurs when American Nationals choose to use the Constitution as kindling material,  
3 the public servants are still required to work within the limitations imposed upon them and not to willfully  
4 disregard the unalienable rights expressly stated to belong to the People. Such is the case with regard to the  
5 limitation of authority over the individual American Nationals' labor and compensation.

6  
7 The Constitution of the United States has been declared by the United States Supreme Court to restrict and  
8 completely limit the Federal government from the imposition of the Federal income tax upon American  
9 Nationals. **Lest you forget, I am only talking about those American Nationals who do not work for the  
10 Federal government, are Nonresident aliens under 26 USC §7701(b)(1)(B), do not participate in a "trade  
11 or business", and who do not use a SSN as it is voidable ab initio.**

12  
13 Those who are lawful Taxpayers are "*Taxpayers*". They should and must pay their obligations as such is the  
14 law. One must learn the difference and never be misled again.

15  
16 The Constitution of the United States is a massive jurisdictional barrier against the ability [**"and therefore not**  
17 **within the power of the Federal Government to Impose"**] of the national government in regard to the  
18 imposition of the income tax upon American Nationals who do **not** derive any income from being engaged in  
19 the conduct of a "*trade or business*" in the "*United States*".

20  
21 The method that has been used by the Federal government to bypass the constitutional restrictions is the  
22 purported "*constructive trust contract*" to secure a "Socialistic Surveillance Number". If the purported  
23 "*constructive trust contract*" was not valid under contract law parameters, then it can only be voidable ab initio.

24  
25 *"There are a thousand who are hacking at the branches of evil to one who is striking at the*  
26 *root."*

27  
28 *[Henry David Thoreau]*

29  
30 *"Those who manipulate this unseen mechanism of society constitute an invisible government*  
31 *which is the true ruling power of our country.*

32  
33 *Our minds are molded --- largely by men we have never heard of."*

34  
35 *[Edward Bernays (quoted from his book "Propaganda")]*

36  
37 *"The bank hath benefit of interest on all moneys it creates out of nothing."*

38  
39 *[William Patterson, co-founder with Nathan Rothschild of the Bank of England, circa 1694]*

40  
41 *"Permit me to issue and control the money of a nation and I care not who makes its laws."*

*[Mayer Amschel Rothschild, founder of Europe's central banking system]*

*"Whoever controls the volume of money in any country is absolute master of all industry and*  
*commerce."*

*[President James Garfield (spoken shortly before his assassination)]*

## 17 Chapter 17: Limitations Placed by Law against the IRS & Summons

Quote to Contemplate:

*“Income from sources outside the United States that is not effectively connected with a trade or business in the United States is not taxable if you receive it while you are a nonresident alien”*  
[IRS Publication 519, Income Subject to Tax, Page 26 ; IRC Definitions: ‘Trade or business’ 7701(a)(26) , ‘United States’ 7408(d) & 7701(a)(39), Nonresident Alien 7701(b)(1)(B)]

Some readers may know what an IRS Summons looks like and what it addresses. At first glance, it appears authoritative and threatening. Below is an example of such a summons:

<http://sedm.org/SampleLetters/Federal/Situational/IRSForm2039Summons.pdf>

From copies others have shared, the correspondence appears to give the impression that it is a command for you to obey. It could be true and then for some it could be only an attempt under Color of Office and Color of Law to be valid.

There is that thing called “*Presumption*” once more that tells us we should make a review of the facts before “agreeing” to be influenced by the mere appearance of some formal looking document. Then, if there is substance based on the law, there is only the proper option to respond to the Summons in a proper manner.

The area in the Special Laws [the IRC] where you can locate the subject of Summons is found in 26 USC §7601 through 7609. These statutes are found in Subtitle F which was formerly used by ATF prior to being created as a federal agency in the 1950s. Today there is no authority for the IRS to use ATF authorities. *Remember about the need for regulations to support the statutes?* They must be present when such is directed to those who do not work for the federal government. Take note to see if the Summons is backed by a federal court order or merely signed by a local IRS agent.

You have probably guessed by now where this is headed. You guessed it all right; the use of **SUMMONS is only applicable for ATF excise tax matters and has absolutely nothing to do with any tax under the domain of the IRS.** If it were otherwise, there would most certainly be implementing regulations in 26 CFR Part 1 and they would be promulgated in the Federal Register.

The only regulation authority for 26 USC §7601 thru 7609 is **27 CFR Part 70** Procedure & Administration for Alcohol and Tobacco Tax and Trade Bureau, ATF.

Title 26 > Subtitle F > Chapter 78 > Subchapter A > §7601 (a) reads as follows:

*“The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax, and all persons owning or having the care and management of any objects with respect to which any tax is imposed.”* [Emphasis added]

At this point you know who the particular groups are that make up “*all persons therein who may be liable to pay any internal revenue tax*”, don’t you? “Taxpayer” is the answer, of course. You have to **go to the regulations in 27 CFR Part 70** to see again that this is addressing those who are involved in the manufacturing and distribution of Alcohol Tobacco and Firearms taxation.

1 Noticeable by its absence is any reference to the IRS having authority to canvass each internal revenue district  
2 regarding the Form 1040 tax [Subtitle “A” Federal income tax]. But even if it truly means the IRS, then the  
3 only area the IRS can canvass in their search is an internal revenue district. *Where is that district? How many*  
4 *districts exist for the IRS to canvass? All good questions, wouldn’t you agree?*

5  
6 Also missing in this statute is the identification of what is meant by the internal revenue district under the  
7 Treasury Department. The answer for that is found in **Treasury Order 150-02** which now shows that **the only**  
8 **internal revenue district is the District of Columbia** [Washington, DC] and by extension the U.S. Territories  
9 and possessions.

10  
11 Thus, the IRS Summons by statute and regulation [27 CFR Part 70] is only for the IRS to canvass within the  
12 District of Columbia and U.S. Territories and possessions. This is not my opinion but rather what the statute,  
13 regulation, and Treasury Order 150-02 clearly state. As you are already aware, the IRS can not cross reference  
14 to implementing regulations found in other titles of the CFR per 1 CFR §21.21(c).

15  
16 On January 25, 2005, the U.S. Court of Appeals for the Second Circuit [Schulz v. IRS, Case No. 04-0196-cv]  
17 held:

18  
19 ***“absent an effort to seek enforcement through a federal court, IRS summonses apply no***  
20 ***force to taxpayers, and no consequence whatever can befall a taxpayer who refuses, ignores,***  
21 ***or otherwise does not comply with an IRS summons until that summons is backed by a***  
22 ***federal court order. A taxpayer can not be held in contempt, arrested, detained, or otherwise***  
23 ***punished for refusing to comply with the original IRS summons, no matter the taxpayer’s***  
24 ***reasons, or lack of reasons for complying.”***

25  
26 *Did you quietly notice the statement by the Federal Court of Appeals that **the IRS summonses apply no force to***  
27 ***taxpayers?** Did you notice the court also stated that **no consequence whatever can befall a taxpayer who***  
28 ***refuses, ignores, or otherwise does not comply with an IRS summons?***

29  
30 *Did you notice that those facts just stated remain valid and do not vary **until a summons is issued by a federal***  
31 ***court order?***

32  
33 *Why did the Federal U.S. Court of Appeals say what they said? Because they know the IRS Summons is*  
34 *completely bogus and amounts only to a mere request! *How can that be you ask?* You read the answer*  
35 *already. The Summons is only permitted for use by the ATF for excise taxation related to their area of*  
36 *responsibility. The IRS is completely devoid of any authority but the Court of Appeals felt that might be too*  
37 *strong against the IRS so they stated **IRS summonses apply no force to taxpayers.***

38  
39 Look for the Implementing Regulations that would permit the IRS to canvass outside the only internal revenue  
40 district published in the Federal Register. You will find nothing published.

41  
42 Additionally, if that is all true for “Taxpayers” then it is equally true of those who have **NO LIABILITY**,  
43 meaning **American Nationals** [Nonresident aliens per the IRC §7701(b)(1)(B), for the federal income tax per  
44 26 CFR §1.871-1.

45  
46 All IRS Summons can be ignored by anyone receiving them as they are only a request without any substance in  
47 law and lack any support for its use according to the U.S. Court of Appeals. But is that what is stated on the  
48 Summons or is that fact hidden from the public?

49  
50 So what is going on in our government that it would not command the IRS to stop this abusive violation under  
51 Color of Law by those in the IRS? The government will not even command their own agencies to abide by the  
52 law so that these issues would never arise again or have to ever cause anyone to engage in litigation to get the  
53 facts straight.

1  
2 You are nearing the completion of this book in which you have information to consider from the reading and  
3 studying of the documented enacted federal tax law attached. As a reader, you may feel a need to correct the  
4 misapplication of citizenship status and the voidable contract that is the SSN application by elements of contract  
5 law not provided or missing at the time of your application.

6  
7 No one has to “volunteer” any of their hard earned money. Only “Taxpayers” are liable parties and if you are  
8 correctly identified as a “Nontaxpayer” [one who has no defined obligation lawfully imposed] then you are  
9 settled in this matter. The emotions that you must be feeling at this point are natural. Only you can decide if  
10 you are going to make your decision on an emotional basis or one based on facts derived from enacted federal  
11 tax law....or to rest quietly and do nothing. The choice is yours.

12  
13 To many, this might be such radical information to your current paradigm that there simply could be no other  
14 answer but to throw all this information into the nearest garbage can. The years of conditioning, fearful  
15 emotions from potential government threat and distrust of what you have read must be weighed carefully by  
16 each reader. Not everyone is capable of proceeding.

17  
18 Just as in the American Revolution, the majority of the colonists [then British subjects to the sovereign  
19 jurisdiction of the British Crown] chose not to fight against the Crown. Samuel Adams made the following  
20 statement to those colonists,

21  
22 ***“If ye love wealth better than liberty, the tranquility of servitude better than the animating***  
23 ***contest of freedom, go home from us in peace. We ask not your counsel or your arms. Crouch***  
24 ***down and lick the hands, which feed you. May your chains set lightly upon you, and may***  
25 ***posterity forget that ye were our countrymen.”***

26 *[Samuel Adams]*

27  
28 Fortunately, American Nationals today are the beneficiaries of numerous sacrifices provided by the gallant  
29 forefathers in the face of such opposition. Remember, they were considered to be “terrorists” in that time in  
30 history. As a free people, Americans do not have to sacrifice our life, liberty and sacred honor as did those in  
31 the early days of the establishment of a new country.

32  
33 However, their sacrifices still today stir up many Americans when thoughtful reflections on their valor are  
34 considered. Make no mistake; this book is not about taking such drastic actions as your forefathers did but  
35 rather to stand up for what, based on the law, is true, correct, lawful, and proper. Demand this from your  
36 government during open debates and petition them in open letters in your local media.

37  
38 The federal government was intended to be the servant of “We The People” and not the other way around.

39 ***“When a people fear their government, tyranny prevails”***

40 *[Thomas Jefferson]*

41  
42 Thus, it is time to remind the government that American Nationals are not indentured servants or “*subject to the*  
43 *jurisdiction of the United States*” but sovereign men and women with Constitutional protections of our God-  
44 given Rights. It is the sworn duty of each elected official to protect and defend the Constitution of the United  
45 States [ratified 1789]. One such Right is that the federal government has no constitutional or jurisdictional  
46 authority to impose the federal income tax upon *American Nationals*.

47  
48 If you understand what an *American National* means and how they are different from statutory “U.S. citizens”  
49 then you are further ahead than most. When your income is not derived by being engaged in the conduct of a  
50 “*trade or business*” in the “*United States*”, then you must prepare yourself for the IRS to make “*presumptions*”  
51 against your proper identification, domicile, and income.



1  
2 You need to give yourself plenty of time to become comfortable with the documentation and learn it thoroughly.  
3 Consider rescinding that SSN if you have not done so. Secure an affidavit, your sworn statement in writing, and  
4 have it notarized stating your status as an American National and dispel any identification of your having ever  
5 been identified as a “U.S. citizen” by any form or governmental document [like a driver license or voter  
6 registration]. You would do well to avoid identifying on any form or document a domicile, residence, legal  
7 address, permanent address in the “United States”. Consider establishing your domicile elsewhere and merely  
8 maintain a mailing address if that is convenient to your thinking. The following form may prove helpful for  
9 establishing your proper citizenship and domicile consistent with this book. You can attach it to any  
10 government form you submit:

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

11  
12 This is the perfect time to discuss “**what you need to do if you receive a letter from the IRS.**” Earlier, I  
13 mentioned the statement by the Congress addressing the enactment of a “*valid law*”. Take another look and you  
14 should understand the significance.

15  
16 All you need to do is to focus on directing questions to the IRS for them to produce “*reliable, probative, and*  
17 *substantial evidence*” that a law exists making American Nationals liable for any federal tax in the first place.

18  
19 The Congressional statement in *How Our Laws Are Made* reads:

20  
21 ***“One of the important steps in the enactment of a valid law is the requirement that it shall be***  
22 ***made known to the people who are to be bound by it. There would be no justice if the state***  
23 ***were to hold its people responsible for conduct before it made known to them the***  
24 ***unlawfulness of such behavior. In practice, our laws are published [in the Federal Register]***  
25 ***immediately upon their enactment so that the public will be aware of them.”*** [Clarification added]

26  
27 Letters from the IRS generally start with a standard reference statement asking for a response from you. An  
28 excellent response would address the statement made by Congress, President Taft in 1909, and a reference to  
29 The Administrative Procedures Act [5 USC §556(d)], which placed the Burden of Proof requirement directly  
30 upon the IRS.

31  
32 The letter in response would also include an American National statement such as:

33  
34 *“I am an American National by birth/naturalization. An American National is a nonresident*  
35 *alien [defined at 26 USC §7701(b)(1)(B) as one who is neither a “US citizen” nor “resident*  
36 *alien”]. I do not work for the Federal government in any context either directly or indirectly*  
37 *and my income is not derived from being engaged in the conduct of a ‘trade or business’ within*  
38 *the ‘United States’.”*

39  
40 The IRS has only one concern in mailing their Letters and it centers on collection activities as that is their main  
41 function. The reason an individual receives a letter is due to their continued use of the SSN. The IRS  
42 understands what that SSN is all about. But now so do you, the choice is yours to make.

43  
44 Obtain your proof from the SSA that there is no law [Statute and/or Implementing Regulation] imposing any  
45 obligation upon American Nationals to secure a SSN in order to live and work in our nation. Request a  
46 photocopy of your original SSN application and put it under the scrutiny as to it being a valid contract or one  
47 that is merely voidable ab initio. The following form is helpful in this regard:

[SSA Form SSA-L996: Social Security Number Request for Extract or Photocopy](http://sedm.org/Forms/FormIndex.htm), Form #03.006  
<http://sedm.org/Forms/FormIndex.htm>

Your only obligation is to follow the enacted federal law in areas where applicable. You have the same right to challenge the IRS as you would a credit card company in the event the charges listed on your statement were incorrect.

Stay on target; don't play the IRS game that only addresses collection. Make the IRS show you the enacted federal tax law. Correct the misapplication that is "assumed" by the IRS when you use a SSN. By now, you certainly realize that the IRS can only make threats and try to intimidate you into believing that, as an *American National*, you might have a liability somewhere in the law. The law takes precedent and you must know it.

Never forget the fact that a:

*"Tax liability is a condition precedent to the demand. Merely demanding payment, even repeatedly, does not cause liability."*

*[Boathke v. Flour Engineers & Contractors, 713 F.2nd. 1405 (1983)]*

Thus, the IRS makes enforcement threats and they do. However, they do so without any authority by Implementing Regulations published in either 26 CFR Part 1 or the Federal Register against American Nationals. The law shows the IRS proceeds under Color of Law but devoid of any real authority by Implementing Regulations to collect or enforce.

Consider the following limitations placed against the IRS and think about it in context to what you are reading.

### **Jurisdiction for the application of the Special Laws in the IRC**

1. You should be aware of Treasury Order 150-02 and 26 USC §7601(a) in regard to IRS Summons authority which only permits IRS employees to canvass internal revenue districts for taxable persons and objects.
2. The only internal revenue district stipulated in Treasury Order 150-02 is the District of Columbia as per the limitations placed by Article 1 Section 8 Clause 17. So IRS employees are restricted by the IRC to the District of Columbia and to journey outside that venue is in direct violation of their limited authority.
3. You should be willing to inform the IRS that you are not domiciled within any internal revenue district by statute [the District of Columbia]. Inform them should they disagree by asking the IRS employees to please provide a positive law statute and implementing regulation which expands upon the definition of "United States" which specifically includes the states of the Union.
4. Please take the time to look up the regulation behind 26 USC §7601 and you will find it to be 27 CFR Part 70. Thus, 7601 can only be used by ATF. Those with the IRS must operate only within their title in the Code of Federal Regulations as per 1 CFR §21.21(c) as the IRS can not cross-reference to authorities promulgated for other federal agencies. These are not my opinions but the statutes and federal orders that the federal government has instructed which those in the IRS must adhere to.

### **U.S. Supreme Court decisions**

5. The IRS routinely quotes U.S. District Court decisions as if they applied to everyone but those courts are quick to tell you that their decisions apply only to the parties involved in that litigation and that the outcome of the case is not to be universally applied to all. Not everyone is a "Taxpayer" or else "decisions" would apply universally.
6. Should the IRS employees try to misdirect your attention to U.S. District Court decisions then direct them to their own Internal Revenue Manual (I.R.M.). You will be able to show them Internal Revenue Manual (I.R.M.), Section 4.10.7.2.9.8 (05/14/99) Importance of Court Decisions as follows:

“Decisions made at various levels of the court system are considered to be interpretations of tax laws and may be used by either an examiner or taxpayers to support a position.

6.1 Certain court cases lend more weight to a position than others. A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts. The Internal Revenue Service must follow the Supreme Court decisions. For examiners, Supreme Court decisions have the same weight as the Code.

6.2 Decisions made by lower courts, such as Tax Courts, District courts, or Claims Court are binding on the Service ONLY for the particular taxpayer and the years litigated. Adverse decisions of lower courts do not require the Service to alter its position for other taxpayers.”

### **Requirement of Implementing Regulations**

7 Those in the IRS routinely make reference in their letters about statutes which supposedly create liability and statutes which supposedly create penalties and interest from violation of liability.

8 You should read another United States Supreme Court decision, California Bankers Assn. v. Schultz, 416 U.S. 21 (1974) where Justice Rehnquist in his lead opinion stated in part “...we think it important to note that the Act's civil and criminal penalties attach only upon violation of regulations promulgated by the Secretary; if the Secretary were to do nothing, [meaning not publish implementing regulations in the Federal Register] the Act itself would impose no penalties on anyone.” [Emphasis & Clarification added] Penalties, clearly and only attach upon violation of Legislative Regulations.

9 This **requirement** for the Treasury Department to publish **Implementing [Legislative] Regulations** for use by the IRS in the Federal Register is found in 26 CFR §601.702(a)(1) and supported by 5 USC §552(a)(1) and 44 USC §1505.

You should read also 26 CFR §601.702(a)(2)(ii) “Effect of failure to publish” where it is stated in part:

“...which is required to be published in the Federal Register, such person is not required in any manner to resort to, or be adversely affect by, such matter if it is not so published or is not incorporated by reference therein...”

You will find the concluding comment on Effect of Failure by the IRS to publish any implementing regulation in the Federal Register to be:

“Thus, for example, any such matter which imposes an obligation and which is not so published or incorporated by reference shall not adversely change or affect a person's rights.”

**These are United States Supreme Court determinations and the Code of Federal Regulations which is imposed against the IRS.** These are not my opinions but the law that all IRS employees are required to adhere to. Again, the IRS must adhere to USSC decisions as such are the law of the land.

Take a moment to review some of the “regulations” behind many of the IRC statues that those in the IRS routinely cite as “authorities for their actions”. Cornell University Law Web site shows that **IRC Statutes 6694, 6700, 7402, 7407, 7408** which the IRS choose to reference have the following authorities by Implementing Regulation published in 26 CFR to be “There are no corresponding CFR parts for which provides authority.”

Thus, the United States Supreme Court decisions come back to haunt any IRS agent who tries to exceed the Scope of Authority under Color of Office and Color of Law. Simply put, the IRS has no authority for use

1 outside the District of Columbia toward American Nationals who do not work for the Federal government  
2 and do not derive their income from being engaged in the conduct of a “trade or business in the United  
3 States”. Let them clearly know that you have no association or nexus to that federal jurisdiction should that  
4 question arise in your private affairs.

5  
6 There is one Statute and Regulation that might be of interest to review at this time. You need to read **26 USC**  
7 **§7851 (a)(1)(A) for Subtitle A federal income tax** which addresses “Applicability of revenue laws” in light of  
8 the implementing regulation which grants its authority was only stated to be **27 CFR Part 24 pertaining to**  
9 **Wine Production**.

10  
11 Without question, this is only ATF jurisdiction and most Americans certainly have no manufacturing  
12 involvement whatsoever in those excise taxable events. This is not my opinion but what the federal regulations  
13 state for authority for 26 USC §7851.

14  
15 When you demonstrate that you are operating on the basis of enacted federal tax law it will be difficult for you  
16 to be intimidated easily. The IRS more than likely will proceed mainly by an occasional letter without great risk  
17 of exposing the truth to the entire general public. If you make your documents a public record, they will not  
18 want to take the chance that exposure of the truth to a wider audience via litigation against those who have done  
19 so as those public records are admissible in a court proceeding.

20  
21 The IRS has never responded to anyone with a Statute, Implementing Regulation, and the publication of any  
22 Implementing Regulation in the Federal Register, which imposes the non-enacted Subtitle “A” income tax [or  
23 the non-enacted Subtitle “C” Chapter 24 Collection of Income Tax at Source] upon American Nationals who are  
24 not made liable per the discussion present earlier. It is important and proper for you to respond to each letter the  
25 IRS may send you. However, your focus is always in addressing the “Imposition of Tax Liability” in all written  
26 correspondence back to the IRS.

27  
28 Remember, **you are not protesting any lawful taxation authority** by the Federal government. Instead, you  
29 must understand that you are defending your Right to be left alone in matters that do not apply to you in any  
30 context to the special laws in the IRC.

31  
32 Understand clearly that in order for you, an *American National*, to be made liable there must be an enacted  
33 federal tax law or a valid private law contract with the Federal government before any collection request has any  
34 validity. Reminding the IRS that they carry the “*Burden of Proof*” brings their strategy to a standstill. They lose  
35 and you win.

36  
37 A standard response letter has been included which can be useful in replying to any IRS Letters. There are  
38 several other processes that have been successful in documenting via the Administrative Procedures Act that are  
39 helpful in gaining IRS admissions that as an American National, you have no taxed income, taxable liability or  
40 any taxable source of income.

41  
42 Should you desire to correct your citizenship and identification status, free documents are available from a  
43 disinterested third party at the following web address:

44 <http://sedm.org>

45  
46 One aspect that should be stated in regard to anyone who may assist you in responding to the IRS, only depend  
47 on an educational provider until you know enough about how the IRS operates inside its jurisdiction. Learn  
48 how to respond to IRS letters for yourself. This information is a good start on that journey. Then force  
49 yourself, if necessary, to fully understand the enacted federal law on this subject.

50  
51 Once you feel comfortable, which could take several years; you can then stand on your own two feet. Everyone  
52 is different, so you have to make your own evaluation as to your comfort level. Then if anyone broaches the

1 subject you can present an informed and educated discussion about the facts rather than the emotional  
2 assumptions that most still entangle their financial lives around.

3  
4 Should you choose to proceed, eventually the IRS will send an IRS CP515 letter stating you are a “Taxpayer”  
5 and demand you pay a tax or explain to them why you are not required to file. Understand that the IRS will test  
6 your mettle and knowledge of enacted federal law. Their game has gone on for such a long time that even many  
7 working for the IRS do not know as much federal law as you have just read.

8  
9 It is helpful to take a lot of time to get educated in order to feel comfortable with the information presented here  
10 and elsewhere. However, ultimately, you must take complete and personal responsibility for your own choices.  
11 We all have to live with the consequences of our choices so make decisions based on knowledge not  
12 presumption.

13  
14 Additionally, you might want to be proactive in regard to your current citizenship status and document yourself  
15 as an American National before undertaking any other action. Many are proclaiming to the government that  
16 they have uncovered the fallacy that they were considered by the government to be a statutory “U.S. Citizen”. It  
17 is never too late to correcting that false “*assumption*” made by the deception presented on the Form SS-5.

18  
19 Any question posed to the government should be done with a Third Party Witness as a non-interested party for  
20 verification to the process being properly followed. The various mailings will give the Federal Agency the  
21 opportunity to respond or their acquiescence will be documented as an acceptance of your Affidavit of  
22 American Citizenship. It is my understanding that the SSA has not even attempted to answer such questions  
23 directly because doing so puts the agency in a difficult position.

24  
25 Most often the SSA responds with a generic letter addressing an altogether different set of issues than what you  
26 asked the SSA to respond to. As these people are adept at the art of the “*Potomac Shuffle*”, and not answering  
27 questions, don’t let that affect your efforts. Simply complete the various mailings and provide a Notice of Fault  
28 in Dishonor with the lack of response, then a Notice of Default when the time limits for the SSA to respond have  
29 elapsed on each mailing.

30  
31 Once your status as an American National is re-established, the first approach with the IRS is to use the  
32 Administrative Procedures Act [5 USC §556(d)]. Ask the IRS to tell you what “*tax*” they are claiming you owe.  
33 Stress that you require the four phase criteria of a Federal Tax Law as applicable toward those who are  
34 Taxpayers.

35  
36 Remember there must be implementing regulations published in the Federal Register as evidence to impose a  
37 taxable obligation upon an *American National who is not a member of any of the three groups specifically*  
38 *exempted from the enforcement regulation requirement found in 44 USC §1505(a) and 5 USC §553(a)*. After  
39 90 years of the existence of the Federal income tax, the IRS is currently unable to locate any enacted Federal  
40 Tax Law applicable against *American Nationals* who do not work for them or do not operate in a representative  
41 capacity by the use of a SSN “*constructive trust contract*”.

42  
43 In your response to any IRS claim of being a “Taxpayer”, inform the IRS that you are not a “U.S. Citizen” but  
44 are instead an *American National* and that you have court-admissible evidence to verify your proper status. One  
45 should not let a false claim go unchallenged! The documentation of your American National status should  
46 include your rebuttal with the SSA in the form of an Affidavit and proves you are not a “Taxpayer”.

47  
48 Secondly, you will need to notify the IRS and the Social Security Administration, and your employer of your  
49 corrected citizenship and Social Security Number status. The IRS and SSA response to questions about the  
50 enacted federal law in this book has only resulted in silence by the IRS and SSA from all internet reports on this  
51 effort.

1 With a Third-Party witness to your interrogatories directed to the IRS and SSA, there will be no avenue open for  
2 the IRS or SSA to rebut your true and lawful status regarding your lack of federal income tax liability and your  
3 rebuttal to your citizenship status being identified incorrectly as a “U.S. citizen”.

4  
5 Again, the IRS will not likely take the risk of exposing the truth by pressing you too far due to your knowledge  
6 and your application of enacted federal tax law. Should the IRS continue to harass you with letters and threats,  
7 you have numerous avenues to present to the IRS for stopping and correcting their harassment actions and  
8 fraudulent claims of any taxable liability produced by your income.

9  
10 Please note that if you do not understand the imperative necessity to correct your presumed “taxpayer” and  
11 “U.S. citizenship” resulting from the purported constructive trust contract [SSN application], but instead  
12 continue to insist on maintaining any of the following legal statuses, then you must stop reading and throw away  
13 this book.

14 Without first verifying the law presented, you are *strongly discouraged* from reading, quoting, or using any of  
15 these materials at any time, because ultimately, you injure yourself. ***Trust no one on matters of this***  
16 ***importance. That includes what is written in this book.*** I will never be a party to interfering with those who  
17 have a legal obligation or who have chosen to have their income treated as if it has a Federal income tax  
18 liability.

19 Do not be mistaken: Those who are identified in 26 USC and 26 CFR as having a Federal income tax liability  
20 for the Subtitle “A” income tax are:

- 21 1) Federal workers who are engaged in the performance of the functions of exercising some of the  
22 sovereign power of the federal government.
- 23  
24 2) Statutory “U.S. citizens” – those who are statutory creations of Congress per 8 USC §1401(a).
- 25  
26 3) “Resident aliens” pursuant to 26 USC §7701(b)(1)(A) – those who are foreigners from other lands  
27 who live and work in your country.
- 28  
29 4) Those operating in a representative capacity [or agency] in behalf of the federal government [such  
30 as those who use or hold a SSN and/or receive federal benefits] by use of a SSN and identify with  
31 26 CFR §301.6109-1 and 26 CFR §1.871-1 as electing to have their income treated as such.
- 32

33 It is NOT the intent of this research nor is it implied or suggested to be such in any manner, shape, or form to  
34 imply that “taxpayers” should stop paying income taxes they lawfully owe. ***All those who are “Taxpayers”***  
35 ***[made liable by the IRC] should and must pay all taxes owed.*** There should be no confusion about this matter.  
36 Those who are “Taxpayers” need to search the IRS website for information and completely disregard this book  
37 as it is NOT applicable to those who are “Taxpayers” as defined by IRC §7701(a)(14).

38  
39 The IRS agents themselves are exposed for a potential lawsuit and they should pause and take a strong look at  
40 the following enacted federal law. However, those in the IRS realize that most Americans live paycheck to  
41 paycheck and do not possess the financial resources required to proceed legal actions against them. With little  
42 interest internally by the government to correct what is obvious to them they have become bold and arrogant in  
43 their thinking and attitudes toward those they took an Oath to protect and defend.

44  
45 On the chance that even one reader may have such financial abundance here are some statutes that can be used if  
46 there is any need or interest.

- 1) Offenses by Officers and Employees of the United States as stated in 26 USC Section §7214(a) *“Unlawful acts of revenue officers or agents (2) who knowingly demands other or greater sums than authorized by law...”*
- 2) The Westfall Act [28 USC §2679] which charges the U.S. Government with the duty and obligation instructing the *“Attorney General to provide a certified statement that the defendant employee was acting within the scope of his office or employment [including jurisdiction outside the Federal Zone] at the time of the incident out of which the claim arose...”*
- 3) 18 USC §241 Conspiracy against rights.
- 4) 18 USC §242 Deprivation of rights under color of law.
- 5) 18 USC §225 Running a continuing financial crimes enterprise.
- 6) 18 USC §872 Extortion by officers or employees of the United States.
- 7) 18 USC §873 Blackmail & Section 880 Receiving the proceeds of extortion.
- 8) 18 USC §876 Mailing Threatening Communications.
- 9) 18 USC §1018 Fraud & Section 1341 Frauds and Swindles.
- 10) 18 USC §1513 Retaliating against a witness, victim, or an informant
- 11) 18 USC §1957 Engaging in monetary transactions in property derived from specified unlawful activity.
- 12) 18 USC §2315 Sale or receipt of stolen goods.
- 13) 26 CFR §601.106(f)(1) Taking of property that is not based on law.
- 14) 26 USC §7214 Illegally taking more money than is required by law.
- 15) 26 USC §7433 Unauthorized collection actions.
- 16) Section 1203 IRS Restructuring & Reform Act of 1998

You can review them in detail on Cornell University’s legal education web site <https://www.law.cornell.edu/uscode/text/>. Then you can politely suggest that the IRS agent consider his/her options carefully. Regulations are found in the Parallel Authorities for each statute.

Recognize always that the IRS has authority to function as they do **but only upon those who are truly “Taxpayers”**. All that is required against Taxpayers are the statutes in the IRC. There is no requirement for Implementing Regulations to be published for those who are the real taxpayers of the federal income tax. They have a job to perform and it is often a hard one for them. It is one that must be respected but fully understood that it only applies to those upon whom the obligation has been imposed and to no one else.

However, if the IRS makes false claims against American Nationals who have no federal domicile and do not derive any income from being engaged in the conduct of a trade or business in the United States, then perhaps an alternative is to politely suggest the following to those in the IRS:





## 18 Chapter 18: Domicile, Residence, & “Permanent Address”

Quote to Contemplate:

*“The rights of individuals and the justice due to them, are as dear and precious as those of states. Indeed the latter are founded upon the former; and the great end and object of them must be to secure and support the rights of individuals, or else vain is government.”*  
[Chisholm v. Georgia, 2 U.S. (2 Dall.) 419, 1 L.Ed. 440 (1793) ]

As you near the end of this educational expedition your commitment is admirable to complete the project. There should be more light hearted interludes in such a serious discussion to help facilitate the reader’s understanding of what may be for many, new information. Take some time to relax and watch a funny movie after you finish, as laughter is a medicant to make any stress much less intense.

The subject of this chapter might seem like something analogous to the Abbott & Costello comic routine “*Who’s on first*”. At first glance the terms all seem to say the same thing and that is somewhat accurate but not exactly. Unfortunately, many in Congress seem to want to compound our lives and then quietly try to remain unaccountable for their work.

Try to get a direct honest answer from any of them. The majority are very skilled at legalese and hyperbole so that when you do obtain an answer you are not sure you are any further ahead than when you started. Thus the Abbott and Costello routine persists to this day which demonstrates confusion by words that have altogether different meanings than everyday use of those words. So in some sense when you know their standup routine you know that you are in for a real laugh at their maneuvering but the impact is at your expense. What an expense it is if you don’t understand the reason!

Keep on focus with the fact that in America, “We The People” were intended to be the Sovereigns... and a public servant by any other name is still a “*public servant*”. Consider this USSC decision as to its impact on you:

*“The words ‘people of the United States’ and ‘citizens’ are synonymous terms and mean the same thing. They both describe the political body who, according to our republican institutions, form the sovereignty, and who hold the power and conduct the government through their representatives. They are what we familiarly call the ‘sovereign people’ and every citizen is one of this people, and a constituent member of this sovereignty.”*  
[Boyd v. State of Nebraska, 143 U.S. 135 (1892)]

**The Congress does not have power over Sovereigns, We the People, but it does over “U.S. persons” defined in 26 USC §7701(a)(30), statutory “U.S. citizens” defined at 8 USC §1401(a), and “Resident Aliens” defined in 26 USC §7701(b)(1)(A).** All such entities have in common a legal domicile within the “United States”, and it is this domicile which gives rise to federal jurisdiction. This is a thin line to some but a critical distinction when one considers the definitions and the intent behind actions of those public servants in the bureaucracy that make up the Federal government.

If those elected representatives attempt to treat Sovereigns like those who are subject to its [the federal government] jurisdiction then the Sovereigns have the power and the right according to the Declaration of Independence to alter the form of self-government or to disassociate from that government in order to secure our freedoms and rights.

Here is what the Declaration of Independence states:

1           *“But when a long train of abuses and usurpations, pursuing invariably the same Object*  
2           *evidences a design to reduce them under absolute Despotism, it is their right, it is their duty,*  
3           *to throw off such Government, and provide new Guards for their future security.”*  
4

5 The easiest and most peaceful step to take is that which many Europeans took centuries ago to depart from their  
6 form of government [disassociate]. They simply chose to leave the jurisdiction of that monarchical government.  
7 Today, there are other nations in which one can secure liberty and privacy. By doing so you are effectively  
8 “firing” your public servants because of their poor job performance and misapplication of laws beyond their  
9 proper jurisdiction.

10  
11 So with this background, look at these terms and their purpose for use by those in government. Domicile,  
12 residence, and permanent address all deal with the concept of home or fixed places of habitation of individuals.  
13 Domicile is the legal conception of home. **Domicile is the relation created by law between an individual and**  
14 **a particular locality or country.** Domicile basically identifies the fixed location of one’s habitation, or abode,  
15 where that individual intends to remain permanently or indefinitely, and to which in a period of absence, is the  
16 location the individual intends to return.

17  
18 If you identify your domicile within any “*internal revenue district*” or “*federal judicial district*” then you are  
19 one who is subject to the exclusive jurisdiction of the Congress. You must be very careful with questions on  
20 this matter as is it a slippery slope. Most government documents will address this question to you by alternate  
21 terms such as residence or permanent address but the intent is to have you tell them you are within their  
22 exclusive [sovereign] jurisdiction and then they control you. There will be no definitions provided by the  
23 government on their forms lest you start thinking about what you are stating. You must volunteer to be subject  
24 to that federal jurisdiction or else the government has no jurisdiction when you don’t have a physical presence  
25 there.

26  
27 *Why is domicile a concern?* According to “Corpus Juris Secundum” [C.J.S.], “A person’s place of citizenship  
28 is his domicile, i.e. where he has his true, fixed home and principal establishment and to which whenever he is  
29 absent, he has the intention of returning.”

30  
31 If you identify yourself as a “**U.S. citizen**” [like that stated on a SSN application] then you are telling the  
32 Federal government that your domicile is in the District of Columbia in regards to federal income taxation.  
33 *Now do you get it?*

34  
35 **Residency** signifies living in a particular locality that is permanent for a limited time for personal or business  
36 reasons while “**domicile**” means living in that locality with intent to make it a fixed or permanent home. As  
37 such, residence and domicile as used in statutes are generally convertible terms.

38  
39 So domicile is a settled principle that everyone must possess somewhere. One must have a domicile and no  
40 individual can be without one as an individual is never without a domicile. Therefore in regards to territory or  
41 national jurisdiction, Americans should understand the need and the rationale to have their domicile  
42 somewhere other than that of the federal jurisdiction. National jurisdiction is a problem when dealing with  
43 domicile by operation of law. You want to keep your options open on that one.

44  
45 Governments will even go so far as to determine your domicile as the place where you sleep in order to make a  
46 determination of domicile for those who are in between residences. However factors like the physical character  
47 of the residence, time spent and things done in each place, and whether or not there is an intention to return to  
48 the original domicile are all considerations. One may, for purposes of convenience, maintain a residence at a  
49 place not intended as a permanent abode without affecting any change in his domicile.

50  
51 Basically, “*domicile is a matter of intention made by a freedom of choice.*” This is stated in 28 Corpus Juris  
52 Secundum (C.J.S.), Domicile, §14 (2003) “Intent in General”. A test of intent with respect to a domicile is

1 whether the place of habitation is the permanent home of a person with a range of sentiment, feeling, and  
2 permanent association with it.

3  
4 Those who wrote these laws are very clever indeed! *Did you notice that “domicile is a matter of intention  
5 made by a freedom of choice”?* What is another word for “intention” if all this is a choice made by the  
6 individual’s free choice?

7  
8 “**Consent**” is the word that comes to mind and if it were used in lieu of “**intent**” then the lawyers who wrote all  
9 this would not be able to disguise the fact that they need your “**consent**” to make you into a “**Taxpayer**” with a  
10 “**domicile**” that just happens to be within the “*United States*” which is to say the District of Columbia and we all  
11 know tt such jurisdiction is the sovereign and exclusive jurisdiction of Congress.

12  
13 The First Amendment guarantees Americans the right to freely associate with those of our own choosing and  
14 that includes the right to choose our own domicile. This Amendment also guarantees Americans the right of  
15 freedom from any compelled association of domicile which includes that of the federal government.

16  
17 The USSC stated in Wooley v. Maynard, 430 U.S. 703 (1977), the following:

18  
19 ***“Just as there is freedom to speak, to associate, and to believe, so also there is freedom not to  
20 speak, associate, or believe. The right to speak and the right to refrain from speaking are  
21 complementary components of the broader concept of ‘individual freedom of mind.’***  
22 [Religious and Political speech –truth or lies-- are protected under the 1st Amendment]

23  
24 Furthermore, the USSC stated in Aboud v. Detroit Board of Education, 431 U.S. 209(1977) that:

25  
26 ***“At the heart of the First Amendment is the notion that the individual should be free to  
27 believe as he will, and that in a free society one’s beliefs should be shaped by his mind and by  
28 his conscience rather than coerced by the State.”***

29  
30 Understand clearly that freedom from compelled association is a vital component of freedom of expression.

31  
32 ***“As a general constitutional principle, it is for the individual and not the state to choose one’s  
33 associations and to define the persona which he holds out to the world.”***  
34 [First Amendment Law, Barron-Dienes, West Publishing, ISBN 0-314-22677-X, pp. 266-267]

35  
36 *So what does all this mean?* Simply that the federal government does not have any authority to compel us to  
37 choose a “**domicile**” that is within its legislative jurisdiction or to have allegiance toward it because that would  
38 be an issue under the heading of “*compelled association*” in which there is no freedom to choose.

39  
40 Americans can reject all the earthly options and simply elect to have their domicile and be subject to only that of  
41 Our Creator, the Lord God. The Bible, in fact, declares that the earth and the heavens were created and are  
42 owned by the Lord God, and all we need in order to have a “**domicile**” is presence somewhere within the  
43 territory of our sovereign. As a Christian, the Holy Scriptures also declare those who have accepted Christ, are  
44 in effect “*Ambassadors of Christ*”. We are representatives of the theocratic government established in Kingdom  
45 of Heaven. We have our domicile there and it is our choice that at some appointed time we will no longer be  
46 transient foreigners in this world but will return as intended [by our free will choice] yield this earth suit called a  
47 body and return to our permanent residence or domicile with the Heavenly Father, Our Creator.

48  
49 Our Creator granted Americans our rights as no government could possibly do. The Federal government can  
50 only grant privileges like “*tax deductions*” and so forth. Remember who the Sovereigns are and who the public  
51 servants are. The problems in this matter arose when “*We The People*” granted some of our unalienable rights  
52 to entities by our own creation called state and federal governments. Having done so the government exists at

1 the pleasure of We the People as that is the source of their authority and that government can not supersede its  
2 authority so delegated by We the People.

3  
4 When any American determines that certain laws or people in which he or she is around may impair or cause  
5 injury to his/her life, liberty, and property, then Americans are entitled by the Declaration of Independence to  
6 withhold allegiance and shift their domicile to a place where better protection is provided. When one has a  
7 domicile other than the place or society in which they find themselves, then they can be considered as foreigners  
8 [transient foreigners] who are merely passing through in a relatively short period of time astrally speaking.

9  
10 We the People can not delegate authority that we do not possess. The authority for the operation of the  
11 government is the Constitution, a creation of “We The People” by our collective authority. Thus, we have the  
12 authority to individually exclude injurious public servants from our legal and political life by changing our  
13 domicile and citizenship. This is the effective equivalent of our right and free choice to disassociate [divorce]  
14 our lives from the government.

15  
16 There is an excellent case in the early history of our country that addressed the right to segregate from the state  
17 by one’s own choosing of his domicile to that of another place other than where one might currently be located.  
18 Pay particular attention to the last two sentences in Cruden v. Neale, 2 N.C., 2 S.E. 70 (1796):

19  
20 *“When a change of government takes place, from a monarchial to a republican government, the*  
21 *old forms dissolved. Those who lived under it and did not choose to become members of the*  
22 *new had a right to refuse their allegiance to it and to retire elsewhere. By being a part of the*  
23 *society subject to the old government, they had not entered into any engagement to become*  
24 *subject to any new form of majority might think proper to adopt. That the majority shall*  
25 *prevail is a rule posterior to the formation of government, and results from it. It is not a rule*  
26 *upon mankind in their natural state. **There, every man is independent of all laws, except those***  
27 ***prescribed by nature. He is not bound by any institutions formed by his fellowmen without***  
28 ***his consent.”***

29 [Cruden v. Neale, 2 N.C., 2 S.E. 70 (1796)]

30  
31 So in regard to contracts, “*consent*” is defined to mean:

32  
33 *“A voluntary acceptance of the benefit of a transaction is equivalent to consent to all the*  
34 *obligations arising from it, so far as the facts are known, or ought to be known, to the person*  
35 *accepting.”*

36  
37 There is much more that needs to be learned about this subject so you are encouraged to read about this subject  
38 in greater depth that what the intent of this writing provides. One good starting point is the following  
39 fascinating article:

40  
41 *Why Domicile and Becoming a “Taxpayer” Require Your Consent*, Form #05.002  
42 <http://sedm.org/Forms/FormIndex.htm>

43  
44 Always keep in mind that you have the power. You possess your unalienable rights granted to you by Our  
45 Creator.

46  
47 You are a Sovereign but you must act like one. Sovereigns are the source of all federal authority and are not  
48 subject to it except by your “*consent*”. Be wise and careful in what you “*consent*” to. Ask questions and  
49 demand definitions of those in public office for the terms they use.

50  
51 Permit me a moment for some “*Editorializing*”. This nation is on the verge of going the way of the Roman  
52 Empire. Socialism is now rampant in government. This fully started back with FDR and has not slowed since.

1 The National Government engages in wars across the world and has troops scattered far beyond the intention of  
2 the founding fathers. Legislation is being discussed in Congress to mandate government service for 2 years for  
3 all "U.S. Citizens" between ages 18 - 42 years. As a nation, it is up to "We The People" to demand fiscal  
4 responsibility and to revert back to a gold backed currency. The leaders need to be held accountable more than  
5 once every election.

6  
7 The Euro and other currencies will soon replace the U.S. Dollar as the preferred currency for payment of oil  
8 imports. Probably by the time peak oil arrives around 2012.

9  
10 There are many bright and talented people in this country that can mimic what Brazil has done to supply their  
11 domestic gasoline needs by simply growing sugar cane. They have no adverse balance of trade from oil as they  
12 import little to none at this writing.

13  
14 Fighting a war over currency conversion away from the U.S. Dollar is a waste of American lives and precious  
15 resources not to mention that Americans are losing trust in both the federal and state governments.

16  
17 As with any nation, this nation should defend itself but never force its will [federal democracy] on other nations  
18 as has been the pattern. Americans individually will pay the price of the steady decline of this nation into that  
19 of a once proud force for good.

20  
21 Sovereigns Americans are the ones who have the power and authority. We must now leave that "Rip Van  
22 Winkle" slumbering in our trust of government and make those bureaucrats and politicians understand who has  
23 the reigns of control and that those that would make us subjects to their jurisdiction by pseudo domicile within  
24 the federal zone. Their authority is derived by consent.

25  
26 Otherwise, the pragmatic thing to do is to disassociate from governments and seek privacy in other parts of the  
27 world.

28  
29 Consider these statements and the impact of what it declares upon you:

30 *"We have come to be one of the worst ruled, one of the most completely controlled and*  
31 *dominated Governments in the world – no longer a Government of free opinion, no longer a*  
32 *government of conviction and vote of the majority, but a Government by the opinion and duress*  
33 *of small groups of dominant men."*  
34 *[Woodrow Wilson, President of the United States]*

35  
36 *"The Founding Fathers knew a government can't control the economy without controlling the*  
37 *people. And they knew when a government sets out to do that; it must use force and coercion to*  
38 *achieve its purpose. So we have come to a time for choosing."*

39 *"Public servants say, always with the best of intentions, "What greater service we could render if*  
40 *only we had a little more money and a little more power."*

41 *But the truth is that outside of its legitimate function, government does nothing as well or as*  
42 *economically as the private sector."*

43 *"We need true tax reform that will at least make a start toward restoring for our children the*  
44 *American Dream that wealth is denied to no one, that each individual has the right to fly as high*  
45 *as his strength and ability will take him...But we cannot have such reform while our tax policy is*  
46 *engineered by people who view the tax as a means of achieving changes in our social structure."*

1            *Plutarch warned, “The real destroyer of the liberties of the people is he who spreads among them*  
2            *bounties, donations and benefits.”*  
3            *[Ronald Reagan, President of the United States, Address to the nation, October 27, 1964]*

## 19 Chapter 19: Reasonable Notice, SSN Application, & Contract Law

Quote to Contemplate:

*“It is sufficient to say that there are certain immutable principles of justice which inhere in the very idea of free government which no member of the Union may disregard, as that **no man shall be condemned in his person or property without due notice and an opportunity of being heard in his own defense.”***

*[Holden v. Hardy, 169 U.S. 366 (1898)]*

“**Reasonable Notice**” is a fundamental requirement of due process of law. Many Americans are being erroneously labeled as Taxpayers, which arises from silence about the user of a Social Security Number being identified as a public officer [Federal employee a.k.a. Federal Trustee], without there ever being provided any “*reasonable notice*” of that fact as well as an explanation as to “*how*” they became a taxpayer [public official].

The application for a Social Security Number [pseudo contract for a constructive trust] was the starting point that caused the IRS to establish a “*Taxpayer Account*” but they will not want to tell you this. As you have learned, there would never be any correspondence with the IRS had Americans never obtained a SSN in the first place. There is no law that requires any American to apply or contract for that number. That is a real shock for many!

Then on top of all that, there is no “*reasonable notice*” provided telling anyone who applied for a Social Security Number that they are now considered by the IRS to be a non-compensated [financial slave] public official. No one works for free but that is what occurs when anyone is labeled as a public officer [Federal employee a.k.a. Federal Trustee] and never receives a paycheck for their service provided as that claimed by the IRS in their correspondence without stating with clarity that they are viewed as a public official who performs the functions of a public office as do all federal workers.

So when you establish that SSN Trust and become a Federal Trustee you are in effect labeled as a Federal Employee [Public Official]. *Ask any of those who use a Social Security Number if they were ever given “reasonable notice” of this being the case by the IRS?* Federal Trustees are Public Officials as they use Federal property, the SSN.

*Were you ever given “reasonable notice” of your being labeled as a Public Official by using the SSN? As a Federal Employee, you have no protection under the Constitution in your Federal employment. Were you given “reasonable notice” that as a Federal Trustee that you in fact have abdicated your constitutional rights by the SSN contract?*

You have in effect waived all of your God-given constitutionally protected rights for federal indentured servitude. Understand that is really not true. Rebut that claim.

*Why not?* For starters, Americans would know up front how the game is being played by the government and the rules [statutes] they use to misidentify those who are not really federal workers except by application for a Social Security Number. If Americans knew this before hand they could quickly and easily bow out of that game and the government reservoir of surplus money picked up by this deception would dry up.

When Americans eventually wake up, and challenge the Social Security System as nothing more than a false security with no promise, the game [statutory scheme] will indeed be over. Simply put, if Americans knew the basics about contract law and applied them to a “reasonable notice” of the true facts, not many Americans would continue their participation in the “*statutory scheme*” played on Americans by the Federal government.

1 Any contract or agreement between the government and a private party that adversely affects or effectively  
2 waives any or all their Constitutional rights must be fully informed as stated by the USSC:

3  
4 **“Waivers of constitutional rights not only must be voluntary but must be knowing, intelligent**  
5 **acts done with sufficient awareness [reasonable notice] of the relevant circumstances and**  
6 **likely consequences.”** [Emphasis & clarification added]

7 [Brady v. U.S., 397 U.S. 742 at 749, 90 S.Ct. 1463at 1469 (1970)]

8  
9 The IRS will not provide proof that you are in effect labeled as a Federal Employee. Any admission like that  
10 amounts to financial indentured servitude or slavery in that you do not receive compensation for your “*Federal*  
11 *employment*” under the SSN contract.

12  
13 All money paid to you for your labor is your property. Under eminent domain, many people think of  
14 government taking that which is yours only in terms of land or the soil within a state of the Union. The  
15 Constitution however limits the power of taking any property for a public purpose and prohibits the exercise of  
16 the power of eminent domain without just compensation.

17  
18 *Have Americans ever been compensated for Federal employment as a Federal Trustee?* Compensation can not  
19 occur 30 to 40 years after they have taken your labor for public purposes. No employer pays their employees on  
20 that kind of cycle. The longest cycle for compensation of labor payment is a month. Some commissions are  
21 paid quarterly but certainly decades need not pass before you are compensated like what occurs when the  
22 government takes withdrawals from your paycheck with no guarantee or interest.

23  
24 With no compensation for the labor provided, those relying on Social Security **benefits** are nothing but Federal  
25 slaves who may or may not receive compensation at their “retirement age”. *Did you think the government has a*  
26 *contractual obligation to pay any money from Social Security in retirement years?* Wait until you read what the  
27 USSC has to say on that subject and then think about eminent domain in that light.

28  
29 In regard to Social Security, **the payment of benefits is not a contractual obligation toward the government**  
30 **and there are really no benefits or rights to benefits accruing by virtue of participating in the program** and  
31 **no “consideration”** in the truest sense of the word make the application for a SSN a true contract.

32  
33 This was firmly established by the USSC where you find stated:

34  
35 **“...railroad benefits, like social security benefits, are not contractual and may be altered or**  
36 **even eliminated at any time.”**

37 [United States Railroad Retirement Board v. Fritz, 449 U.S. 166 (1980)]

38  
39 This fact was additionally stated by the USSC when it declared:

40  
41 **“We must conclude that a person covered by the Act [Social Security Act] has not such a right**  
42 **in benefit payments...This is not to say, however, that Congress may exercise its power to**  
43 **modify the statutory scheme free of all constitutional restraint.”** [Emphasis & clarification added]

44 [Fleming v. Nestor, 363 U.S. 603 (1960)]

45  
46 The “*statutory scheme*” is an interesting choice of words in that it refers to the National government use of  
47 statutes to craftily and secretly implement a program for their benefit and not those who contribute to it.  
48 Therefore, the SSN is a pseudo contract that does not convey mutual consideration and is unenforceable and  
49 void against those parties that received no consideration. With inflation any “*benefits*” will be paid in diluted  
50 funds.

51  
52 Justice Miller, in his dissenting opinion, stated in **Clark v. United States**, 95 U.S. 539 the following which  
53 mirrors the “**statutory scheme**” concept by Congress by his reference to “**statute of frauds**”:



1 *“It seems to me that if Congress had been intending to enact a statute of frauds, they would*  
2 *have made some limitation of its operation to cases of future delivery of property or future*  
3 *performance of service...”*  
4

5 Consider this in light of what most Americans have been led to believe that the SSN trust is a contractual  
6 obligation of the federal government. The Social Security Act of 1935 is clearly a *statutory scheme* introduced  
7 by Congress on an unsuspecting public. The SSN application you probably filled out as a child was never  
8 signed by any contracting official in the legislative branch of the government so that there would be no  
9 culpability coming back on those in Congress.

10 Furthermore, upon reading the Legislative History of the Social Security Act of 1935, there is Title VIII  
11 which addresses Taxes with Respect to Employment and section 801 addresses Income Tax on Employees.

12 *“Section 801. In addition to other taxes there shall be levied, collected, and paid upon the*  
13 *income of every individual a tax equal to the following percentage of the wages received by*  
14 *him after December 31, 1936, with respect to employment after such date:”*  
15

16 That cold chill that just went down your spine is telling you that you have been deceived by the “*statutory*  
17 *scheme*” or “*statute of frauds*” [if applied incorrectly to those who are not correctly and truly “*federal*  
18 *employees*”]. This is especially true when the government must have one of its federal contracting officers in  
19 the legislative branch to cause a document like the SSN application to be a contractual obligation upon the  
20 federal government. That application was never signed by such a legislative officer.

21 The SSN application is the root cause of the massive financial distress placed on an unsuspecting American  
22 Public. The Congress even gets away with the deception “Scott free” in that they have told Americans who do  
23 not “*engage in the conduct of a trade or business in the United States*” that the SSN application is not really  
24 a contract as you have seen in the United States Supreme Court decisions just referenced.

25 The Congress went even further to protect their selves as you will find in the 1939 Internal Revenue Code, 53  
26 Stat 489 in that the Internal Revenue Agents are not federal employees but are merely independent consultants  
27 who operate on commission from the Office of the Commissioner of Internal Revenue.

28 The IRS subcontracted “employees” paychecks originate at the U.S. Department of Agriculture according to a  
29 FOIA response from the Department of Agriculture.

30 The IRC of 1986 is founded on the IRC of 1939 which is somewhat clearer than the Code that is used today.  
31 Take a close inspection of the wording of the Revenue Act of 1939, 53 Stat 489 [Chapter 43 - Internal Revenue  
32 Agents Section 4000 Appointment] to prove to your own satisfaction that what you have read is true about IRS  
33 agents “employment” status:

34 *“The Commissioner may, whenever in his judgment the necessities of the service so require,*  
35 *employ competent agents, who shall be known and designated as internal revenue agents,*  
36 *and, except as provided for in this title, no general or special agent or inspector of the*  
37 *Treasury Department in connection with internal revue, by whatever designation he may be*  
38 *known, shall be appointed, commissioned, or employed.”*  
39

40 You can read the above statute yourself on the Family Guardian website at:

41 <http://famguardian.org/CDs/LawCD/Federal/RevenueActs/Revenue%20Act%20of%201939.pdf>

42 Read the “underlined” words to see the clarity of the message in this section so that you can better see that “no  
43 general or special agent or inspector of the Treasury Department...shall be appointed, commissioned, or  
44 employed.”  
45

1  
2 If the SSN pseudo contract is being used by the IRS Commissioner's revenue agents who are subcontract  
3 consultants and if they violate any federal law or your constitutionally protected rights, then their actions are not  
4 connected in any way with the federal government directly. There is no statutory authority for IRS agents to  
5 exist and the only office so authorized is the Office of the Commissioner of Internal Revenue.

6  
7 As such all IRS agents are not direct federal "employees". The President of the United States and his political  
8 appointees in the Executive branch cannot be held personally liable for the misdeeds, threats, and financial  
9 deprivation caused by these commissioned consultants using the title of internal revenue agent. This is the  
10 modern day version of "taxation without representation."

11  
12 For those who do receive benefit payments, they are paid to those parties as Federal employees and the  
13 government can tax even those "benefits" in order to recoup yet again money for the true beneficiary – the  
14 Federal government [those in Congress]. No wonder so many politicians love to run for seats in government.  
15 They are protected, enrich their accounts, plunder the wealth of the nation, and become part of the ruling elite  
16 while using the Leo Strauss mantra to perpetuate the dummifying down of America.

17  
18 Most laws passed by Congress do not extend into the 50 states of the Union but only apply within their limited  
19 geographical jurisdiction called the District of Columbia. **By the Congress not having the duty or**  
20 **requirement to identify each piece of legislation as to the proper jurisdiction in which it applies, Congress**  
21 **expands its plunder by its "laws" under Color of Law for legislation that only affects the District of**  
22 **Columbia.**

23  
24 Congress can not perform its main function of protecting our rights as Americans by passing legislation that  
25 adversely affects our right to life, liberty, and property. But that is what occurs by many laws because the  
26 Congress uses "words of art" that make the impression or induces a belief system upon Americans that  
27 Congress does have the Constitutional power to make such laws when in reality those legislative acts only apply  
28 to the District of Columbia or U.S. Territories and not within the 50 states of the Union.

29  
30 The Patriot Act, the draft, the income tax are all examples of legislation that only apply within Washington, DC  
31 as they do not meet the strict limitations as against the government per the Constitution. Alexander Hamilton, a  
32 prolific writer best described the foundational intent of the Constitution, regarding the Federal Government's  
33 ability to tax and establish a military draft.

34  
35 He stated in his Federalist Paper No. 15, December 1, 1787:

36  
37 *"Except as to the rule of apportionment, the United States (meaning the federal government)*  
38 *has an indefinite discretion to make requisitions for men and money; but they have 'no*  
39 *authority' to raise either, 'by regulations extending to the individual citizens of America.'*  
40 *The consequence of this is that in theory their resolutions concerning those objects are law,*  
41 *constitutionally binding on the members of the Union, 'yet in practice they are mere*  
42 *recommendations which the States observe or disregard at their option*". [Emphasis & clarification  
43 added]

44  
45 It is quite obvious that the Founding Fathers were not intent on throwing off the yoke of the English Crown and  
46 oppressing the new Americans with another form of similar taxation or permitting the government to impose a  
47 military draft upon those private citizens in the states of the Union.

48  
49 Do you better understand why the Congress will not allow those in the IRS to provide "reasonable notice" of  
50 what is being established by the Social Security Act and implemented by its minions in the IRS? The  
51 government has no such power and has reverted to a "statutory scheme" in order to give the illusion  
52 [assumption] that it has the power under the Constitution and that Americans who know little about the law will  
53 blindly obey the dictates under the scheme by contract law.

The SSN trust contract is not invalid until you stand up for yourself and declare it voidable ab initio. Otherwise, the Congress gets away with their statutory scheming and enlarges it in other areas once they see most Americans are unaware or could care less about the future of this nation. Government does have an important role to play but like a child it must be told “NO” at times when it goes beyond the limits provided for it to function within.

Due Process is required before a man’s property may be seized to enforce any provision of any law or contract.

***“For more than a century, the central meaning of procedural due process has been clear: Parties whose rights are to be affected are entitled to be heard; and in order that they may enjoy that right, they must first be notified.”***

Windsor v. McVeigh, 93 U.S. 274;

Hovey v. Elliott, 167 U.S. 409; Grannis v. Ordean, 234 U.S. 385

***“The constitutional right to be heard is a basic aspect of the duty of government to follow a fair process of decision making when its acts to deprive a person of his possessions....So viewed, the prohibition against the deprivation of property without due process of law reflects the high value, embedded in our constitutional and political history, that we place on a person’s right to enjoy what is his, free of governmental interference.”***

[Lynch v. Household Finance Corp., 405 U.S. 538, 552]

Failure to provide “reasonable notice” or “due notice” in advance of a government action may nullify the action and make the government actor liable for Constitutional Rights violation.

***“An elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated under all circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections.”***

[Mullane v. Central Hanover Bank & Trust Co., 339 U.S. 306, 314 (1950)]

***“Without proper prior notice to those who may be affected by a government decisions, all other procedural rights may be nullified.”***

[Administrative Law and Process in a Nutshell, Ernest Gellhorn, 1990, West Publishing, p.214]

The waiver of one’s constitutional rights by contracting with the Federal government in their “*statutory scheme*” called the Social Security System must be with full disclosure to the particular individual signing that application or “contract”.

***“The question of a waiver of a federally guaranteed constitution right is, of course, a federal question controlled by federal law. There is a presumption against the waiver of constitutional rights and for a waiver to be effective it must be clearly established that there was an ‘intentional relinquishment or abandonment of a know right or privilege.’”***

[Brookhart v. Janis, 384 U.S. 1 (1966)]

In spite of the USSC declaring that “*Every citizen of the United States is suppose to know the law...*” [7 Wall (74 U.S. 169) 666 (1869)] there is a big difference in knowing something and being legally required to actually obey and follow a specific law. I wonder which “*United States*” the USSC is really referencing. *How can anyone be expected to know anything if they have not be educated in that field?*

Our universities and secondary educational system do not stress any of what you have read here and thus the educational system has not demonstrated any real effort toward preparing each generation to do legal research and know the law in order to obey the law as adults. Up until the time of the internet and the mass availability

of PCs, most had no idea where to begin or engage in such a study of law except by gaining acceptance to a law school. Most honest attorneys will tell you they never learned what you are reading in law school.

Even with all that we are supposed to know, it may be said that government bureaucrats can not bypass any responsibility for “reasonable notice” of the laws Americans are expected to obey. In the case of person domiciled in states of the Union, one method for providing “reasonable notice” is the requirement that any law having “general applicability and legal effect” **must** be published in the Federal Register.

Title 44 Section 1505 Documents to be published in Federal Register:

***(a) Proclamations and Executive Orders; Documents Having General Applicability and Legal Effect; Documents Required To Be Published by Congress. There shall be published in the Federal Register—***

- (1) Presidential proclamations and Executive orders, except those not having general applicability and legal effect or effective only against Federal agencies or persons in their capacity as officers, agents, or employees thereof;***
- (2) Documents or classes of documents that the President may determine from time to time have general applicability and legal effect; and***
- (3) Documents or classes of documents that may be required so to be published by Act of Congress.***

***For the purposes of this chapter every document or order which prescribes a penalty has general applicability and legal effect.***

In regard to Tax Collection, the IRS sends out a Notice of Proposed Assessment before they attempt to collect. The IRS correspondence conveniently omits any reference to the individual receiving the Notice of Proposed Assessment about the precise statute stating their authority to create a Substitute for Return [SFR] for those Americans who “elected” not to file as they had no imposed duty or obligation.

Even former IRS Commissioner Charles O. Rossotti stated in a delegated response letter dated October 27, 1998, that:

***“The law itself does not require individuals to file a Form 1040.”***

His statement was a result of admission in the first part of his delegated response letter stating that:

***“Our system of taxation is dependent on ‘taxpayers’ belief that the laws they follow apply to everyone...”***

While taxpayers certainly owe the Subtitle “A” federal income tax, the belief of those who are taxpayers following their laws [rules and regulations only applicable within the District of Columbia arising from their being engaged in the conduct of a trade or business within the United States – the District of Columbia] mistakenly apply them to “everyone” else [American Nationals who are not engaged in the conduct of a trade or business in the United States] in our nation and that is the heart of the problem for Americans.

It is a historical footnote that the IRS admitted years ago, in Delegation Order (D.O.) 182 (Revision 3) Effective date: 12-14-83 “Authority to Execute Returns”, that:

***“The IRM restricts the broad delegation shown in Figure 23-1, for revenue officers, to employment, excise, and partnership tax returns because of constitutional issues. (You have already studied audit referrals as a means to enforce compliance on income tax returns). Generally you can file the following returns, using the authority granted by IRC section 6020(b):***

- 1. Form 940, Employer’s Annual Federal Unemployment Tax Return***
- 2. Form 941, Employer’s Quarterly Federal Tax Return.....”***

1  
2 So the IRS does have authority by statute 6020(b) for the creation of SFR for other forms but not the Form 1040.  
3 In the more recent version of Delegation Order (D.O.) 182 (revision 7) the reference to “*constitutional issues*”  
4 is now omitted. The IRS may do any creation of SFR they desire toward those who are real Federal employees  
5 [Public Officials] who do not file as there are no constitutional protections afforded those who are Federal  
6 workers.

7  
8 What is so significant about Delegation Order (D.O.) 182 (Revision 3) is that it proves the IRS knew in 1983  
9 that they are falsely creating, to this very day, SFR for Form 1040 against Americans who never receive any  
10 compensation for their purported federal employment. Constitutional issues only apply to American Nationals  
11 who do not work for the Federal government. Americans have been tricked into using a Social Security  
12 Number by social custom as there is no law requiring Americans to obtain one in the first place.

13  
14 In order to hide that fact, the Delegation Order (D.O.) 182 (Revision 7) was issued and any references to  
15 “constitutional issues” from Revision 3 has now been conveniently omitted to avoid the damage created under  
16 Revision 3. Facts and admissions are still facts and admissions even if conveniently “omitted”.

17  
18 Once an Assessment is issued, a public inspection of written documentation can be obtained per 26 USC §6110.  
19 Following the assessment [based on a false creation of a SFR for a Form 1040 against an American National  
20 who does not derive any income from being engaged in the conduct of a trade or business in the United States],  
21 a Notice of Deficiency [NOD] is created under 26 USC §6212 inviting the recipient to go to United States Tax  
22 Court within 90 days of the date of that letter to challenge the determination and assessment made by the IRS.  
23 All of this done without reasonable notice with the SSN application!

24  
25 Any true taxpayer [federal worker truly engaged in the performance of the functions of a public office in the  
26 United States] who protests the tax will automatically wind up losing their appeal to the United States Tax  
27 Court. The special laws are valid within “that jurisdiction”.

28  
29 However, some Americans who are wrongly accused or misidentified by the IRS as being taxpayer [Federal  
30 employee a.k.a. Federal Trustee a.k.a. public official] have sent the United States Tax Court Judge in  
31 Washington, DC a letter stating the problem that the IRS has failed to properly address and correct.

32  
33 The result of one such American National’s effort was fruitful in that he received a Court Order of Dismissal for  
34 Lack of Jurisdiction directed against the IRS claim. The IRS Notice of Deficiency (N.O.D.) was successfully  
35 negated and the IRS claim of their being a taxpayer, the assessment, and the deficiency were effectively  
36 dismissed by the United States Tax Court.

37  
38 The IRS is required by 5 USC §552(a)(1)(D) to provide reasonable notice in the publishing of their statutes.  
39 This is a requirement placed on the Federal government in Article 4 Section 3 Clause 2 of the Constitution  
40 which addresses the “rules and regulations” that apply only to the District of Columbia.

41  
42 Title 5 Section 552 Public information; agency rules; opinions, orders, records, and proceedings:

43  
44 *(a) Each agency shall make available to the public information as follows: (1) Each agency shall separately*  
45 *state and currently publish in the Federal Register for the guidance of the public—*

46  
47 *(D) substantive rules of general applicability adopted as authorized by law, and statements of*  
48 *general policy or interpretations of general applicability formulated and adopted by the*  
49 *agency;*

50  
51 *“Except to the extent that a person has actual and timely notice of the terms thereof, a person*  
52 *may not in any manner be required to resort to, or be adversely affected by, a matter required*

1 to be published in the Federal Register and not so published. For the purpose of this  
2 paragraph, matter reasonably available to the class of persons affected thereby is deemed  
3 published in the Federal Register when incorporated by reference therein with the approval  
4 of the Director of the Federal Register.”

5  
6 Determination of which jurisdiction is applicable for a particular law does present a challenge. Again, it would  
7 have been very helpful if Congress would identify the jurisdiction at the time the law was created. Some  
8 researchers tackling this problem look at the definition found in statutes for the particular title to answer this  
9 question.

10  
11 As you have just read, the statutes that are “*positive law*” are published along with an implementing regulation  
12 in the Federal Register.

13  
14 The two types of law presented in the USC are “*positive law*” and “*prima facie*” law. Title 1 Section 204(a)  
15 United States Code addresses these but does not set them apart for easy understanding by the reader.

16  
17 *“The matter set forth in the edition of the Code of Laws of the United States current at any*  
18 *time shall, together with the then current supplement, if any, establish prima facie the laws of*  
19 *the United States, general and permanent in their nature, in force on the day preceding the*  
20 *commencement of the session following the last session the legislation of which is included:*  
21 *Provided, however, that whenever titles of such Code shall have been enacted into positive*  
22 *law the text thereof shall be legal evidence of the laws therein contained, in all the courts of*  
23 *the United States, the several States, and the Territories and insular possessions of the United*  
24 *States.”*

25  
26 In order for clarification only, I have numbered the two combined statements so that you can better understand  
27 what distinction is being made by Section 204. Here they are again with clarification:

28  
29 (a) United States Code –

30  
31 (Item 1) *“The matter set forth in the edition of the Code of Laws of the United States current*  
32 *at any time shall, together with the then current supplement, if any, establish prima facie the*  
33 *laws of the United States, general and permanent in their nature, in force on the day*  
34 *preceding the commencement of the session following the last session the legislation of which*  
35 *is included:*

36  
37 (Item 2) *Provided, however, that whenever titles of such Code shall have been enacted into*  
38 *positive law the text thereof shall be legal evidence of the laws therein contained, in all the*  
39 *courts of the United States, the several States, and the Territories and insular possessions of*  
40 *the United States.”*

41  
42 The writer of this section could have simplified for clarity too but “*that’s not their job*”!

43  
44 So for American Nationals [nonresident aliens], who do not work for the Federal government, only those laws  
45 that are *positive laws* published in the Federal Register are applicable. For those who choose to work for the  
46 Federal government, then the “*special laws*” or “*prima facie*” laws are those that apply in their service to the  
47 Federal government.

48  
49 Here is an outline that is helpful and I appreciate the permission to use it granted from Sovereignty Education  
50 Defense Ministry based in Canada.

Table 9: United States law applicable by jurisdiction

Description	District of Columbia Only [United States]	States of the Union [“several States”]	Territories/Insular Possess
1 USC §204(a)	Item 1 4 USC §72	Item 2	Item 2
Type of law	Prima Facie; not Positive	Positive Law	Positive Law
Regulations must be published in Federal Register	NO	YES	YES
The Word “State” Defined in	26 USC §7701(a)(10)	26 USC §4612 State-State of the Union	4 USC §110(d) State=Territory 26 USC §3121(e)
No Implementing Regulations published in Federal Register, Statutes can <u>only apply to</u>	Federal employees, Federal agencies, military, and benefit recipients 44 USC §1505(a)(1) 5 USC §553(a)	No One	No One
Jurisdiction of Federal District Courts assigned to this area by	26 USC §7701(a)(9) 26 USC §7701(a)(10) 26 USC §7701(a)(39) 26 USC §7408(d)	28 USC §1366	28 USC §1366
Sections from USC that are applicable exclusively here and called	“Code Sections”	“Statute” “Legislation” “Law”	“Statute” “Legislation” “Law”
Type of law applying here	Private Law	Public Law	Public Law

All laws of the United States or Acts of Congress only apply to the 50 states of the Union and to U.S. territories **but not to the District of Columbia** per 28 USC §1366.

**“Construction of reference to laws of the United States or Acts of Congress”:**

***“For the purposes of this chapter, references to laws of the United States or Acts of Congress do not include laws applicable exclusively to the District of Columbia.”***

Those in government who write the CFR regulations provide annotations at the bottom of every CFR section identifying whether that section has been published in the Federal Register. Conversely, the writers of the USC do not provide the same pertinent information. This makes it impossible for American Nationals to determine which sections of the USC may be applicable and enforceable toward them. There must be a reason for this omission or there would be clarity as found in the CFR annotations.

Therefore, no federal law may prescribe a penalty against the general public in the states of the Union until it has been promulgated in the Federal Register as mandated by 5 USC §552(a), 5 USC §553(a), & 44 USC §1505(a).

There are those who are exempt from this requirement of an implementing regulation published in the Federal Register as shown in the outline are as follows:

1. Federal agencies in their capacity as officers, agents, or employees of that Federal agency per 44 USC §1505(a)(1),
2. Military or foreign affairs functions of the United States per 5 USC §553(a)(1),
3. Matters relating to agency management or personnel or to public property, loans, grants, benefits, or contracts.

1 The reason for these exemptions of regulation requirements published in the Federal Register are that **those who**  
2 **occupy positions in these groups do not enjoy any benefits from the full protection of the Bill of Rights in**  
3 **regard to their employment duties within the Federal government.**

4  
5 **“Private Citizens cannot have their property searched without probable cause, but in many**  
6 **circumstances government employees can.”**

7 [O’Connor v. Ortega, 480 U.S. 709, 723 (1987)]

8  
9 **“Private Citizens cannot be punished for refusing to provide the government information that**  
10 **may incriminate them, but government employees can be dismissed when the incriminating**  
11 **information that they refuse to provide relates to the performance of their job.”**

12 [Gardner v. Broderick, 392 U.S. 273, 277-278 (1968)]

13  
14 **“Private Citizens cannot be punished for partisan political activity, but federal and state**  
15 **employees can be dismissed and otherwise punished for that reason.”**

16 [Public Workers v. Mitchell, 330 U.S. 75, 101 (1947)]

17  
18 American Nationals who are not members of the groups referenced which are exempt from the requirement of  
19 implementing regulations published in the Federal Register can only become a target of an administrative  
20 agency, lawfully, if the statute and implementing regulation are published in the Federal Register as required  
21 under Title 5.

22  
23 As such the procedural regulation found at 26 CFR §601.702(a)(2)(ii) **Effect of Failure to publish**, states the  
24 following:

25  
26 ***“Except to the extent that a person has actual and timely notice of the terms of any matter***  
27 ***referred to in paragraph (a)(1) of this section which is required to be published in the Federal***  
28 ***Register, such person is not required in any manner to resort to, or be adversely affected by,***  
29 ***such matter if it is not so published or is not incorporated by reference therein pursuant to***  
30 ***paragraph (a)(2)(i) of this section. Thus, for example, any such matter which imposes an***  
31 ***obligation and which is not so published or incorporated by reference shall not adversely***  
32 ***change or affect a person's rights.”***

33  
34 Those titles in the USC which are “*positive law*” are legal evidence. Statutes from titles in the USC that are  
35 “*prima facie*” law [the Internal Revenue Code is one] are only a presumption of law which by rebuttal **may be**  
36 **challenged by any American National** whose **rights are being adversely affected by IRS misapplication** of  
37 those “*special laws*” in a United States Tax Court.

38  
39 **Special Note:** If you are an American National experiencing such claims by the IRS that may be rebutted, you  
40 may write a letter to the United States Tax Court in Washington, DC but you must be keenly aware of the  
41 DANGER in doing so. You must be careful **not** to inadvertently submit to the jurisdiction of that U.S. Tax  
42 Court by sending a \$60 filing fee and/or submitting an amended petition to that United States Tax Court.

43  
44 If you error and submit either of those two items to the United States Tax Court you will lose immediately as  
45 you have in effect submitted to the jurisdiction of the United States Tax Court. **Those who petition and/or file**  
46 **the \$60 fee are in effect making an “election” to have their income treated as if it were taxable like that of**  
47 **a U.S. resident [alien].** United States Tax Courts can not consider the petition of anyone making references to  
48 constitutional issues as they are not the court of competent jurisdiction to hear constitutional issues. That court  
49 must issue a Court Order for Dismissal [of the IRS deficiency or assessment] for Lack of Jurisdiction.

50  
51 Americans must remember that the jurisdiction of U.S. Tax Court pertains only to the District of Columbia and  
52 no other geographical area. Anyone who petitions the United States Tax Court by the filing of an amended  
53 petition or the filing fee is effectively “*electing*” to submit to the court’s jurisdiction and to have their income  
54 treated as taxable like that of a U.S. resident [alien] under 26 CFR §1.871-1(a).



1  
2 In United States Tax Court, the purpose is to attack the IRS presumption of your being a federal worker [Public  
3 Official] as it prejudices your constitutionally protected rights and such a claim is unconstitutional. Presumption  
4 may not be allowed against a party protected by the constitution. All the while, there was no reasonable notice  
5 given with the SSN application.

6  
7 The 50 states of the Union were established as a Republican form of government in which each of those states  
8 act as sovereign foreign countries to the exclusive federal jurisdiction found in the District of Columbia. The  
9 passage of any laws by a legislative body requires the consent of those who established that government. All  
10 consent by those so governed is collective in nature and not based on a voluntary decision by an individual and  
11 are referred to as Public Laws.

12  
13 All Public Law is limited in its scope to protections of those in the Republic and for punishment of harmful  
14 behavior. These laws apply to everyone equally and again are passed based on the consent of “We The People”.  
15 A public law is by design not one that lends itself to a voluntary choice after consent is given.

16  
17 Private law sometimes referred to as “Special law” or “Administrative law” is voluntary and based on contract  
18 law. Rights can be adversely affected or enforceable based on the terms of the contract. These laws are based  
19 on private consent and affect only those who are parties to the contract.

20  
21 An example of private law is the Social Security contract. Those who voluntarily choose to sign the SSN  
22 application are then subject to the terms, conditions, and/or provisions of that contract [if it is a valid contract].

23  
24 This contract, as discussed previously, is one that is voidable from the beginning [the date it was signed] as in  
25 most situations there was no full disclosure of the contractual provisions which means there could not be any  
26 willful and knowing intent to enter into a valid contract by the signer.

27  
28 Also, most who signed the SSN application [contract] were minors at the time. This fact alone makes the SSN  
29 contract voidable ab initio. Lastly, there was no consideration provided to those who signed the SSN  
30 application by the federal government to pay the signing party anything.

31  
32 This was clearly stated by the United States Supreme Court that you read previously:

33  
34 **“...railroad benefits, like social security benefits, are not contractual and may be altered or**  
35 **even eliminated at any time.”**

36 [United States Railroad Retirement Board v. Fritz, 449 U.S. 166 (1980)]

37  
38 The same facts of private laws apply to the federal income tax provisions under Subtitle “A” as it is directly  
39 linked to the SSN application. **Those who work for the federal government have consented to be bound by**  
40 **those provisions and they each hold a public office in the U.S. government and are engaged in the conduct of**  
41 **a trade or business in the United States.**

42  
43 For any enforceable contract or agreement, such as the SSN application or IRS Form W-4, there must be:

- 44  
45 (1) an offer made to an individual of legal age,  
46  
47 (2) an offer with explicit notice of all terms, conditions [like that your constitutionally protected God  
48 given rights are to be forfeited by such a contract], and definitions of terms used,  
49  
50 (3) Willful and knowing intent on the part of the party signing the contract or agreement of those items  
51 stated in (2), and  
52  
53 (4) Mutual consideration for both parties to the contract or agreement.

1  
2 It is a violation of constitutionally protected rights for the government to assume consent to a contract agreement  
3 or private law absent proof in writing of fully informed consent to all contractual provisions waiving such rights.  
4

5 If any contract or agreement was entered into without the basic elements of a valid contract being in place that  
6 contract is voidable ab initio. Reasonable notice should have been provided as to the consequences of entering  
7 into that contract.  
8

9 Any contract or agreement, like an IRS Form W-4, entered into under duress in order to maintain private sector  
10 employment that contract is voidable:  
11

12 ***“An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the***  
13 ***party coerced is not exercising his [or her] free will, and the test is not so much the means by***  
14 ***which the party is compelled to execute the agreement as the state of mind induced.***  
15

16 ***Duress, like fraud, rarely becomes material, except where a contract or conveyance has been***  
17 ***made which the make wishes to avoid. As a general rule, duress renders the contract [or***  
18 ***agreement] or conveyance voidable, not void, at the option of the person coerced, and it is***  
19 ***susceptible of ratification. Like other voidable contracts, it is valid until it is avoided by the***  
20 ***person entitled to avoid it.***  
21

22 ***However, duress in the form of physical compulsion, in which a party is caused to appear to***  
23 ***assent when he has no intention of doing so, is generally deemed to render the resulting***  
24 ***purported contract void.”*** [clarification added]  
25 [American Jurisprudence 2d, Duress, §21 (1999)]  
26

27 If any terms, conditions, or definitions of a contract or agreement are deliberately and knowingly concealed by  
28 one or more of the parties to the agreement at the time consent is provided and the concealed terms and  
29 conditions are the key elements for the consent being sought, then constructive fraud has occurred which may  
30 render the contract void and unenforceable.  
31

32 ***“Where failure to disclose a material fact is calculated to induce a false belief, the distinction***  
33 ***between concealment and affirmative misrepresentation is tenuous. Both are fraudulent. An***  
34 ***active concealment has the same force and effect as a representation which is positive in***  
35 ***form.***  
36

37 ***The one acts negatively, the other positively; both are calculated in different way to produce***  
38 ***the same result. The former, as well as the latter, is a violation of the principles of good faith.***  
39 ***It proceeds from the same motives and is attended with the same consequences and the***  
40 ***deception and injury may be as great in the one case as in the other.”***  
41 [37 American Jurisprudence 2d, Fraud and Deceit, §144 (1999)]  
42

43 Even though ***“Every citizen of the United States is supposed to know the law...”*** [Floyd Acceptances, 7 Wall  
44 (74 U.S. 169) 666 (1869)], the requirement to know the law does not excuse or waive the requirement for  
45 “reasonable notice” in the case of any contract or agreement with the government that might adversely affect a  
46 Constitutionally protected right.  
47

48 In closing, if you would like to learn more about the requirement for “reasonable notice”, please consult the  
49 following free resource:

<p>50 <b><i>Requirement for Reasonable Notice</i></b>, Form #05.022 51 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a></p>
--

50 Closing thought:  
51

1            *“The lie can be maintained only for such time as the State can shield the people from the*  
2            *political, economic, and/or military consequences of the lie. It thus becomes vitally important for*  
3            *the State to use all of its powers to repress dissent, for the truth is the mortal enemy of the lie, and*  
4            *thus by extension, the truth is the greatest enemy of the State.”*  
5            *[Joseph Goebbels, German Minister of Propaganda, 1933-1945]*  
6

## 20 Chapter 20: Correcting Information Returns & What To Do Next

Quote to Contemplate which is equally true for lawful Non-Taxpayers as well:

*“The taxpayer can not be left in the unpardonable position of having to prove a negative.”*  
*[Elkins v. United States, 364 U.S. 206, 218 (1960), 80 S.Ct. 1437, 1444, 4 L.Ed. 2d 1669 (1960)]*

Most of the court quotations and IRS statements only address the word “Taxpayer” or “Taxpayers”. What about those who are “**Non Taxpayers**” yet are being attacked improperly and have to prove the negative. The system is designed so that once a “Taxpayer Account” is established by the IRS for those who send in the SSN application which is voidable ab initio and is not a contract by any sense; the IRS only considers one option. That option centers on the idea that everyone in America is a “Taxpayer”.

If you use a SSN, then 26 CFR §301.6109-1 says that you are considered by the IRS to be a federally defined 8 USC §1401(a) “U.S. citizen” who is also a “Taxpayer” and by such conversion of Americans into federal statutory creations of Congress, then there are no actual Americans protected by the constitution and the republic no longer exists. *Where was the reasonable notice of that regulation when filling out the SSN application?*

*If that be so, then why did the government waste their time creating 26 CFR §1.871-1(a) and the information in the Federal Retirement Thrift Savings Plan (T.S.P.)?* Those documents address those who are “Non Resident Aliens” [American Nationals are non resident to the limited exclusive jurisdiction of the District of Columbia and thereby aliens to that jurisdiction] and clearly have no taxable liability for the Subtitle “A” federal income tax.

The problem arises when any entity creates a Tax Class 5 information return which has your name on it, and possibly an SSN that was voidable ab initio, and is accepted by the IRS as “proof” that you are a taxpayer. Such well-known Tax Class 5 forms are Form W-2, Form 1099, IRS Form W-4, and IRS Form 1098.

For example, consider a Mortgage Lender who creates an IRS Form 1098 and sends it to the IRS by January 30<sup>th</sup> each year. That starts the cycle of questions by the IRS and they run to the Mortgage office [if you don’t correct their error] and request records that actually do not pertain to them. By doing so, the IRS is canvassing outside their singular internal revenue district [the District of Columbia] to which they are restricted by IRC 7601 and Treasury Order 150-02 from extending their search for taxable persons and objects.

The Mortgage Lender of course gives the IRS copies of all the information they “request” under Color of Office and Color of Law which was precipitated only by that company sending out the IRS Form 1098 information return against you in error. This is because those employed by the Mortgage Lender do not really know the facts behind the SSN.

You will find clearly stated in IRS Form 1098 Instructions (Catalog No. 27977Q) on page one under “**Who Must File**” the following guidelines:

**“File this form if you are engaged in a trade or business and, in the course of such trade or business, you received from an individual \$600 or more of mortgage interest on any one mortgage during the calendar year. You are not required to file this form if the interest is not received in the course of your trade or business.”**

Then on page 2 of IRS Form 1098 Instructions (Catalog No. 27977Q) under “**Nonresident Alien Interest Payer**” the following guidelines are stated by the IRS:

1           ***“You must file Form 1098 to report interest paid by a nonresident alien only if all or part of the***  
2           ***security for the mortgage is real property in the United States.”***  
3

4           When you take the time to read IRS Form 1098 Instructions publication you will see that the IRS fails to define  
5           any of the terms in their propaganda document aimed at the Mortgage Lender. That quote by Henry Kissinger  
6           keeps coming back into my thoughts as you think about this. *What is the purpose of propaganda?* You  
7           remembered didn't you? The only purpose is deception and disinformation. The problem created against you  
8           by the IRS Form 1098 is the rescinded SSN should not be referenced on an IRS Form 1098 because it creates  
9           the false impression that the number belongs to a U.S. citizen or resident [alien].  
10

11           Thus, the IRS Form 1098 with SSN identifies you incorrectly as one who operates in a representative capacity in  
12           behalf of and for the exclusive benefit of the federal government, and identifies you incorrectly as a federal  
13           trustee who is engaged in the conduct of a ***trade or business*** [meaning at IRC §7701(a)(26) “*the performance of*  
14           *the functions of a public office”] in the ***United States*** [meaning by IRC §7701(a)(9), (a)(10), & 7408(d) to be  
15           only the District of Columbia].  
16*

17           Even IRS Publication 515 “Withholding of Tax on Nonresident Aliens and Foreign Entities” addresses and  
18           openly states on page 3 “**TIP**” that “**Foreign persons** [those who have a jurisdiction that is foreign to the  
19           District of Columbia - - the exclusive jurisdiction of the National Government] ***who provide IRS Form W-***  
20           ***8BEN, IRS Form W-8BECI, or IRS Form W-8EXP (or applicable documentary evidence) are exempt from***  
21           ***backup withholding and Form 1099 reporting.***”  
22

23           Nonresident aliens are those who are “*neither a citizen of the United States nor a resident [alien] of the United*  
24           *States*” per 26 USC §7701(b)(1)(B). All 8 USC §1401(a) U. S. citizens are statutory creations of Congress.  
25           Those foreign persons addressed by the IRS Form W-8BEN are not 8 USC §1401 “*citizens of the United States*”  
26           vis-à-vis American Nationals who are identified in the Constitution as “*citizens of the United States*”. American  
27           Nationals [nonresident aliens to all federal jurisdictions] must have not identify a domicile within the “***United***  
28           ***States***” [meaning the District of Columbia] if they submit an IRS Form W-8BEN.  
29

30           One of the characteristics of a public office as defined in Black's Law Dictionary is the “***Power to exercise***  
31           ***some of the sovereign functions of government.***” Those who are identified as operating in or engaged in the  
32           performance of the functions of a public office [government] are taxpayers. Again, this is what is presumed if  
33           you do not rebut the claim established by the IRS Form 1098.  
34

35           You might consider sending the Mortgage Lender a letter explaining the situation prior to the end of the  
36           calendar year. If not, you will [unfortunately] need to correct the presumption they created. I found the  
37           following form to be helpful in correcting this entity error with the IRS:

38           ***Federal Nonresident Nonstatutory Claim for Return of Funds Unlawfully Paid to the Government***, Form  
39           #15.001  
40           <http://sedm.org/Forms/FormIndex.htm>  
41

42           Nowhere in the entire IRC [Title 26] is the term “***Trade or Business***” expanded to include any activity other  
43           than a “***public office***”. “***Expressio unius est exclusion alterius***” is a maxim of statutory interpretation meaning  
44           that the expression of one thing is the exclusion of another. When certain persons or things are specified in a  
45           law, contract, or will, an intention to exclude all others from its operation may be inferred.  
46

47           Based on the above, the average American domiciled within a state of the Union [on other than federal territory]  
48           **does not maintain real property in the “United States” as legally defined.** Your Mortgage Lender is not a  
49           “U.S. person” nor is it usually engaged in a trade or business [performing some of the sovereign functions of  
50           government] within the strict meaning of Title 26. Check with them before you assume anything!  
51

1 For a Mortgage Lender to issue an IRS Form 1098 information return with your name listed as relating to  
2 mortgage loans in their portfolio can only be incorrect as it creates a prima facie presumption that you as payer  
3 of the mortgage are connected with the excise taxable “*trade or business*” activity, which also [falsely] makes it  
4 gross income under 26 USC §61.

5  
6 If the SSN [which was voidable ab initio] also appears on the IRS Form 1098 for the payer, it also creates a  
7 prima facie presumption that me as payer is a “*U.S. person*” with a domicile in the District of Columbia who is  
8 a “taxpayer”.

9  
10 Request your Mortgage Lender to abide by the law and adhere to the guidelines on the IRS Form 1098  
11 Instructions (Catalog No. 27977Q) by not filing an IRS Form 1098 because it creates false prima facie  
12 information that you are one who:

- 13  
14 1. Would be identified incorrectly as one who is engaged in the performance of the functions of a  
15 public office as one who works for the federal government and exercises some of the sovereign  
16 functions of government, which is incorrect.
- 17  
18 2. Would be identified incorrectly as one with a domicile in the District of Columbia.
- 19  
20 3. Would be one identified incorrectly as with real property in the “United States”.
- 21  
22 4. Would be a likely victim of an “Substitute for Return” under IRC §6020(b) [which is not authorized  
23 for any Form 1040 by that statute, there is no regulation in 26 CFR Part 1 authorizing the IRS the  
24 power to do so, and Delegation Order (D.O.) 182 Rev 3 restricts the broad delegation for IRS agents  
25 to forms other than Form 1040 - all confirmed in a letter from Jay Hammer, IRS Disclosure Officer  
26 in November 1993] if you did not file a tax return from being identified incorrectly as one who  
27 holds a public office.
- 28  
29 5. Would be incorrectly identified as a Taxpayer. Taxpayers are subject to the IRC and liable to file a  
30 return as they are presumed to have derived income from being engaged in the performance of the  
31 functions of a public office in the District of Columbia a.k.a the United States.
- 32  
33 6. Would be incorrectly identified by use of the SSN which has been rescinded and/or was voidable ab  
34 initio toward identifying you as a federal trustee / federal employee and a U.S. citizen [8 USC  
35 §1401(a)] or resident [alien] as opposed to a nonresident alien defined at 26 USC §7701(b)(1)B) as  
36 one who is neither a “U.S. citizen or resident [alien].”

37  
38 If need be, ask your Mortgage Lender to contact the IRS to contradict the definitions of “*trade or business*” [26  
39 USC §7701(a)(26)] and “*United States*” [26 USC §7701(a)(9), (a)(10), & 7408(d)] meanings in Title 26  
40 presented. Also ask them to contradict 4 USC Section 72 restricting the operation of a public office outside the  
41 District of Columbia to include a sovereign state of the Union, like the state you are temporarily living in.

42  
43 An interesting parallel is a quote from the Paul Newman movie “The Verdict” in which Paul played a struggling  
44 attorney trying to win his case against impossible odds that were stacked against him by those in power. His  
45 statement to the jury was the following, if I remembered his lines well enough it went something like this:

46  
47 *“So, most of the time in our lives we are just lost. God, what do we do? The rich are*  
48 *powerful and exert their control over us. The poor are powerless. We become tired of*  
49 *hearing the lies from those in powerful positions and over time... we consider our selves to be*  
50 *helpless ...as well as victims. We feel so weak... and we doubt ourselves and our beliefs.*  
51 *Then... we doubt our institutions... and finally... we doubt the law.”*  
52

1 *“We The People” are supposed to be the authors of the law but is that really the case anymore? Judge Andrew*  
2 *P. Napolitano brings this issue home in his book and I think he is right. So what are the solutions to those who*  
3 *are pragmatic in their thinking?*

4  
5 Try to see Aaron Russo’s new movie **“From Freedom to Fascism”, Aaron Russo**. It is a good overview but  
6 lacks details of the law. But the message is very clear and if you think *“The Galileo Paradigm”* causes you to  
7 think critically, you will be stirred and perhaps overwhelmed about what is going on regarding the future of  
8 “America the Land of the Free”.

9  
10 Here is a statement credited to Todd David Schwartz with CBS that was found on the internet. He references  
11 his viewing the presentation on the film so I defer to his comment about the recommendation to see this film:

12  
13 **AMERICA: FROM FREEDOM TO FASCISM "FOUR STARS (Highest Rating).**

14  
15 *“The scariest film you'll see this year. It will leave you staggering out of the theatre, slack-*  
16 *jawed and trembling. Makes 'Fahrenheit 9/11' look like 'Bambi.' After watching this movie,*  
17 *your comfy, secure notions about America -- and about what it means to be an American --*  
18 *will be forever shattered. Producer/director Aaron Russo and the folks at Cinema Libre*  
19 *Studio deserve to be heralded as heroes of a post-modern New American Revolution. This is*  
20 *shocking stuff.*

21  
22 *You'll be angry, you'll be disgusted, but you may actually break out in a cold sweat and feel a*  
23 *sickness deep in your gut; I would advise movie theatre managers to hand out vomit bags.*  
24 *You may end up needing one.”*

25  
26 **[Todd David Schwartz, CBS, (Thursday, 01 June 2006)]**

27  
28 Leo Strauss’ philosophy is alive and well in the Federal government. All dissent by We the People, those of us  
29 who are the source and authors of the authority the government uses, is being trampled upon in the  
30 government’s hope of silencing Americans.

31  
32 All this in the *“land of the free and the home of the brave”* yet you have seen what the courts are doing. You  
33 know about the differences in federal jurisdiction from the laws but the government sees only one jurisdiction  
34 now in these matters.

35  
36 History does have a way of repeating itself. I found this statement somewhat applicable so I share it with you.

37  
38 *“In times of oppression, if you don't translate choices of faith into political choices, you run*  
39 *the danger of washing your hands, like Pilate.”*

40 [William Sloan Coffin (who spoke openly in 1968 during the height of the Viet Nam 'war')]

41  
42 The Vietnam War proved to be a political war which stimulated the economy but wasted thousands of lives and  
43 caused those left behind to suffer with their loss. All wars are economic and that is particularly true of the Iraq  
44 war with the threat of the decline of the U.S. dollars for oil being converted to the Euro currency. Many  
45 educated Americans realized the truth, and today Americans are making the decision to leave America in a  
46 growing exodus. Many who left perhaps did so with Paul Newman’s statement of intense doubt about American  
47 systems and the federal government.

48  
49 Their decision over time has proven them correct. They protested the only way they possibly could against such  
50 a powerful federal machine and the technology being used [which is far greater today than ever in the history of  
51 mankind] by others who made tough decisions for their time by simply leaving behind all that was the cause of  
52 their doubt and the prime factor in their feeling so helpless and lack of true security.

1 Most Americans desire to be free of oppression, to live a quiet peaceful life, and to mind their own business  
2 without the boot stomping from those with political agendas arising from the Straussian trained elite ruling class  
3 that now controls America.

4  
5 My prayers are for those who remain in America and for their privacy and liberty. The storm clouds are  
6 massive over this country that use to be a beacon of liberty. Over 250,000 Americans leave the USA annually.  
7 They know something is wrong and prefer to be proactive. I have returned to my ancestral home for a more  
8 private life.

9  
10 For those who are American Nationals without a domicile within the United States and do not derive their  
11 earnings from being engaged in the conduct of a “trade or business” within the “United States”, there is a rather  
12 useful **Affidavit** that is available simply by signing the Declaration of Status at the end of this book, scan it into  
13 an Adobe PDF format, and send it to my European email address [bedrock@runbox.com](mailto:bedrock@runbox.com) requesting the Affidavit  
14 and it will be sent at no charge.

15  
16 If you would like a useful resource to help in rebutting false information returns filed against you by ignorant  
17 private employers, financial institutions, mortgage companies, and business associates, the following free  
18 resource should prove very helpful:

<p><i>Correcting Erroneous Information Returns</i>, Form #04.001 <a href="http://sedm.org/Forms/FormIndex.htm">http://sedm.org/Forms/FormIndex.htm</a></p>
--

19  
20 **A FINAL REVIEW OF THE ENTIRE BOOK:**

- 21
- 22 1) The lowest common denominator for American Nationals [nonresident aliens to the exclusive Federal  
23 jurisdiction] in the Federal income tax equation is the “*Socialistic Surveillance Number*”. Many are  
24 now no longer using it.
  - 25  
26 2) There is no law [statute or implementing regulation] that requires, obligates, mandates, or imposes a  
27 duty for Americans to obtain a SSN by the Form SS-5. The Social Security System is completely  
28 voluntary and is established under contract law so that it does not violate the constitutional limitations  
29 placed against the Federal government.  
30
    - 31 a. Ask those who “*require it*” to provide you with the law [Statute and Implementing Regulation]  
32 which claims you must have one in order to work, bank, establish credit, etc. A battle but one  
33 that proves the point.
  - 34  
35 3) The SSN application is in fact a purported constructive trust contract between the Federal government  
36 and the applicant. It affords you indentured servitude.
  - 37  
38 4) The IRS regulation, 26 CFR §301.6109-1 Identifying Numbers, shows that the IRS “*generally*  
39 *identifies*” the holder [user] “*as a number belonging to a “U.S. citizen” or resident alien.*”
  - 40  
41 5) There was no reasonable notice provided to any American applying up for the SSN about 26 CFR  
42 §301.6109-1 or the Legislative History of the Social Security Act of 1935 Title VIII Section 801. Thus,  
43 the signer on the SSN application had no idea they were, in effect, waiving their God-given  
44 constitutionally protected rights. They were duped and did not in effect sign with any willful, knowing,  
45 or intelligent act by being fully aware of the ramifications and consequences by that application. The  
46 trust by We the People of our government being the servant is nothing more than an illusion just like  
47 that mouse that lives at Disney World.
  - 48  
49 6) “*U.S. citizens*” are defined in 26 USC as “Taxpayers” of the Federal income tax [Subtitle “A”]. *U.S.*  
50 *citizens* are defined at 8 USC §1401 as “*those born in the United States [Article 1 Section 8 Clause 17]*  
51 *and subject to the exclusive jurisdiction [Article 1 Section 8 Clause 17] thereof;*”



- 1  
2 7) “Resident aliens” are defined in 26 CFR §1.871-1 as Taxpayers of the Federal income tax [Subtitle  
3 “A”].  
4
- 5 8) Nonresident aliens are defined in 26 USC §7701(b)(1)(B) as “those who are neither U.S. citizens or  
6 resident aliens.” That is a compound way of describing those who live in the private sector [the  
7 Republic] and work in the private sector [non Federal employment].  
8
- 9 9) “United States Citizens” are not the same group of people who are “American Nationals. U.S. citizens  
10 are “federal citizens” [of the District of Columbia] and are “the property and franchises of the federal  
11 government.” They enjoy no protections under the Constitution as expressed by 8 USC §1401 in that  
12 they are “subject to the exclusive [sovereign] jurisdiction” [of the federal government].  
13
- 14 10) The Constitution of the United States of America [ratified 1789] has established two jurisdictions in  
15 which their laws may or may not apply.  
16
  - 17 a. The 10 square mile area called Washington, DC [“The Federal Zone” currently consists of  
18 Washington DC, U.S. Territories, Military enclaves and Insular possessions of the federal  
19 government as expressed by Article 1 Section 8 Clause 17], and  
20
  - 21 b. The Sovereign States of the Union [currently The 50 states] called the Republic. This is where  
22 the Federal Register helps in identifying Acts of Congress being applicable in the 50 states.  
23 Most of the legislation of Congress does not leave the jurisdiction of the District of Columbia  
24 and those laws are not published in the Federal Register as a result.  
25
- 26 11) The National Government has exclusive jurisdiction within the Federal Zone [the District of Columbia]  
27 and the Constitution of the United States of America is null and void in this geographical area.  
28
- 29 12) The National Government does not have exclusive jurisdiction within the 50 states of the Union but  
30 rather only limited jurisdiction as outlined in the Constitution of the United States of America [ratified  
31 1789]. This has been confirmed by the Congressional Research Service.  
32
- 33 13) A Statute by itself has no Full Force and Effect of Law upon *American Nationals*. Demand the  
34 Implementing Regulation and Federal Register publication for proof.  
35
- 36 14) Title 26, the Internal Revenue Code, is not positive law because it has no Effective Date of Enactment.  
37 It is special law that only has applicable jurisdiction in the municipality called Washington, DC or else  
38 those laws would have been promulgated in the Federal Register.  
39
- 40 15) United States District Courts and the U.S. Tax Court are administrative courts [either Article I or Article  
41 IV] and are extensions of the Federal Zone. As such the United States District Courts do not recognize  
42 the “Rights of American Nationals” as the Constitutionally protected God-given Rights are null and void  
43 to these courts.  
44
- 45 16) The only way to determine if an Act of Congress or Federal Law is applicable to the limited jurisdiction  
46 of the 50 States of the Union, and thus to American Nationals is by the following “reliable, probative,  
47 and substantial proof”:  
48
  - 49 a. A Statute in an enacted Title of the United States Code, which is positive law.
  - 50 b. An Implementing or Legislative Regulation for the Statute being published in the Code of  
51 Federal Regulations.
  - 52 c. The publication in the Federal Register of the Implementing Regulation imposing an obligation  
53 and evidenced by the Volume, Date, and Page Number of the publication in the Federal  
54 Register.  
55

- 1 17) American Nationals are not required by law to obtain a Social Security Number. American Nationals  
2 are not required to provide it to anyone including your non-federal employer in order to secure  
3 employment.  
4
- 5 18) The Legislative Intent of the 16<sup>th</sup> Amendment imposed an income tax upon the National Government  
6 meaning the “*employees, officers, and elected officials of the federal government*” and these are the  
7 “*parties*” to whom “*wages are income.*”  
8
- 9 19) Prior to this nation being established our founding fathers determined, as stated in the Federalist Paper  
10 No. 15, December 1, 1787, [written by Alexander Hamilton]

11  
12 *“Except as to the rule of apportionment, the ‘United States’ has an indefinite discretion*  
13 *to make requisitions for men and money; but they have ‘no authority’ to raise either,*  
14 *‘by regulations extending to the individual citizens of America.’*  
15

16 This was a foundational precept or intent of the Constitution. It has been circumvented by contract law  
17 founded under the Social Security Administration giving rise to Federal financial indentured servitude.  
18 What the Constitution prohibited in Federal taxation “*extending to the individual citizens of America*”  
19 [American Nationals] the SSN has perverted.  
20

21 *What does that tell you about the authority of Congress to create a military draft?*  
22

- 23 20) In order to determine what the words mean that the National government uses, one must always look at  
24 each key word in the definitions sections of a Statute or administrative regulation so as not to  
25 misconstrue the Federal meaning with that of the everyday use of the word by the American Public. 26  
26 USC §7701 is the major section in the IRC for definitions. Black’s Law Dictionary, Sixth Edition or  
27 earlier, will help you understand Federal definition of terms too.  
28
- 29 21) The IRS has no lawful authority to use Subtitle F [enforcement statutes] in regard to the non-enacted  
30 Subtitle “A” income tax against *American Nationals*. There are no implementing regulations found in  
31 26 CFR Part 1 for: 1) Substitutes for return as would be listed [if it existed] as 26 CFR §1.6020, 2)  
32 Assessment as would be listed [if it existed] as 26 CFR §1.6201, 3) Lien as would be listed [if it existed]  
33 as 26 CFR §1.6321, 4) Levy as would be listed [if it existed] as 26 CFR §1.6331.  
34

35 This was further confirmed by Michael L. White, Federal Attorney, Office of the Federal Register, that  
36 there were no such enforcement authorities promulgated in the Federal Register for 26 CFR. They were  
37 present for 27 CFR but only relate to Alcohol, Tobacco, & Firearms [ATF] Federal agency use.  
38

- 39 22) The Federal income tax applies only toward:  
40

- 41 a. “*employees, officers, and elected officials of the federal government*”, public corporations  
42 established in the exclusive jurisdiction of the federal government per the Legislative Intent of  
43 the 16<sup>th</sup> Amendment written by former President of the United States William H. Taft on June  
44 16, 1909 and published in the Congressional Record of the United States Senate on pages 3344-  
45 3345, and  
46
- 47 b. “**U.S. citizens**” [people born in the Federal Zone and subject to the jurisdiction of the federal  
48 government] per 8 USC §1401  
49
- 50 c. “**Resident aliens**” [foreigners who might live in the Republic or the United States] per 26 CFR  
51 §1.871-1, and  
52
- 53 d. “**Those who operate in a representative capacity in behalf of the National government**”  
54 under private contract structure with the Social Security Administration’s purported

1 constructive trust contract. This SSA contract uses private contract law to convert American  
2 Nationals into “U.S. citizens” or “resident aliens” and into being a Federal Trustee of the SSN  
3 contract. One first must be a Federal employee in order to use Federal property. The SSN card  
4 with the “Socialistic Surveillance Number” is Federal property per 20 CFR §422.103(d).

- 5  
6 e. **Those who derive their income from being engaged in the conduct of a “trade or business”**  
7 **in the “United States”** by performing some of the sovereign functions of the federal  
8 government a.k.a. holding a public office. According to 26 CFR §1.871-1(a) this does not apply  
9 to Nonresident aliens [American Nationals] who do not hold a public office.

10  
11 23) American Nationals [non-resident aliens] domiciled in states of the Union and not engaged in any  
12 federal franchise have no imposed liability for the non-enacted Subtitle “A” Federal income tax  
13 according to:

- 14  
15 a. Alexander Hamilton’s Federalist Paper No. 15 [a foundational intent of the Constitution], First  
16 Secretary of the United States Treasury & Founding Father of the Constitution of the United  
17 States of the America.
- 18  
19 b. United States Supreme Court – Income Tax Act of 1894 - Unconstitutional. See Pollock v.  
20 Farmers’ Loan & Trust Company, 158 U.S. 601 (1895)
- 21  
22 c. The Legislative Intent of the 16<sup>th</sup> Amendment – documents the Parties & Jurisdiction made  
23 liable for the Federal income tax per Congressional Record of the United States Senate, June 16,  
24 1909, Pages 3344-3345.
- 25  
26 d. 26 CFR §1.0-1 Effective date of enactment & termination of 26 USC and Subtitle “A”  
27 applicability toward those American Nationals in the Republic [the 50 states of the Union].
- 28  
29 e. 26 CFR §601.702(ii) Effect of Failure to Publish in the Federal Register as also required of the  
30 IRS by 44 USC §1505. There can be no adverse affect against the Rights of American  
31 Nationals who do not work for the Federal government and do not operate by contract with the  
32 Federal government in a representative capacity in behalf of the Federal government.
- 33  
34 f. 26 CFR §1.871-1 Nonresident aliens [American Nationals who live in the Republic , were born  
35 there, and who work in the private sector] who do not derive their income from being engaged  
36 in the conduct of a “*trade or business*” [the performance of the functions of a public office per  
37 26 USC §7701(a)(26) from within the “*United States*” [the District of Columbia per 26 USC  
38 §7408(d), 7701(a)(9) & (a)(10)].
- 39  
40 g. Federal Attorney Michael White in the Office of the Federal Register, legal opinion letter to an  
41 American National in 1994, showing that “*the IRS has not incorporated by reference in the*  
42 *Federal Register any requirement to file an income tax return.*”
- 43  
44 h. Nonresident aliens [American Nationals] according to 26 CFR §1.871-1(a) have no liability for  
45 the federal income tax unless they choose to work for the federal government and then their  
46 income would be classified as being derived from being engaged in the conduct of a trade or  
47 business [the performance of the functions of a public office per 26 USC §7701(a)(26)] or if  
48 they “*elected*” to have their non taxable income treated as having a taxable liability like that of  
49 a U.S. resident [alien] by filling out any number of government forms such as an IRS Form W-4  
50 or not rebutting a Tax Class 5 Form [W2, 1099, 1098, etc] information return sent to the IRS by  
51 unaware private sector employers.
- 52

- i. IRS Commissioner Charles O. Rossetti's admission in a delegated response letter by District Director Joseph Cloonan in which was stated that "*There is no law that requires anyone to file a 1040 return.*"
- j. 26 USC §7851(a)(1)(A) of Subtitle "A" & "Applicability of Revenue Laws" has as the regulation supporting the Federal income tax a regulation 27 CFR Part 24.
- i. This is an ATF regulation pertaining to Wine Production only.
  - ii. Also, 1 CFR §21.21(c) prohibits the IRS from cross-referencing to other titles in the Code of Federal Regulations.
- k. Subtitle F in 26 USC §7851(a)(6)(A) only goes into effect on the day after the date of enactment of 26 USC. The IRC ended on August 16, 1954 in so far as its applicability toward those private sector American Nationals as stated in 26 CFR §1.0-1 because:
- i. The lack of this implementing regulation being published in the Federal Register.
  - ii. 26 CFR §601.702(a)(2)(ii) Effect of Failure to Publish in the Federal Register negates any IRS claim as to 26 USC Special Laws being applicable anywhere but within the United States [defined as in Article 1 Section 8 Clause 17 of the Constitution].
- 24) IRS Summons is nothing more than a mere "***request***" which can be ignored according to the U.S. Federal Court of Appeals. They are falsely created under Title 27 by those in the IRS to give the recipient the appearance under ***Color of Law*** [by the IRS agent who created it under ***Color of Office***]. Look those terms up in Black's Law Dictionary and add them to your legal vocabulary. The IRS has no power by Summons to force one to respond or to face repercussions if they choose to ignore the Summons. All this is factual per the U.S. Court of Appeals case cited in the previous chapter.
- 25) One can use the U.S. Tax Court if there is a "***fabricated***" IRS Notice Of Deficiency (NOD) created by the IRS. You must specify what your "***Request of the Court***" concerns while all along understanding that jurisdiction is the key. Jurisdiction is primary as you can easily read in the **Federal Rule of Civil Procedure 12(b)(1)**.

Read the exhibit discussing Matthew A. Fogel in U.S. District Court San Diego, obtained an admission by the United States District Court that such federal courts do not have jurisdiction to hear constitutional issues. The IRS attorney filed the motion to dismiss for lack of subject matter jurisdiction because "***federal courts are courts of limited jurisdiction, the plaintiff must demonstrate that the court has been authorized to preside over the case either by statute or the constitution.***"

The idea is to stay out of these Article IV courts by not submitting to their jurisdiction. In the question of the NOD, if you were to file an amended petition and/or pay the \$60 filing fee you would in effect be submitting to that territorial or tribunal court's jurisdiction.

Maintain your jurisdiction outside that of all Federal courts and by letter ask the court for a Court Order [directed to the IRS] for Dismissal of the NOD for Lack of Jurisdiction.

If you are asked on forms to state your "Domicile, Residence, Permanent Address" you are being tested to see if you understand jurisdiction...WATCH OUT! The goals on those forms are to secure you into some political jurisdiction to which you will be forced to submit.

The correct idea is to have only a "***mailing address***". For federal purposes, you can honestly state that you reside in my physical body; therefore you cannot have anything other than a mailing address.

1  
2 As to *Domicile*, my home is in Heaven as I am an Ambassador for Christ. While I am in the world  
3 presently, I am a “transient foreigner” to all “*foreign*” [federal] jurisdictions. I intend to return home  
4 one day to my true domicile so until that time I am merely “*passing through*”.

5  
6 Congratulations, you have completed this important part of your educational journey in American Legal  
7 Experience. The facts of the enacted Federal tax law have spoken clearly. The Constitution of the United States  
8 of America [ratified 1789], prohibit an income tax being directly placed upon *American Nationals* [See USSC  
9 Pollock v. Farmers Loan & Trust decision in 1895 and the Legislative Intent for it published in the  
10 Congressional Record of the U.S. Senate on June 16, 1909].

11  
12 This is not my opinion but what the laws and federal documentation show and prove. An Amendment can not  
13 erase what is basic to the contract that is the Constitution. It can only clarify or address matters not previously  
14 addressed. Otherwise the contract has been completely changed contrary to what was originally established.

15  
16 The United States Supreme Court has supported the prohibiting of an income tax upon *American Nationals*.  
17 The Legislative Intent of the 16<sup>th</sup> Amendment clearly identifies that the federal income tax is applicable to those  
18 employed by the National Government, U.S. Corporations, and *United States Citizens* per the 14<sup>th</sup> Amendment.

19  
20 The SSN application [private law contract] includes resident aliens to the previously identified U.S. citizens as  
21 listed parties of those imposed with a taxable liability for the Subtitle “A” federal income tax per 26 CFR  
22 §301.6109-1 (a).

23  
24 Those who use the SSN are newly created “federal workers” using federal [public] property and for that benefit  
25 they are taxable as they are operating in a representative capacity for the benefit of, and in behalf of, the federal  
26 government. All these players have some kind of nexus to their income being derived from being engaged in  
27 the conduct of a *trade or business* in the *United States*.

28  
29 Unless you are identified by one of those groups you are “*neither the subject nor the object of federal revenue*  
30 *laws*”. So says 26 CFR §1.871-1(a) and the Federal Retirement Thrift Savings Plan (T.S.P.) for Non Resident  
31 Aliens. Nothing more needs to be said except that you must now prove all these facts to your own satisfaction  
32 and any decision is yours and yours alone. Each of us have that responsibility for our decisions.

33  
34 It has been reported that Benjamin Franklin once stated,

35  
36 *“If a man empties his purse into his head, no one can take it away from him. An investment in*  
37 *knowledge always pays the best interest.”*

38  
39 Money is one of the essentials in life and what you earn each and every day truly belongs to you if you are one  
40 who is a non resident alien to all federal jurisdiction and do not engage in the conduct of a trade or business in  
41 the United States.

42  
43 The knowledge you have now obtained provides you with the foundational education, which can make a big  
44 difference in securing the needs in your life.

45  
46 If the money you earn is yours and always has been, the childhood question “*Why*” may still arise yet again in  
47 your thoughts.

48  
49 “*Why has all this happened to Americans?*”

50  
51 It has been said that “*If you tell a lie big enough and keep repeating it, people will eventually come to believe*  
52 *it.*” Joseph Goebbels, Hitler’s minister of propaganda knew this fact all too well. So do those in the federal

1 government. It is, however, unlikely that we will ever learn all the facts in order to answer such a simple  
2 question.

3  
4 The next step of the journey is up to you. You are at a crossroad in your life. 63 million Americans no longer  
5 file or pay a federal income tax according to Commissioner Rossotti in his 1996 letter. The reasons may not all  
6 be the same but hopefully for the first time your understanding on this issue is based upon knowledge of enacted  
7 federal tax law.

8  
9 Opinions will vary widely at times but the enacted law you have studied affords you the opportunity to make an  
10 informed decision about the law. The enacted federal tax law should give you the strength of conviction that  
11 your decision is valid and proper.

12  
13 Share your newfound knowledge with others who are in need. This is the time to discuss the issues presented  
14 and to make decisions based on the knowledge of enacted Federal tax laws and their applicability toward you or  
15 not. You are not alone, but your decision is a singular one.

16  
17 The ultimate tyranny in a society is governmental control by psychological manipulation of consciousness and  
18 presumption of “**facts**” not in existence, through which “reality” is defined so that those who exist within that  
19 society [the working man and woman struggling to provide the necessities of life] do not even realize that they  
20 are in prison.

21  
22 Be patient with those to whom your new knowledge has not been imparted. Try to encourage them to  
23 understand what Herbert Spencer, British Philosopher, once stated,

24  
25 ***“There is a principle which is a bar against all information, which can not fail to keep man***  
26 ***in everlasting ignorance – that principle is ‘contempt’ prior to investigation.”***

27  
28 You are no doubt proud to be an American. Also, perhaps you are grateful to those forefathers for the  
29 inheritance they provided to all American Nationals via the Constitution of the United States of America, which  
30 serves to protect our God-given Rights and limits the authority of the National Government.

31  
32 However, if the Constitution is indeed dead, then that changes the political and social fabric this nation was  
33 established on. If that be the case then you better have a contingency plan to live quietly and mind our own  
34 business in another country.

35  
36 Many will not do so but again that is their choice and only the singular individual can make decisions that  
37 impact their lives in such a significant manner. This author has made his decision and is no longer “passing  
38 through” the USA. Better to be proactive and wrong than to be reactive, wrong, and trying to figure a way out  
39 as the doors are closing.

40  
41 Now is the time to study the material. Prove everything to your own satisfaction. My effort in writing this  
42 educational document was to be sincere and sincerely correct. However, you should take no one’s word for  
43 anything. Prove everything to your own satisfaction. Errors can occur and assumptions must be avoided. Be  
44 diligent. Do your own investigation. Go to what I call “professional education web sites” that can increase your  
45 knowledge.

46  
47 The effort behind this work was to help others develop a foundation upon which to build knowledge in this field.  
48 My intent was to provide educational [nonfactual speech] research based on the law and to discuss my beliefs  
49 and opinions in a forum that may not long be permitted.

1 Repeating yet again, you must understand that you should not take my word for any of what you have read but  
2 rather take the time to see if what was presented can be validated. After that effort draw your own conclusions  
3 and make your own free will choice as how to conduct your affairs of life.

4  
5 The truth will set you free but there will be a price to pay as liberty is not free. The law shows the truth based  
6 on legal facts but it is up to each reader to determine what truth they choose to apply to their own lives. May  
7 God richly bless you and your family.

8  
9 I leave you with this quote to ponder in your reflections on this great subject.

10 *“Government is like a fire, useful in the fireplace, but if it get out of its place, it will consume*  
11 *everything you own.”*

12 *[George Washington, First President of the United States]*

## 21 Chapter 21: The Search for Individual Liberty

Quote to Contemplate:

*“The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man’s spiritual nature, of his feelings, and his intellect. They know that only a part of the pain, pleasure and satisfactions of life are to be found in material things.*

*They sought to protect Americans in their beliefs, their thoughts, their emotions and their sensations. They conferred, as against the Government, the right to be let alone, - - the most comprehensive of rights, and the right most valued by civilized men.”*

*[U.S. Supreme Court Justice Lewis D. Brandeis, *Olmstead v. U.S.*, 277 U.S. 438 (1928)]*

After all the reading, some authors do little to provide any practical applications to consider applying to ones’ life. So let’s change that and share some ideas that might be of interest. Try to think of other ideas once you finish the reading.

I would argue that anyone who desires to be a sovereign with privacy in America must first arrange their business affairs so that their name appears on NOTHING! That means homes, personal vehicles, and even rescinding the SSN [for those who have been using them without the understanding of what is going on] as voidable ab initio. Obviously, banking in any of the 50 states of the Union is, in this author’s opinion, a “*verboden*” act. That is unless you want to be identified as a “*public officer*” by opening an FDIC bank account. [31 CFR §202.2](#)

Today in America one must be extremely private in their business affairs if one is to achieve the goal of functioning like a sovereign portrayed in the Declaration of Independence. One of the best ways to do that is so that the government and other curious parties consider you merely a tourist.

This author is a “*PT*” which is to say a “*Perpetual Traveler*”. Obviously, there are other terms that can express similar concept to the idea of “*PT*”. It could stand for “*Proactive Thinker*”, “*Prepared Totally*”, “*Possibility Thinker*”, “*Permanent Traveler*”, “*Permanent Tourist*”, “*Practically Transparent*”, or even “*Prior Taxpayer*”. A lot of creative expressions can define the “*PT*” but it basically one who is just “*Passing Through*”.

If you think about it, there is a strong advantage in being a “*PT*” so that government officials view the individual who is a “*PT*” as one who is merely “*Parked Temporarily*”, and thus that individual is not subjected to taxation of any significance, military service, or lawsuits considered worth their time when there is no tangible asset base to attack. The *PT* will not be persecuted for his/her beliefs or lack of them as are most citizens under a government program.

The individual who is a *PT* can choose to stay in one place most of the time, part of the time, or in some situations all the time. *PT* is a way of life, a way of perceiving your place in the earth and the time you spend in each place. The idea behind *PT* is for the individual to enjoy a liberty unknown to many and secure privacy by minding your own business quietly and causing no harm to your neighbor where ever you may be.

As each of us grew up in our society, we slowly became “*aware*” that for too long we were “*unaware of our being unaware*”. This understanding arose as we discovered the game of life unfolding with surprises. The rules were simple when we were children and many were standing stunned by our malentendu of what we thought life was about. The rules became more complex and political. Soon we discovered that governments really do not have our best interest but only spout their propaganda which we believed for a season in our childlike state of “*unawareness*”.



1  
2 The awakening for me came with the realities of war and military service that was thrust upon me by some force  
3 beyond my control. I followed the flow of society and its rules for too many years until the death toll and  
4 financial drain shook me out of my being “unaware”. I was exhausted and exasperated by all of it and felt the  
5 hopelessness of life expressed by Paul Newman in the movie “The Verdict”. That was when I finally started  
6 recognizing my desire for the paradigm shift to think critically and truly pursue the happiness and liberty  
7 expressed in the scriptures.

8  
9 Speaking for a moment in a material sense only, we all face financial needs to maintain our existence. [Please  
10 understand my temporary focus here does not change my dominate understanding that the abundance and  
11 fulfillment in life does not come by material things as “we do not live by bread alone but by every word that  
12 comes from our Heavenly Father” ...in whom I love and celebrate my true existence.]

13  
14 The Constitutional Republic was begun with the simplest [and yet most complex] of issues that affect all people;  
15 Taxation! Taxes, which are a burden to most, are actually a benefit to the CPAs and Tax Attorneys. For many  
16 years I thought I was living in the best of all possible worlds [the USA] at the best of all possible times and yet I  
17 became aware of the oppression and tyranny of national government.

18  
19 I discovered that I had the “PT” mentality all along but was not living the PT life and I realized how intolerable  
20 living by society’s rules was for me. Thus, I began my educational journey about taxation and how to live as a  
21 PT.

22  
23 My reality was that I was successful but nothing came easy. It was a struggle as I worked on the government  
24 and corporate stage of “what have you done for me today”? Asking questions never solved the issue. In fact, I  
25 was considered a loner, an outsider, not a team player. But I could not any longer say “How high?” when I was  
26 told to “Jump”. Happiness is a state of mind after all and my reality may not be similar to yours. But I worked  
27 hard for my money and all I asked was some rather basic questions only to be rebuffed and viewed with  
28 skepticism.

29  
30 Consider this reality: In Joseph Stalin's time, nobody could deny that from a personal liberty and material point  
31 of view, Stalin himself (materially at least) had it pretty good -- even though no one else in the Soviet Union  
32 lived as well as he did.

33  
34 But I venture to guess that if we asked him in 1950 if he was happy, he'd disregard the material aspect to focus  
35 on the fact that his life and the political system he ran was in constant danger. He survived only by deporting,  
36 jailing and murdering a few million of his perceived or real enemies every year.

37  
38 Today in Russia, there is a new system offering greater economic opportunity and personal liberty. There are  
39 lots of newly rich Russians who for the first time in 50 years have the legal right to engage in commerce, travel  
40 and freely communicate with foreigners. At the same time, in modern Russia, there is also more personal danger  
41 to the non-political guy on the street from violent criminals, and from economic uncertainty.

42  
43 For those in any society, there is the goal of stability, security and prosperity while encouraging some sense of  
44 individual liberty or initiative but always in context of a balancing act. Perfection in society does not exist so  
45 governments continually tinker with laws to maintain their perceptions of reality and use their propaganda  
46 experts to encourage others to accept it as the norm for that society.

47  
48 Trend analysis is of particular interest to me and that helps determine my next strategy in my journey as a PT.  
49 As you can tell, a PT by definition is one who is a free thinker compared to those who prefer a highly regulated  
50 and heavily taxed society. In countries like the United States of America the government “tinkers” are actively  
51 at work. A greater percentage of its population is incarcerated than in other “less free” societies. More and  
52 more are being jailed for smaller offenses which lead to a decline in personal liberty. Reportedly, 250,000  
53 Americans leave the USA annually because of it.

As in Germany in the late 1930s and through the end of WWII, few people complained about the incarceration of the varieties of categories of “bad [politically incorrect] people” that those on the outside did not feel that they fit into. Merely asking questions could cause them to fit into the “undesirable classification” and so probing questions were not discussed in public and ever so quietly even among friends. Personal liberty declined rapidly in that atmosphere.

So the question arises, “*How do I cope as a PT?*” “How does one secure a better lifestyle with material benefits” in a socialistic society like America?”. . has become is a very real question for many Americans today. Perhaps the first thing to figure out is to ask yourself “*What kind of behavior is being rewarded in the country where you live and what kind of behavior is being punished?*”

Once you identify the answer, take the road less traveled by to make more money or whatever it is you think you need while avoiding the activities or behavior that would get you into trouble with the establishment. If you can’t exist comfortably where you are or achieve your aspirations where you live then look for opportunities elsewhere in the world. Consider a physical relocation to where you perceive greater opportunities exist. Choose the location that fits your needs best.

For those who have read Karl Marx and his ten planks to his “Communist Manifesto” you see all too clearly that most of them are in full force and effect in the USA.

Take a look at the ten planks for a moment and consider what you see in “Amerika” today in regard to the impact of Government control:

1. **Abolition of Private Property** – some will argue and I will give ground here but try maintaining your home and property from the tax man and his tax liens if you do not pay his annual property tax. Folks, there is no true “allodial title” to land any more in the USA.
2. **Heavy Progressive Income Tax** – you have already read the facts on this matter and there is no doubt about this as a fact for most who do not understand how to exist outside this communist tool.
3. **Abolition of all rights of inheritance** – you ever heard of “inheritance tax”? Is it just a precursor? Time will tell.
4. **Confiscation of property of all immigrants and rebels** – this one is up in the air so no insight just yet on this one.
5. **Central Bank** – you know that Andrew Jackson fought against the U.S. Bank in his administration. However, today the Federal Reserve is the Central Bank.
6. **Government Control of Communications and Transportation** – Try the FCC, the FAA...can you board a flight today without going past “government” screeners? Any idea about all the acres of Cray Computers the NSA uses to listen in on your “private” voice, fax, email, & wire communications?
7. **Government ownership of factories and agriculture** – Certainly you have heard of the FDA. Remember anything about the CAFR and what the government does with all those funds? They invest them and become owners of the corporations without anyone being the wiser.
8. **Government Control of Labor**– Not quite the same that occurred in the former Soviet Union but what percentage of private employers will hire you without a SSN or your signing an IRS Form W-4 or garnishing your “wages” with an IRS levy.
9. **Corporate Farms & Regional Planning** – this one is up in the air so no insight just yet on this one. Who are the majority stockholders in ADM?
10. **Government Control of Education**– All local school boards exists on the hand outs from the federal government in spite of all the “property taxes” that are taken from Americans to support this educational system.

1 There is room to disagree but you have to admit that the potential is there. What if you did some investigation  
2 on this yourself? Would you feel “comfortable” asking questions of the government leaders on these issues?  
3 What do you think the attitude of the officials being questioned on these matters would be toward you? Do you  
4 see any relationship to the Straussian Economic Philosophy of the elites in the above planks?

5  
6 In some countries, entrepreneurs are richly rewarded, but we see less and less of that existing in the United  
7 States [constitutional republic] than ever in its history. You should match your personality and skills to an  
8 environment that appreciates your contributions.

9  
10 This is where a wise *PT* starts to shine. Identify several countries or cities where your favorite diversions are  
11 socially acceptable so that you will not create any offense and wind up in jail. The key is to go to those  
12 locations where you can legally and openly do what you love doing so that you are free from adverse societal  
13 rules.

14  
15 Make it a goal to obtain more than one passport and to maintain an open mind. This will make a critical  
16 difference to your quality of life. You just don’t want to be considered by any society you are “*Passing*  
17 *Through*” as being a “bad person” with your lifestyle choices which are not criminal but at odds with the social  
18 customs of a country you might be considering. What is freedom in one country might make you a “bad  
19 person” or a slave in another. Look over your needs and perceptions and choose wisely.

20  
21 For me, my *PT* ethos defines an ideal place to live is where I pay little or no taxes, don’t have to risk getting my  
22 head shot off in any war, encourages alternative energy applications for housing and travel needs, excellent  
23 museums, decent roads, as well as first class French and Chinese restaurants.

24  
25 Unless you are an American, you need not renounce citizenship or trouble yourself with the need for dual  
26 passports. European *PTs* can live indefinitely and invisibly in any other European country. As one who is  
27 perceived by local law enforcement and bureaucrats as “just passing through” you can enjoy the *PT* lifestyle.

28  
29 However, you must be private and not talkative to others you meet. I call this the “European *PT* Mindset”,  
30 which means that you mind your own business, keep a low profile, and avoid trouble. If you talk about your self  
31 to others, use the European method of conversation which is politely share your thoughts on the cuisine, the  
32 coffee, the weather, and your enjoyment of a good glass of wine. Make no expressions of interest in politics or  
33 worldly matters that would have local ramifications. Don’t discuss where you have lived and why you are  
34 currently in that country.

35  
36 If you get the sense that things are changing in the location you are at, then pack up and move to another  
37 location. If you have property in a country, own it in the name of an entity but never in your own name. That  
38 way if you leave, it can be sold and the funds wired to any bank in the world.

39  
40 To be a successful *PT*, your activities involved in your *PT* lifestyle must be a closely guarded secret. Maintain  
41 the “European *PT* Mindset” at all times. If you are an American you more than likely tend to talk too much.  
42 Just zip your lip and taste the delights as a *PT*.

43  
44 Even family members can have differences in their lifestyle choices. Thus, not everyone in the world can be or  
45 should choose to be a *PT*. If you enjoy the public limelight, having your picture in the local newspapers,  
46 working in an office all day then this is probably not an option for you. To me time is short so I want to travel,  
47 learn multiple foreign languages, meet new people, and develop new skills to enrich my life.

48  
49 So how much does this *PT* lifestyle cost? How much money do you need to get started?

50  
51 First of all, modify your appearance to the world. If you enjoy baubles then enjoy them in private. Do not show  
52 off as that only draws unwanted attention to your portable wealth. Wear clothes that are nice and comfortable

1 but not so elegant that everyone in a crowd sees you. If you really want to blend in, then wear oversized or  
2 baggy clothes to make you look like just an “average guy”.

3  
4 Second, drive dependable vehicles or if you insist on the luxury, only drive the middle of the road variety.  
5 Avoid the €150,000+ luxury cars that really draw attention as you pass by. Pay cash for the cars and register  
6 them in the name of a foreign entity such as a trust or IBC in which you have the power of attorney. Drive it for  
7 5 to 8 years before trading it. Better choice would be the inexpensive Smart Car. Figure that most cars are  
8 depreciating to the point that there is little to no residual value at the end of your use of it.

9  
10 If you must drive a Ferrari, try renting one for a weekend and if anyone asks you about it you can reply that it is  
11 something you considered doing as a special treat for a wedding anniversary or some other special event. If you  
12 must buy those toys, take them on a road trip but don't increase your visibility by using it to drive down to the  
13 local pub. Garage them and don't leave them out in the open in front of your home.

14  
15 To answer how much money you will need you should have enough net worth that will enable you to live off  
16 the interest or have a portable occupation that allows you to earn money as you travel devoid of any licenses or  
17 permits.

18  
19 Work at your home or take your work with you on your PC laptop and enjoy coffee and bread cakes while you  
20 work. Find a way to earn money on the internet free from others and their control. Investing is an excellent  
21 method. Successful traders can make enough each month to buy a new Mercedes S Class by working about 4  
22 hours a day. Certainly covers all the expenses. Whatever you do with your possessions, keep it moderate and  
23 don't be a prisoner of them.

24  
25 In your planning do not disclose your intentions to anyone especially in your home country. Avoid dealing with  
26 lawyers, accountants, or political contacts you might have associated with in the past. You basically want to  
27 divorce yourself from the system you are leaving behind.

28  
29 Best not to bank in the same area you live. Build a small number of credit cards in banks located in different  
30 countries so that your transactions are private in the location you are living in.

31  
32 Where ever the road of life takes you, find happiness in each day. Be kind to others and when appropriate give  
33 what you can to others. If it is money, do it without fanfare and do it anonymously. The journey may be a  
34 bumpy road at times but don't let that affect your attitude. Spend time with the things that bring you joy where  
35 you are... and make the most of each day. Be generous to others by sharing your time or a kind word.

36  
37 Maintain your “giving” as a private effort. Zip your lip and do not discuss anything with anyone except the  
38 weather and good food. Keep smiling and keep the faith. All things are possible to those who choose to  
39 believe.

40  
41 A humorous way of expressing this idea is:

42  
43 *“Three can keep a secret and protect your privacy... only if two of them are dead.”*

## DECLARATION OF STATUS BY CONTRACTUAL AGREEMENT

Be it known to all who read this presentment that this Declaration of Status declares the following to be facts without option to be disputed, negated, or later challenged.

I agree, without reservation, declare that by attaching my name and signature that I \_\_\_\_\_ [print you full legal birth name legibly] am an American National by birth or naturalization and **have no federal domicile, or legal address, permanent address, or residence within any federal jurisdiction** consisting of U.S. Territories, military installations, federal buildings, national parks, the District of Columbia or other insular possessions of the National Government now referenced by the term “Federal Zone”.

Furthermore, I declare that I do **not** derive any “income” from being engaged in the conduct of a “**trade or business**” [*federal franchise*] within the “**United States**”.

I personally declare that:

1. I am a “nonresident alien” to all federal jurisdiction(s) [defined at 26 USC §7701(b)(1)(B)] and truly am one who is a “transient foreigner” on the earth.
2. I am a “stateless person” within the meaning of 28 USC §1332(a) immune from the jurisdiction of the federal courts, which are all Article IV territorial/tribunal courts with jurisdiction only within the District of Columbia and no where else per 4 USC §72 with the singular exception of the U.S. Virgin Islands per 48 USC §1612.
3. I am a reasonable, responsible, patriotic, and open-minded individual who simply wants an honest and accountable government that diligently obey and respects the Constitution, enacted positive law, and does not try to enforce that which is not enacted positive law [at all times]. Every American National expects and deserves a government that respects the requirement for “consent” in every interaction between it and its inhabitants, including in the area of taxation. The reason is that the Declaration of Independence says that all just powers of government are based on the “consent of the governed”. Where there is no explicit, written, informed consent, there is no authority and nothing but tyranny and injustice. Because the national government is not respecting these limits on its authority, then I cannot and will not subsidize or condone or aid any efforts which would conflict with these objectives with my earnings or my labor or my tacit consent or obedience.

*“If money is wanted by Rulers who have in any manner oppressed the people, they may retain it until their grievances are redressed and thus peaceably procure relief without trusting to despised petitions or disturbing the public tranquility.”*

[Continental Congress, 1774; Am. Pol. 233; Journals of the Continental Congress, October 26, 1774]

#### 4. I am NOT:

- a. A “**U.S. Citizen**” as defined by the Federal Government in 8 USC §1401 and who is the only type of “citizen” who is the object of the Internal Revenue Code under 26 CFR §1.1-1(c).
- b. A U.S. “**resident**” as defined by the Federal Government under 26 USC §7701(b)(1)(A). All “residents” are “aliens” in the IRC, and I am NOT an “alien” and neither is a “non-resident alien” an “alien”.
- c. A “**U.S. Person**” as defined at 26 USC §7701(a)(30).
- d. An “**individual**” with any earnings “effectively connected with a trade or business in the United States” under 26 USC §871(b).

- e. Federal “employee” as defined at 26 USC §3401(c) and 26 CFR §31.3401(c)-1.
- f. A person with any contracts in place, agency, or fiduciary duty with the federal government. Such contracts include but are not limited to the W-4, 1040, or SS-5 federal forms.
- g. One who conducts commerce or engages in a federal franchise with the national government.

Instead, my earnings and all of my property is a “foreign estate” as described in 26 USC §7701(a)(31) and not subject to the jurisdiction of the Internal Revenue Code. I am a Secured Party to the Constitution as I do not live within the exclusive or general jurisdiction of the National Government but temporarily occupy (but not “reside” or “inhabit” within) the 50 states of the Union. As such, the Special Law found in Title 26 does not apply to me. This fact is confirmed by the Legislative Intent of the 16<sup>th</sup> Amendment written by former President of the United States William H. Taft on June 16, 1909 and promulgated in the Congressional Record of the United States Senate on pages 3344-3345.

I understand that it is the policy of the provider of educational material [which is the function of the ministry services] does not provide legal advice or representation, but instead teaches and empowers sovereign people themselves to manage their own legal affairs without the involvement of either the ministry or the corrupted legal profession.

*“The words people of the United States and citizens are synonymous terms and mean the same thing. They both describe the political body who according to our republican institutions from the sovereignty and who hold the power and conduct the government through their representatives. They are what we familiarly call the ‘sovereign people’ and every citizen is one of this people, and a constituent member of this sovereignty....”*

[Boyd v. State of Nebraska, 143 U.S. 135 (1892)]

As a sovereign individual, I hereby state that I am formally declaring, to any and all interested parties, the following based upon my understanding of enacted federal law regarding Subtitle “A” of the federal income tax.

- A. The Legislative Intent of the 16<sup>th</sup> Amendment [which is published in the Congressional Record of the United States Senate on pages 3344-3345] is the foundational document behind the 16<sup>th</sup> Amendment to the Constitution of the United States. From this federal public document there can be no doubt as to the authenticity and expressions stipulated by the former President of the United States William H. Taft.
- B. President Taft stated in the Legislative Intent of the 16<sup>th</sup> Amendment that the federal income tax was, as recommended to the United States Congress, levied only upon the National Government. Therefore, those individuals who make up the National Government are Federal Officers, Federal Employees, and Elected Officials of the Federal Government are the only proper “taxpayers”.
- C. The jurisdiction to which Subtitle “A” of the Internal Revenue Code is made applicable upon is:
  - a. The “federal zone” which is to say the District of Columbia, U.S. Territories, and other insular possessions belonging to the National Government.
  - b. Admiralty jurisdiction, which is the territorial waters of the United States.
  - c. Those with a “legal domicile” within the federal zone, including statutory “citizens of the United States” under 8 USC §1401 or “residents” under 26 USC §7701(b)(1)(A). Since I am not a domiciliary of the federal zone, then the provisions found in 26 USC §911 do not apply to me.

- d. Those with federal contracts established under the guidelines of Clark v. United States, 95 U.S. 539 or agency established under Federal Rule of Civil Procedure 17(b). Since I have no such contracts, then no provision of the Internal Revenue Code can be extended beyond the federal zone to apply to me through the operation of private law.

The reason for this was stated by President Taft in regard to the United States Supreme Court decision in Pollock v. Farmer's Loan & Trust case proving that the federal government does not have the power or the authority granted to it by the Constitution to impose an income tax upon the now 50 states of the Union. The federal income tax is not applicable outside the limited jurisdiction stipulated in the above section (C) (a thru d).

- D. The power to tax is the power to destroy! It is repulsive and contrary Constitutional design for that which was created [the federal government] to become [be proclaimed] superior to its creator [We The People].

**"The power to tax involves the power to destroy; the power to destroy may defeat and render useless the power to create; and there is a plain repugnance in conferring on one government [the Federal Government] a power to control the constitutional measures of another [We The People], which other, with respect to those very measures, is declared to be supreme over that which exerts the control."**

[Van Brocklin v. State of Tennessee, 117 U.S. 151 (1886)]

The People created the sovereign states of the Union and through those initial states of the Union, the federal government was created. That which was created can only be destroyed by that which created it.

**"What is a constitution? It is the form of government, delineated by the might hand of the people, in which certain first principles of fundamental laws are established. The Constitution is certain and fixed; it contains the permanent will of the People, and is the supreme law of the land; its is paramount to the power of the Legislature, and ca be revoked or altered only by the authority that made it. The life-giving principle and the death-doing stroke must proceed from the same hand."**

[VanHorne's Lessee Dorrance, 2 U.S. 304 (1795)].

**"The great principle is this; because the constitution will not permit a state to destroy, it will not permit a law [including a tax law] involving the power to destroy."**

[Providence Bank v. Billings, 29 U.S. 514, (1830)]

As I am one of "We The People" then the federal government, as expressed by the decisions of the United States Supreme Court per the Constitution of the United States, was created by the People. As proclaimed by the founding fathers to the Constitution, God, Our Heavenly Father, created all life. The government did not create the People and therefore it is devoid of moral authority to directly destroy or undermine the sovereignty of those the People.

**"Having thus avowed my disapprobation of the purposes, for which the terms, State and sovereign, are frequently used, and of the object, to which the application of the last of them is almost universally made; it is now proper that I should disclose the meaning, which I assign to both, and the application [2 U.S. 419,455] which I make of the latter. In doing this, I shall have occasion incidentally to evince, how true it is, that States and Governments were made for [and by] man; and at the same time, how true it is that his creatures and servants have first deceived, next vilified and, at last, oppressed their master and maker."**

[Justice Wilson, Chisholm v. Georgia, 2 Dall. (2 U.S.) 419, L.Ed. 440, 455 (1793)]

Thus, the federal government has no authority to impose the Subtitle "A" income tax directly upon "We The People" domiciled within the states of the Union without apportionment, unless they provide the

1 individual, informed consent in writing and thereby contract away [by waiver] their Constitutional  
2 rights.

3  
4 Instead, it can tax only those who volunteer or choose, absent duress, to make themselves subject to the  
5 requirements of the Internal Revenue Code by voluntarily entering into federal employment or  
6 conducting a “trade or business” or other voluntary excise taxable activity.

7  
8 E. Since 1939, the Internal Revenue Code has been repealed [per 53 Stat. 1, Section 4] and is not now  
9 enacted into positive law. This is confirmed by examining the Legislative Notes under 1 USC  
10 §204. Neither have I seen a tax case where the government as the moving party has ever been  
11 required by any court to prove that a section of the IRC they were citing as authority was positive  
12 law. This is an obvious violation of the Constitutional requirement for due process of law as well  
13 as a violation of my religious beliefs, which say in Number 15:30 that “presumption” is a sin.  
14 “Presumption” and “Due Process” are mutually exclusive conditions, in fact. Consequently,  
15 Subtitle “A” of the IRC is nothing but a repealed “code” and not an enacted positive law. It is the  
16 “bible” for a state-sponsored religious cult. Therefore, it is an official, state-sponsored religion  
17 based on usually false “presumption” which is observed only by those who voluntarily consent to  
18 join it can be bound by it. My beliefs prohibit me from joining such a damaging, socialist cult.

19  
20 F. There are no Implementing Regulations published in the Federal Register which impose the federal  
21 income tax upon American Nationals a.k.a. Non-resident aliens to all federal jurisdiction(s), of  
22 which I am one. The requirement upon the IRS to publish any obligation is found at 5 USC  
23 §552(a)(1), 5 USC §553(a)(2), 26 CFR §601.702(a)(1), 31 CFR §1.3(a)(4), and 44 USC §1505(a).  
24 The Effect of Failure to Publish in the Federal Register is found at 26 CFR §601.702(a)(2)(ii). It is  
25 my understanding from a legal opinion letter written by Michael L. White, Federal Attorney, Office  
26 of the Federal Register, that there are no Implementing Regulations which have been imposed upon  
27 American Nationals any obligation for the Subtitle “A” federal income tax who are not first federal  
28 employees and have identified their Domicile or Tax Home in the District of Columbia a.k.a. the  
29 United States per 26 USC §7408(d).

30  
31 Neither can any of these requirements be waived in my case, because I neither consent to be a  
32 “taxpayer” nor do I have any income “effectively connected with the conduct of a “trade or  
33 business” [which is a public office in the United States Government as required by 26 CFR §1.1-  
34 1(a)(2)(ii)] within the United States.”

35  
36 Neither do I have any income from the “United States” under 26 USC §871(a) that is not connected  
37 with a “trade or business”. Therefore, my entire estate is classified as a “foreign estate” not subject  
38 to the Internal Revenue Code as defined in 26 USC §7701(a)(31).

39  
40 G. The meaning of the word “income” both at the time the 16<sup>th</sup> Amendment was ratified and now  
41 means “corporate profit”, an that I am not a corporation or legal fiction called a “person” who is the  
42 proper subject of Subtitle “A” of the Internal Revenue Code.

43  
44 *“Income has been taken to mean the same thing as used in the Corporation Excise Tax Act of*  
45 *1909 in the 16<sup>th</sup> Amendment, and in the various revenue acts subsequently passed.”*  
46 [Bowers v. Kerbaugh-Empire Co., 271 U.S. 170, 174 (1926)]

47  
48 I have come to the determination that I am one who is OUTSIDE the jurisdictional application for  
49 the federal income taxes expressed in Subtitle “A”, Subtitle “B” and Subtitle “C” by all the above  
50 and other information NOT mentioned. This conclusion was reached by me independently and  
51 voluntarily. I am a “NONTAXPAYER” based upon enacted federal law and as such am neither of  
52 the subject nor of the object of federal revenue laws. I would like further education and assistance  
53 from others in protecting my rights and my property as a person who has such legal status. I am  
54 being compelled to pursue this education and participation in the ministry not only because the IRS



1 and [in some cases state taxing authorities] won't help or educate "non taxpayers" but instead act in  
2 a self-serving manner by refusing to even acknowledge their existence in violation of 18 USC §208.  
3 I believe that this kind of bad faith behavior is a violation of equal protection of the laws and a  
4 breach of fiduciary duty under the Constitution by our public servants.

5  
6 The main and only reason I am involving this ministry is to help me get educated about my God-  
7 given rights and how to defend them. The main reason I have to take personal responsibility for  
8 defending my rights in this way is because the government has refused its duty under the  
9 Constitution to do so. Therefore, the Master must do what the servant is maliciously unwilling to  
10 do. Below are what a few prominent authorities say about the virtues of education, and the  
11 constitutionally protected Free Assembly which is based upon:

12  
13 *"Only the educated are free."*

14 [Epicetus, Discourses]

15  
16 *"Knowledge will forever govern ignorance and people who mean to be their own*  
17 *governors, must arm themselves with the power which knowledge gives."*

18 [James Madison]

19  
20 *"...the greatest menace to freedom is an inert [passive, ignorant, and uneducated]*  
21 *people [who refuse, as jurists, and voters and active citizens, to expose and punish evil*  
22 *in our government."*

23 [Whitney v. California, 274 U.S. 357 (1927)]

24  
25 *"The American people have always regarded education and acquisition of knowledge*  
26 *as matters of supreme importance which should be diligently promoted [in order to*  
27 *maintain and protect their liberty]. The Ordinance of 1787 declares: Religion,*  
28 *morality and knowledge being necessary to good government and the happiness [and*  
29 *liberty] of mankind, schools and the means of education shall forever be encouraged."*

30 [Meyer v. State of Nebraska, 262 U.S. 390 (1923)]

31  
32 *"And you shall teach them ordinances and laws [of both God and man] and shall show*  
33 *them the way wherein they must walk, and the work [of obedience to God] that they*  
34 *must do."*

35 [Exodus 18:20]

36  
37 *My [God's] people are destroyed [and enslaved] for a lack of knowledge [and the lack*  
38 *of education that produces it]."*

39 [Hosea 4:6]

40  
41 The only thing I will use the information and education for that are provided by the ministry is to  
42 Petition the Government for a Redress of Grievances of wrongs against my life, liberty, property, and  
43 family, which is a protected right under the First Amendment to the Constitution of the United States of  
44 America. This is a lawful purpose so that it can never be said that either I nor the ministry are engaging  
45 in unlawful activity subject to any penalty or other unconstitutional "Bill of Attainder".

46  
47 **I understand that it is not the mission or goal of the ministry to make legal recommendations or**  
48 **judgments about my status as a "non-taxpayer".** I further understand that the ministry does not  
49 condone violation of any lawfully imposed duty and does not support evasion of a tax liability. I  
50 understand that the ministry does not offer any assistance to those who are legally or voluntarily  
51 identified as "taxpayers". Such parties will, of their own free will actions, be directed to the government  
52 websites for their information that pertains to them and are encouraged to fulfill their obligation(s).

I understand that only I, under the Internal Revenue Code, and not the IRS [see Internal Revenue Manual (I.R.M.), Section 5.1.11.6.8 and 26 USC §6020(b) nor the courts of the government [see 28 USC §2201(a)] nor anyone in government, may determine whether I as a tripartite being am “liable” for the Subtitle “A” income tax stipulated in the Internal Revenue Code. This is a result of the fact that “Our tax system is based upon voluntary [self] assessment and payment, and not upon distraint” according to the United States Supreme Court in *Flora v. United States*, 362 U.S. 145 (1959).

*“A reasonable construction of the taxing statutes does not include vesting any tax official with absolute power of assessment against individual 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)]

I understand that if I am ever to achieve the status of being a “sovereign” individual, then I must be willing and able to:

1. Educate myself as education is primary to understanding the law regarding the federal income tax.
2. Refuse to accept the vain and self-serving edicts of a judge or lawyer [who in most cases have illegal conflicts of interest in violation of 28 USC §144, 28 USC §455, and 18 USC §208] to tell me what the law says, but instead to read it for myself and reach my own conclusions.
3. Trust my own education when I am reading and researching the law for myself.
4. As a free moral agent, I take complete and personal and exclusive responsibility for myself in all aspects of my conclusions and decisions as a result of my educational pursuits. I must take exclusive and personal responsibility for myself because the tyranny we face on the part of the government at present was created mainly by the government exploiting the human weakness to evade responsibility.
5. Apply what I have learned about the law to my specific situation and then to confidently challenge those who would question my conclusions by demanding that they prove me wrong by their presentment of Implementing Regulations published in the Federal Register to demonstrate the law and the facts properly and correctly.
6. Insist that those in government service are not above the law but are mere servants to their Master, We The People. Therefore, the servants must carry the Burden of Proof and any refutable proof must be reliable, probative, and substantial which is what an Implementing Regulation published in the Federal Register accomplishes.

#### **H. Tax Returns and government correspondence**

I understand that the ministry does not prepare or assist in the preparation of tax returns of any kind. Instead, if I file a return it is entirely my decision and responsibility should I choose to do so. At that time, I will no longer be able to participate in any educational material or education from this ministry.

There are other websites, like [www.sedm.org](http://www.sedm.org), which have MODIFIED or SUBSTITUTE forms for 1040NR et al. As a free moral agent, I can use their forms if I choose but I understand that I will no longer be able to participate in any educational material or education from this separate and distinct ministry.

In the event of receiving government correspondence inferring that my private sector non-federal earnings were mistakenly presumed, by Tax Class 5 information returns [for example, Forms W-2, W-4, 1099, 1098, etc], to have created a nexus or contract with the federal government as one being engaged in the conduct of a “trade or business” within the “United States” that I will rebut such claims immediately by responding to IRS correspondence in order to correct the IRS presumption.

I also agree to:

1. Resign as a Compelled Social Security Trustee and the form “Resignation of Compelled Social Security Trustee, Form #06.002” at <http://sedm.org/Forms/FormIndex.htm> will be a format to consider in accomplishing this task.
2. Provide to the state and federal government legal notice that I have legally divorced them and changed my domicile to the Kingdom of Heaven, which is here and now on this earth. “Legal Notice of Change in Domicile/Citizenship Records and Divorce from the United States, Form #10.001.” This information is available at <http://sedm.org/Forms/FormIndex.htm> will be a format to consider in accomplishing this task.

I will never again put any identifying number, whether it is an SSN, TIN, or EIN on any correspondence or notice bearing an identifying number allegedly associated with me. I will dispute the number and renounce any connection as Trustee or fiduciary or beneficiary to any government program, entitlement, or benefit. I will do this because I will not accept the Mark of the Beast.

### **I. Withholding**

I agree from this point forward not to voluntarily submit IRS Form W-4 or the equivalent state form to my private sector, non-federal employer except under duress because I am not an “employee” under the Internal Revenue Code and I do not consent to call my earnings “wages” as referenced in 26 USC §3402(p) and 26 CFR §31.3401(a)-3.

I will instead use a modified IRS Form W-8BEN to control my withholding and submit it using the instructions contained in the pamphlet on [www.sedm.org](http://www.sedm.org) website entitled Federal and State Withholding options for Private Employers. If I give my private employer anything, it will be to request termination of withholding as either an affidavit or a W-8BEN.

The only circumstance where this requirement may be waived is any of the following:

1. My private employer threatens to fire me or not hire me for failure to submit an IRS Form W-4 indicating that I am under duress using the attachments provided in the pamphlet Federal and State Withholding options for Private Employers.
2. My private employer directs me unlawfully to use the wrong form or not to use the attachments provided and I feel threatened about losing my job and unable to sue him as he rightfully deserves. In that case, I will file an Amended/Corrected/Substitute IRS Form 4852 at the end of the year zeroing out his fraudulent income reports and leaving the IRS with no evidence upon which to base an assessment. I will use the directions located below for that purpose:  
<http://www.sedm.org/Forms/04-Tax/FormW2/CorrectingIRSFormW2.htm> .

### **J. Prohibited Activities**

As a member, I agree never to use any of the Ministry materials for an unlawful purpose, and agree never at any time to solicit the Ministry to engage in any of the following specifically prohibited activities or use Ministry materials for any of the following purposes.

- a. Offering information or assistance to “Taxpayers”, “U.S. citizens”, U.S. residents, or those with income “effectively connected with a trade or business in the United States”. There is no assumption of responsibility by the author or the Ministry for the misuse of material by persons who violate this Member Agreement.

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- b. Offering information or assistance to anyone who has filed a 1040 instead of the Substitute for Return Form 1040NR or those who have indicated any tax liability or monies owed to the IRS on their return for any period they require help with. No member may have any earnings which are “effectively connected with a “trade or business”, which are earnings from a public office as described in 26 USC §7701(a)(26) and 4 USC §72.
  - c. Getting involved in any kind of taxable or government regulated activity, either under state or federal law. This would simply comprise our independence and create a conflict of interest with our message. Consequently, we cannot and will not operate as a privileged federal or state “corporation” or 501(c)(3) entity. To do so would be to surrender our sovereignty by fulfilling the exceptions to the Foreign Sovereign Immunities Act found at 28 USC §1605(a)(2).
  - d. Advocating or knowingly [willfully] engaging in any kind of illegal activity, including fraud.
  - e. Taking any kind of leadership or power of attorney role over the lives of others. This includes, giving legal advice, making determinations about the legal status of a person, or assuming legal liability for the decisions or actions of others. As educators and paralegals but not lawyers, the most we can do is offer information to people about options they have in a given situation and then explain to them the consequences of each option by showing them what the law and the courts say on the subject. We will never offer less than two options and we will always suggest that the options we are aware of may not include all of the options available or necessarily even the best option. We will also tell members of this Agreement that the decision of which option to take is entirely their responsibility and not ours. On the occasion of every inquiry by a member to this Agreement, we will also tell people that they should research and confirm everything we say and not trust anyone, including us, for complete or error free information about the options available to them. We will never be anything more than servants of the sovereign People we serve and assuming any other role undermines their sovereignty.
  - f. Preparing tax returns for others or advising anyone in the preparation of returns will not occur.
  - g. Making any promises or assurances about either the accuracy or the success of any of the educational resources or processes offered will not occur. Anyone who promises you any result or promises you entirely error free material is quite honestly not to be completely truthful. This is especially true in a field so deliberately and systematically obfuscated and propagandized by the government as taxation. The most we are authorized to do is keep scientific statistics on the success of our methods and reveal those carefully maintained statistics to interested parties. This ministry does not authorize anyone to share subjective opinions about the effectiveness of our methods or materials. Any such representations by anyone should be considered unauthorized, untrustworthy, and probably untrue and we can not be made liable for such clearly false statements.
  - h. There still remains a high probability that the government will attempt persecution because of our educational information. This eventuality arises

1 where power is consolidated and centralized which causes an attraction to wicked  
2 and perverse people who lust for power and want to conceal knowledge of their  
3 treacherous, selfish and tyrannical acts for fear of a catalytic action by the nature  
4 of the information provided. Governments throughout world history have  
5 repeatedly demonstrated that those in authority positions want to control power  
6 over others, increase money into their coffers, and influence via intimidation a  
7 population to protect their lies.  
8

9 **K. Representing anyone before the IRS or the government for any purpose or reason.**

10  
11 Any member to this Agreement shall assume complete and sole responsibility for preparing and  
12 submitting any correspondence that they may send to government authorities. That is the only way  
13 to maintain our anonymity and prevent those who would prefer to persecute us for providing the  
14 educational information presented. Otherwise, we become targets of wrongful and illegal  
15 government persecution. No different than that which occurred against all who present truth that is  
16 opposed to the current political climate of the time in which one lives. Thus, the reference to  
17 Galileo and the paradigm shift he created in his time. There is nothing new under the sun when  
18 governments act.  
19

20 **L. Advertising or marketing.**

21  
22 All of our non-taxpayer [American Nationals a.k.a. nonresident aliens who do not derive their  
23 earnings from being engaged in the conduct of a “trade or business” within the “United States”]  
24 member will be introduced by referrals from other satisfied members. We will not offer any kind of  
25 affiliate program or commission structure to anyone because we believe this compromises the  
26 integrity of our message.  
27

28 **M. Providing information or education materials or services of any kind to businesses.**

29  
30 This Ministry provides educational information only “tripartite beings” and not legal fictions  
31 [businesses] such as corporations, trusts, or partnerships.  
32

33 **N. There is no offer** to create, or administer any kind or type of credit repair services, debt  
34 cancellation using UCC, corporation soles, trusts, asset protection, or bogus securities such as use  
35 of “bills of exchange”.  
36

37 **O. There is no commerce within the legislative jurisdiction of the United States Government.** All  
38 donations [should there be any] to this educational ministry will occur via eCommerce on a web  
39 server and using bank accounts that are outside jurisdiction of the government of the United States.  
40

41 **P. Use of donations provided** goes directly to support the activities or information that they were  
42 incident to. This means, for instance, that if a donation is made for a response letter, then the  
43 donation may not be used directly for preparing response letters but will be used for other purposes.  
44

45 **Q. Those who are taxpayers** and have a liability for such tax is primarily based on the taxpayer’s  
46 domicile and their being engaged in the conduct of a “trade or business” within the “United States”.  
47

48 **R. There is no assistance provided to Taxpayers at all in any context.**

49  
50 This includes offering information or assistance to taxpayers in starting or stopping income tax  
51 withholding or giving advice about withholding. Taxpayers can not become a member to this

1 Agreement for any reason and are instructed to seek all information they need from the IRS or  
2 others in the government providing such services.

3  
4 **S. Anti Mole Provisions**

5  
6 In the context of my relationship with this ministry and its agents, officers, and employees, I hereby  
7 waive all rights and benefits that might accrue to me by virtue of asserting official, judicial, or  
8 sovereign immunity by virtue of employment, contract, or agency arising from any relationship I  
9 might have with any government.

10  
11 I agree never to provide any information about this ministry or my involvement with this ministry  
12 to any government representative unless I am summonsed or subpoenaed and the summons or  
13 subpoena is signed by either a state judge or district court judge who has demonstrated jurisdiction  
14 over the territory within which the alleged crime was committed.

15  
16 In the event that I am ever properly summonsed or subpoenaed in any legal proceeding to answer  
17 questions about this Ministry or my involvement with this Ministry, I promise to:

- 18  
19 1. Maintain a copy of this Member Agreement.
- 20  
21 2. Present this Member Agreement to the appropriate parties as the only evidence I have about  
22 service provided to me by this Ministry and others in affiliation with this Ministry.
- 23  
24 3. Have the inquisitor sign the Deposition Agreement that will be provided once the Ministry is  
25 contacted in order to provide that document.
- 26  
27 4. Require the inquisitor to answer the Tax Deposition Questions in their entirety with an Admit  
28 or Deny answer and to stipulate to admit the questions, supporting evidence, and answers into  
29 evidence in any trial involving me or the Ministry.
- 30  
31 5. Have the inquisitor sign a copy of the Member Agreement prior to asking questions and to  
32 send a certified copy of the signed document, scanned into Adobe PDF format, and emailed to  
33 the Ministry. I am not allowed to associate with and cannot be compelled to associate with  
34 anyone but a member of the Ministry in context of law or taxation. This is guaranteed by the  
35 First Amendment to the United States Constitution.

36  
37 Instead I will claim “Fifth Amendment” in response to every question tendered to me about such matters.

38  
39 The reason that I can and must take the Fifth Amendment in answer to every question is because prior to  
40 answering such questions, I formed a sacred Contract [the Member Agreement] with the Ministry that I would  
41 substitute myself in any judgment against the Ministry that uses adverse evidence I provided, and doing so  
42 makes me the main party of any investigation of the Ministry.

43  
44 This Member Agreement also makes me a part of the Ministry and therefore a defendant in any such proceeding  
45 against the Ministry. Since the government cannot interfere with my right tot contract [Article 1, Section 10 of  
46 the Constitution of the United States], then it cannot interfere with my status as a person affected by the  
47 investigation, and therefore cannot preclude me from claiming the Fifth Amendment in answer to every  
48 question.

49  
50 Neither can the government claim that by doing so, I am involved in any conspiracy to willfully commit any  
51 kind of crime by making such a contract, because:

- 1           1. The Ministry explicitly states in the Member Agreement that it cannot and does not involve itself in  
2           any unlawful activity.
- 3
- 4           2. The Ministry openly and frequently invites the government to rebut the overwhelming evidence of  
5           government wrongdoing vi the Tax Deposition Questions which is the reason for its existence and  
6           has not yet gotten anyone in the government to credibly rebut any of the evidence.
- 7
- 8           3. My own personal experience and the experience of others with who I am in contact has consistently  
9           confirmed a willful pattern of cover-up, malice, and bad faith on the part of everyone in the  
10          government in respect to the very serious legal issues raised in the Tax Deposition Questions.  
11          Consequently, I am more inclined to trust and believe the research of the Ministry than to believe  
12          what appears to me to be a pack of thieves and liars running the government expressed in 4 USC  
13          §72.
- 14

15 If questioned about my physical location during the time that I was talking with, emailing or donating to the  
16 Ministry, I will specify that all such events were conducted entirely outside of federal jurisdiction in a foreign  
17 state and are therefore irrelevant and not discoverable in any federal court. I can lawfully do this regardless of  
18 where the actual transaction occurred because this trick is also used in the Internal Revenue Code as well in 26  
19 USC §7701(a)(39) and 26 USC §7408(d) and the Ministry is entitled to equal protection of the laws.

20 I certify under penalty of perjury that if I am either presently or in the future employed with or receiving any  
21 financial or other benefit from the U.S. government, the government of any state of the Union, or any law  
22 enforcement or tax collection agency of the United States, that I will not submit any evidence, testimony, or  
23 information that might be unfavorable to this Ministry and others in affiliation with this Ministry or any of its  
24 members to any law enforcement agency or court within the United States and that if I disregard this  
25 requirement, then I promise to be personally liable for the following:

- 26
- 27
- 28           1. Pay the legal fees and personal time lost to this Ministry and others in affiliation with this Ministry  
29           and/or any members, in defending themselves against such evidence, litigation, or testimony.
- 30
- 31           2. Substitute myself as the adjudged party for any charges or criminal indictments that are based on  
32           evidence or testimony that I might provide.
- 33
- 34           3. Be identified as a Member in Bad Standing after obtaining, using, reading, or viewing any materials  
35           or availing themselves of any services provided and who does not meet all the requirements for this  
36           Member Agreement.
- 37
- 38           4. Members in Bad Standing consent to be liable for THREE TIMES any monetary sums or damages  
39           inflicted/owed to this Ministry as a consequence of violating any provision of this Member  
40           Agreement Contract.
- 41
- 42           5. If the Member in Bad Standing also works for any U.S. government agency, bureau, or other  
43           subdivision of the government, the Member in Bad Standing consents to TEN TIMES the monetary  
44           liability of monetary sums or damages inflicted/owed to this Ministry.  
45           a. Examples of U.S. government subdivisions might be [but are not limited to] the Department  
46           of Justice of the United States, the Internal Revenue Service (I.R.S.), any state revenue  
47           agency, a governmental agency acting as contractors or informants for these organizations.
- 48
- 49

50 Those who have requested to terminate their Membership shall be considered as Former Members. They shall  
51 continue to be bound by the terms specified in the Member Agreement as well as the Anti Mole Provision. The

1 above constraints on Former Members apply even if they destroy or give away the materials or information they  
2 obtained from this Ministry.

3  
4 **T. Basis for My Beliefs**

5  
6 I understand that neither this Ministry nor any of its officers, employees, etc are authorized to:

- 7 a. Guarantee or infer any specific result by virtue of using the educational materials and/or  
8 services available to its members.  
9 b. Share subjective opinions about the successfulness of using the Ministry materials.

10  
11 The Ministry makes every possible effort to ensure the accuracy, appropriateness, usefulness of this  
12 materials, processes, and services. However, it has no control over how public servants, who are often  
13 malfeasant and not educated in the law, will respond to a petition for redress of grievances directed at  
14 remedying their illegal and injurious behavior. Any guarantees of particular results by this Ministry or  
15 any agent, officer, or employee of this Ministry should be regarded as fiction, untrustworthy, and should  
16 not be relied upon as a basis for belief.

17  
18 The ONLY reasonable basis for belief about liability in the context of federal taxation that does not  
19 involve some form of “presumption” and therefore violation of due process are:

- 20 1. Enacted positive law from the Statutes At Large.  
21 2. The Rulings of the Supreme Court and not lower courts.  
22 3. The Constitution of the United States of America.

23  
24 All forms of legal evidence other than the above are simply “prima facie” and involve compelling the  
25 defendant to “presume” something, which violates not only due process but amounts to compelled  
26 association or participation in a state-sponsored religion in violation of the First Amendment. Such is a  
27 sin according to Numbers 15:30.

28  
29 No other sources of reasonable belief are acceptable to me until someone with delegated authority form  
30 the government proves to me with court admissible evidence why any part of the document, Reasonable  
31 Belief [<http://sedm.org/Forms/05-MemLaw/ReeasonableBelief.pdf>], is not consistent with prevailing  
32 law.

33  
34 I also understand that everything on the Ministry website and all communications with, to, or about  
35 ministry officers and other members constitutes religious and political speech and beliefs that is not  
36 factual [commercial], not actionable and not admissible as evidence pursuant to Federal Rules of  
37 Evidence 610.

38  
39 The only way any of the materials or speech here may be classified as “factual” and legally actionable is  
40 with an affidavit signed by other than a ministry officer or a testimonial oath at t court trail attesting to  
41 its accuracy, and the person signing such an affidavit agrees to take complete and exclusive  
42 responsibility for al the consequences arising out of such an affidavit or out of the factual speech he or  
43 she may make.

44  
45 Two exceptions to the above paragraph which are stated to be both FACT and are ADMISSIBLE as  
46 evidence, in their entirety, in any court of law because they must be admissible as evidence in order to  
47 protect Ministry Officers and Members from unlawful acts of persecution by a corrupted government:

- 48  
49 1. Disclaimer Page at the front of “The Galileo Paradigm”  
50 2. Member Agreement attached to the end of “The Galileo Paradigm”



U. Severability and Jurat

In the event that any part of this Member Agreement is found to be unenforceable, it is my intent and the intent of the Ministry and others in affiliation with this Ministry that all remaining provisions shall be legally binding.

I voluntarily declare under penalty of perjury under the laws of the state of the Union that I am domiciled in and from without the "United States" defined in 26 USC §7701(a)(9) & (a)(10), and 7408(d) of the Internal Revenue Code and under 28 USC §1746(1) that the foregoing facts are true and correct to the best of my knowledge and belief, so help me God.

Signature: Must be Legible

Date:

Name Printed: Must be Legible

Address at time of signing:

Domicile at time of signing:

Is the above physical address within a sovereign state of the Union?

If so, declare on the line above that this Member Agreement was signed with this fact by printing legibly the following phrase: "Within a sovereign state of the Union & without the United States jurisdiction." A sovereign state of the Union is a "foreign state" vis-à-vis the federal municipality known as the District of Columbia. By signing with the above phrase requested to initiate the Member Agreement it is understood that at all times [now and in the future] all communications or activities of whatever type or variety with this Ministry shall be acknowledged and agreed to as having occurred "Within a sovereign state of the Union & without the United States jurisdiction" and no where else.

Phone:

Email address:

NOTE: All Member Agreements MUST be scanned into an Adobe PDF format and emailed to aweiss@gmx.com.

There are no customer lists or databases used, created, or maintained relating to any record-keeping due to maintenance, hardware & software support expense, and the potential for invasion of privacy concerns.

**A Blissfully Unaware Populace In Bondage**



**“None are more hopelessly enslaved than those who falsely believe they are free.”- Goethe**

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## EXHIBIT 1

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**TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.**

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### Sec. 7701. - Definitions

(a)

→ When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof

**(1) Person**

The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

**(2) Partnership and partner**

The term "partnership" includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this title, a trust or estate or a corporation; and the term "partner" includes a member in such a syndicate, group, pool, joint venture, or organization.

**(3) Corporation**

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

**(4) Domestic**

The term "domestic" when applied to a corporation or partnership means created or organized in the United States or under the law of the United States or of any State unless, in the case of a partnership, the Secretary provides otherwise by regulations.

**(5) Foreign**

The term "foreign" when applied to a corporation or partnership means a corporation or partnership which is not domestic.

**(6) Fiduciary**

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**EXHIBIT 1**

The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

**(7) Stock**

The term "stock" includes shares in an association, joint-stock company, or insurance company.

**(8) Shareholder**

The term "shareholder" includes a member in an association, joint-stock company, or insurance company.

**(9) United States**

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

**(10) State**

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

**(11) Secretary of the Treasury and Secretary****(A) Secretary of the Treasury**

The term "Secretary of the Treasury" means the Secretary of the Treasury, personally, and shall not include any delegate of his.

**(B) Secretary**

The term "Secretary" means the Secretary of the Treasury or his delegate.

**(12) Delegate****(A) In general**

The term "or his delegate" -

**(i)**

when used with reference to the Secretary of the Treasury, means any officer, employee, or agency of the Treasury Department duly authorized by the Secretary of the Treasury directly, or indirectly by one or more redelegations of authority, to perform the function mentioned or described in the context; and

**(ii)**

when used with reference to any other official of



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EXHIBIT 2

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Sec. 4612. - Definitions and special rules

(a) Definitions

For purposes of this subchapter -

(1) Crude oil

The term "crude oil" includes crude oil condensates and natural gasoline.

(2) Domestic crude oil

The term "domestic crude oil" means any crude oil produced from a well located in the United States.

(3) Petroleum product

The term "petroleum product" includes crude oil.

(4) United States

(A) In general

The term "United States" means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, any possession of the United States, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(B) United States includes continental shelf areas

The principles of section 638 shall apply for purposes of the term "United States".

(C) United States includes foreign trade zones

The term "United States" includes any foreign trade zone of the United States.

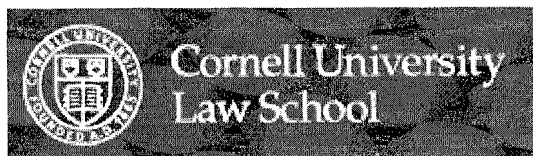
(5) United States refinery

The term "United States refinery" means any facility

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### § 201. Bribery of public officials and witnesses

*How Current is This?*

(a) For the purpose of this section—

(1) the term “public official” means Member of Congress, Delegate, or Resident Commissioner, either before or after such official has qualified, or an officer or employee or person acting for or on behalf of the United States, or any department, agency or branch of Government thereof, including the District of Columbia, in any official function, under or by authority of any such department, agency, or branch of Government, or a juror;

(2) the term “person who has been selected to be a public official” means any person who has been nominated or appointed to be a public official, or has been officially informed that such person will be so nominated or appointed; and

(3) the term “official act” means any decision or action on any question, matter, cause, suit, proceeding or controversy, which may at any time be pending, or which may by law be brought before any public official, in such official’s official capacity, or in such official’s place of trust or profit.

(b) Whoever—

(1) directly or indirectly, corruptly gives, offers or promises anything of value to any public official or person who has been selected to be a public official, or offers or promises any public official or any person who has been selected to be a public official to give anything of value to any other person or entity, with intent—

(A) to influence any official act; or

(B) to influence such public official or person who has been selected to be a public official to commit or aid in committing, or collude in, or allow, any fraud, or make opportunity for the commission of any fraud, on the United States; or

(C) to induce such public official or such person who has been selected to be a public official to do or omit to do any act in violation of the lawful duty of such official or person;

(2) being a public official or person selected to be a public official,

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**EXHIBIT 3**

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**Sec. 1401. - Nationals and citizens of United States at birth**

The following shall be nationals and citizens of the United States at birth:

(a)

a person born in the United States, and subject to the jurisdiction thereof;

(b)

a person born in the United States to a member of an Indian, Eskimo, Aleutian, or other aboriginal tribe: Provided, That the granting of citizenship under this subsection shall not in any manner impair or otherwise affect the right of such person to tribal or other property;

(c)

a person born outside of the United States and its outlying possessions of parents both of whom are citizens of the United States and one of whom has had a residence in the United States or one of its outlying possessions, prior to the birth of such person;

(d)

a person born outside of the United States and its outlying possessions of parents one of whom is a citizen of the United States who has been physically present in the United States or one of its outlying possessions for a continuous period of one year prior to the birth of such person, and the other of whom is a national, but not a citizen of the United States;

(e)

a person born in an outlying possession of the United States of parents one of whom is a citizen of the United States who has been physically present in the United States or one of its outlying possessions for a continuous period of one year at any time prior to the birth of such

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person;

**(f)**

a person of unknown parentage found in the United States while under the age of five years, until shown, prior to his attaining the age of twenty-one years, not to have been born in the United States;

**(g)**

a person born outside the geographical limits of the United States and its outlying possessions of parents one of whom is an alien, and the other a citizen of the United States who, prior to the birth of such person, was physically present in the United States or its outlying possessions for a period or periods totaling not less than five years, at least two of which were after attaining the age of fourteen years: Provided, That any periods of honorable service in the Armed Forces of the United States, or periods of employment with the United States Government or with an international organization as that term is defined in section 288 of title 22 by such citizen parent, or any periods during which such citizen parent is physically present abroad as the dependent unmarried son or daughter and a member of the household of a person

**(A)**

honorably serving with the Armed Forces of the United States, or

**(B)**

employed by the United States Government or an international organization as defined in section 288 of title 22, may be included in order to satisfy the physical-presence requirement of this paragraph. This proviso shall be applicable to persons born on or after December 24, 1952, to the same extent as if it had become effective in its present form on that date; and

**(h)**

a person born before noon (Eastern Standard Time) May 24, 1934, outside the limits and jurisdiction of the United States of an alien father and a mother who is a citizen of the United States who, prior to the birth of such person, had resided in the United States

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**§ 3002. Definitions**
*How Current is This?*

As used in this chapter:

- (1)** "Counsel for the United States" means—
- (A)** a United States attorney, an assistant United States attorney designated to act on behalf of the United States attorney, or an attorney with the United States Department of Justice or with a Federal agency who has litigation authority; and
- (B)** any private attorney authorized by contract made in accordance with section 3718 of title 31 to conduct litigation for collection of debts on behalf of the United States.

**(2)** "Court" means any court created by the Congress of the United States, excluding the United States Tax Court.

- (3)** "Debt" means—
- (A)** an amount that is owing to the United States on account of a direct loan, or loan insured or guaranteed, by the United States; or
- (B)** an amount that is owing to the United States on account of a fee, duty, lease, rent, service, sale of real or personal property, overpayment, fine, assessment, penalty, restitution, damages, interest, tax, bail bond forfeiture, reimbursement, recovery of a cost incurred by the United States, or other source of indebtedness to the United States, but that is not owing under the terms of a contract originally entered into by only persons other than the United States;

and includes any amount owing to the United States for the benefit of an Indian tribe or individual Indian, but excludes any amount to which the United States is entitled under section 3011 (a).

**(4)** "Debtor" means a person who is liable for a debt or against whom there is a claim for a debt.

**(5)** "Disposable earnings" means that part of earnings remaining after all deductions required by law have been withheld.

**(6)** "Earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement

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**(7)** "Garnishee" means a person (other than the debtor) who has, or is reasonably thought to have, possession, custody, or control of any property in which the debtor has a substantial nonexempt interest, including any obligation due the debtor or to become due the debtor, and against whom a garnishment under section 3104 or 3205 is issued by a court.

**(8)** "Judgment" means a judgment, order, or decree entered in favor of the United States in a court and arising from a civil or criminal proceeding regarding a debt.

**(9)** "Nonexempt disposable earnings" means 25 percent of disposable earnings, subject to section 303 of the Consumer Credit Protection Act.

**(10)** "Person" includes a natural person (including an individual Indian), a corporation, a partnership, an unincorporated association, a trust, or an estate, or any other public or private entity, including a State or local government or an Indian tribe.

**(11)** "Prejudgment remedy" means the remedy of attachment, receivership, garnishment, or sequestration authorized by this chapter to be granted before judgment on the merits of a claim for a debt.

**(12)** "Property" includes any present or future interest, whether legal or equitable, in real, personal (including choses in action), or mixed property, tangible or intangible, vested or contingent, wherever located and however held (including community property and property held in trust (including spendthrift and pension trusts)), but excludes—

**(A)** property held in trust by the United States for the benefit of an Indian tribe or individual Indian; and

**(B)** Indian lands subject to restrictions against alienation imposed by the United States.

**(13)** "Security agreement" means an agreement that creates or provides for a lien.

**(14)** "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Marianas, or any territory or possession of the United States.

**(15)** "United States" means—

**(A)** a Federal corporation;

**(B)** an agency, department, commission, board, or other entity of the United States; or

**(C)** an instrumentality of the United States.

**(16)** "United States marshal" means a United States marshal, a deputy marshal, or an official of the United States Marshals Service designated under section 564.

- (B)** ends at either
  - (i)** the point where the route of the transportation enters the United States, or
  - (ii)** a port or station in the 225-mile zone; and

**(4)** a direct line from the point (or the port or station) specified in paragraph (3)(A), to the point (or the port or station) specified in paragraph (3)(B), passes through or over a point which is not within 225 miles of the United States.

**(c) Definitions**

For purposes of this section—

**(1) Continental United States**

The term "continental United States" means the District of Columbia and the States other than Alaska and Hawaii.

**(2) 225-mile zone**

The term "225-mile zone" means that portion of Canada and Mexico which is not more than 225 miles from the nearest point in the continental United States.

**(3) Uninterrupted international air transportation**

The term "uninterrupted international air transportation" means any transportation by air which is not transportation described in subsection (a)(1) and in which—

- (A)** the scheduled interval between
  - (i)** the beginning or end of the portion of such transportation which is directly or indirectly from one port or station in the United States to another port or station in the United States and
  - (ii)** the end or beginning of the other portion of such transportation is not more than 12 hours, and
  
- (B)** the scheduled interval between the beginning or end and the end or beginning of any two segments of the portion of such transportation referred to in subparagraph (A)(i) is not more than 12 hours.

For purposes of this paragraph, in the case of personnel of the United States Army, Air Force, Navy, Marine Corps, and Coast Guard traveling in uniform at their own expense when on official leave, furlough, or pass, the scheduled interval described in subparagraph (A) shall be deemed to be not more than 12 hours if a ticket for the subsequent portion of such transportation is purchased within 12 hours after the end of the earlier portion of such transportation and the purchaser

on a dictatorial basis, with so close an identity between such party and its policies and the governmental policies of the country in which it exists, that the party and the government constitute an indistinguishable unit, and

**(B)** the forcible suppression of opposition to such party.

**(38)** The term "United States", except as otherwise specifically herein provided, when used in a geographical sense, means the continental United States, Alaska, Hawaii, Puerto Rico, Guam, and the Virgin Islands of the United States.

**(39)** The term "unmarried", when used in reference to any individual as of any time, means an individual who at such time is not married, whether or not previously married.

**(40)** The term "world communism" means a revolutionary movement, the purpose of which is to establish eventually a Communist totalitarian dictatorship in any or all the countries of the world through the medium of an internationally coordinated Communist political movement.

**(41)** The term "graduates of a medical school" means aliens who have graduated from a medical school or who have qualified to practice medicine in a foreign state, other than such aliens who are of national or international renown in the field of medicine.

**(42)** The term "refugee" means

**(A)** any person who is outside any country of such person's nationality or, in the case of a person having no nationality, is outside any country in which such person last habitually resided, and who is unable or unwilling to return to, and is unable or unwilling to avail himself or herself of the protection of, that country because of persecution or a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion, or

**(B)** in such special circumstances as the President after appropriate consultation (as defined in section 1157 (e) of this title) may specify, any person who is within the country of such person's nationality or, in the case of a person having no nationality, within the country in which such person is habitually residing, and who is persecuted or who has a well-founded fear of persecution on account of race, religion, nationality, membership in a particular social group, or political opinion. The term "refugee" does not include any person who ordered, incited, assisted, or otherwise participated in the persecution of any person on account of race, religion, nationality, membership in a



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**(a)** As used in this chapter—

- (1)** The term “administrator” means the official designated by the Secretary of State pursuant to section 1104 (b) of this title.
- (2)** The term “advocates” includes, but is not limited to, advises, recommends, furthers by overt act, and admits belief in.
- (3)** The term “alien” means any person not a citizen or national of the United States.
- (4)** The term “application for admission” has reference to the application for admission into the United States and not to the application for the issuance of an immigrant or nonimmigrant visa.
- (5)** The term “Attorney General” means the Attorney General of the United States.
- (6)** The term “border crossing identification card” means a document of identity bearing that designation issued to an alien who is lawfully admitted for permanent residence, or to an alien who is a resident in foreign contiguous territory, by a consular officer or an immigration officer for the purpose of crossing over the borders between the United States and foreign contiguous territory in accordance with such conditions for its issuance and use as may be prescribed by regulations. Such regulations shall provide that
  - (A)** each such document include a biometric identifier (such as the fingerprint or handprint of the alien) that is machine readable and
  - (B)** an alien presenting a border crossing identification card is not permitted to cross over the border into the United States unless the biometric identifier contained on the card matches the appropriate biometric characteristic of the alien.
- (7)** The term “clerk of court” means a clerk of a naturalization court.
- (8)** The terms “Commissioner” and “Deputy Commissioner” mean the Commissioner of Immigration and Naturalization and a Deputy Commissioner of Immigration and Naturalization, respectively.
- (9)** The term “consular officer” means any consular, diplomatic, or other officer or employee of the United States designated under

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of this title, an immigrant who seeks to enter the United States to work as a broadcaster in the United States for the International Broadcasting Bureau of the Broadcasting Board of Governors, or for a grantee of the Broadcasting Board of Governors, and the immigrant's accompanying spouse and children.

**(28)** The term "organization" means, but is not limited to, an organization, corporation, company, partnership, association, trust, foundation or fund; and includes a group of persons, whether or not incorporated, permanently or temporarily associated together with joint action on any subject or subjects.

**(29)** The term "outlying possessions of the United States" means American Samoa and Swains Island.

**(30)** The term "passport" means any travel document issued by competent authority showing the bearer's origin, identity, and nationality if any, which is valid for the admission of the bearer into a foreign country.

**(31)** The term "permanent" means a relationship of continuing or lasting nature, as distinguished from temporary, but a relationship may be permanent even though it is one that may be dissolved eventually at the instance either of the United States or of the individual, in accordance with law.

**(32)** The term "profession" shall include but not be limited to architects, engineers, lawyers, physicians, surgeons, and teachers in elementary or secondary schools, colleges, academies, or seminaries.

**(33)** The term "residence" means the place of general abode; the place of general abode of a person means his principal, actual dwelling place in fact, without regard to intent.

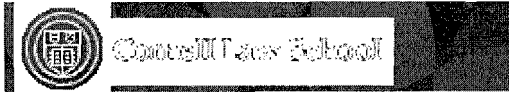
**(34)** The term "Service" means the Immigration and Naturalization Service of the Department of Justice.

**(35)** The term "spouse", "wife", or "husband" do not include a spouse, wife, or husband by reason of any marriage ceremony where the contracting parties thereto are not physically present in the presence of each other, unless the marriage shall have been consummated.

**(36)** The term "State" includes the District of Columbia, Puerto Rico, Guam, and the Virgin Islands of the United States.

**(37)** The term "totalitarian party" means an organization which advocates the establishment in the United States of a totalitarian dictatorship or totalitarianism. The terms "totalitarian dictatorship" and "totalitarianism" mean and refer to systems of government not representative in fact, characterized by

**(A)** the existence of a single political party, organized



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### (a) Produced

For purposes of this part, the term "produced" includes created, fabricated, manufactured, extracted, processed, cured, or aged.

### (b) Trade or business within the United States

For purposes of this part, part II, and chapter 3, the term "trade or business within the United States" includes the performance of personal services within the United States at any time within the taxable year, but does not include—

#### (1) Performance of personal services for foreign employer

The performance of personal services—

(A) for a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States, or

(B) for an office or place of business maintained in a foreign country or in a possession of the United States by an individual who is a citizen or resident of the United States or by a domestic partnership or a domestic corporation,

by a nonresident alien individual temporarily present in the United States for a period or periods not exceeding a total of 90 days during the taxable year and whose compensation for such services does not exceed in the aggregate \$3,000.

#### (2) Trading in securities or commodities

##### (A) Stocks and securities

(i) In general Trading in stocks or securities through a resident broker, commission agent, custodian, or other independent agent.

(ii) Trading for taxpayer's own account Trading in stocks or securities for the taxpayer's own account, whether by the taxpayer or his employees or through a resident broker, commission agent, custodian, or other agent, and whether or not any such employee or agent has discretionary authority to make decisions in effecting the transactions. This clause shall not apply in the case of a dealer in stocks

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or securities.

**(B) Commodities**

**(i)** In general Trading in commodities through a resident broker, commission agent, custodian, or other independent agent.

**(ii)** Trading for taxpayer's own account Trading in commodities for the taxpayer's own account, whether by the taxpayer or his employees or through a resident broker, commission agent, custodian, or other agent, and whether or not any such employee or agent has discretionary authority to make decisions in effecting the transactions. This clause shall not apply in the case of a dealer in commodities.

**(iii)** Limitation Clauses (i) and (ii) shall apply only if the commodities are of a kind customarily dealt in on an organized commodity exchange and if the transaction is of a kind customarily consummated at such place.

**(C) Limitation**

Subparagraphs (A)(i) and (B)(i) shall apply only if, at no time during the taxable year, the taxpayer has an office or other fixed place of business in the United States through which or by the direction of which the transactions in stocks or securities, or in commodities, as the case may be, are effected.

**(c) Effectively connected income, etc.**

**(1) General rule**

For purposes of this title—

**(A)** In the case of a nonresident alien individual or a foreign corporation engaged in trade or business within the United States during the taxable year, the rules set forth in paragraphs (2), (3), (4), (6), and (7) shall apply in determining the income, gain, or loss which shall be treated as effectively connected with the conduct of a trade or business within the United States.

**(B)** Except as provided in paragraph (6) or (7) or in section 871 (d) or sections 882 (d) and (e), in the case of a nonresident alien individual or a foreign corporation not engaged in trade or business within the United States during the taxable year, no income, gain, or loss shall be treated as effectively connected with the conduct of a trade or business within the United States.

**(2) Periodical, etc., income from sources within United States—factors**

In determining whether income from sources within the United States of the types described in section 871 (a)(1), section 871(h), section 881 (a), or section 881 (c), or whether gain or loss from sources within the United States from the sale or exchange of capital assets, is effectively connected with the conduct of a trade or business within the United States, the factors taken into account



shall include whether—

- (A) the income, gain, or loss is derived from assets used in or held for use in the conduct of such trade or business, or
- (B) the activities of such trade or business were a material factor in the realization of the income, gain, or loss.

In determining whether an asset is used in or held for use in the conduct of such trade or business or whether the activities of such trade or business were a material factor in realizing an item of income, gain, or loss, due regard shall be given to whether or not such asset or such income, gain, or loss was accounted for through such trade or business.

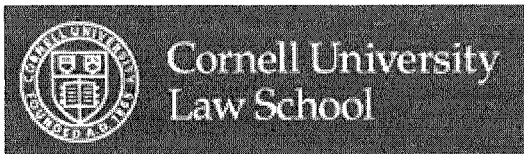
### **(3) Other income from sources within United States**

All income, gain, or loss from sources within the United States (other than income, gain, or loss to which paragraph (2) applies) shall be treated as effectively connected with the conduct of a trade or business within the United States.

### **(4) Income from sources without United States**

- (A) Except as provided in subparagraphs (B) and (C), no income, gain, or loss from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States.
- (B) Income, gain, or loss from sources without the United States shall be treated as effectively connected with the conduct of a trade or business within the United States by a nonresident alien individual or a foreign corporation if such person has an office or other fixed place of business within the United States to which such income, gain, or loss is attributable and such income, gain, or loss—
  - (i) consists of rents or royalties for the use of or for the privilege of using intangible property described in section 862 (a)(4) derived in the active conduct of such trade or business;
  - (ii) consists of dividends or interest, and either is derived in the active conduct of a banking, financing, or similar business within the United States or is received by a corporation the principal business of which is trading in stocks or securities for its own account; or
  - (iii) is derived from the sale or exchange (outside the United States) through such office or other fixed place of business of personal property described in section 1221 (a) (1), except that this clause shall not apply if the property is sold or exchanged for use, consumption, or disposition outside the United States and an office or other fixed place of business of the taxpayer in a foreign country participated materially in such sale.

Any income or gain which is equivalent to any item of income or gain described in clause (i), (ii), or (iii) shall be treated in the same manner as such item for purposes of this subparagraph.


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**§ 7701. Definitions**
*How Current is This?*

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

→ **(1) Person**

The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

**(2) Partnership and partner**

The term "partnership" includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this title, a trust or estate or a corporation; and the term "partner" includes a member in such a syndicate, group, pool, joint venture, or organization.

**(3) Corporation**

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

**(4) Domestic**

The term "domestic" when applied to a corporation or partnership means created or organized in the United States or under the law of the United States or of any State unless, in the case of a partnership, the Secretary provides otherwise by regulations.

**(5) Foreign**

The term "foreign" when applied to a corporation or partnership means a corporation or partnership which is not domestic.

**(6) Fiduciary**

The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

**(7) Stock**

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The term "stock" includes shares in an association, joint-stock company, or insurance company.

**(8) Shareholder**

The term "shareholder" includes a member in an association, joint-stock company, or insurance company.

→ **(9) United States**

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

→ **(10) State**

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

**(11) Secretary of the Treasury and Secretary**

**(A) Secretary of the Treasury**

The term "Secretary of the Treasury" means the Secretary of the Treasury, personally, and shall not include any delegate of his.

**(B) Secretary**

The term "Secretary" means the Secretary of the Treasury or his delegate.

**(12) Delegate**

**(A) In general**

The term "or his delegate"—

(i) when used with reference to the Secretary of the Treasury, means any officer, employee, or agency of the Treasury Department duly authorized by the Secretary of the Treasury directly, or indirectly by one or more redelegations of authority, to perform the function mentioned or described in the context; and

(ii) when used with reference to any other official of the United States, shall be similarly construed.

**(B) Performance of certain functions in Guam or American Samoa**

The term "delegate," in relation to the performance of functions in Guam or American Samoa with respect to the taxes imposed by chapters 1, 2, and 21, also includes any officer or employee of any other department or agency of the United States, or of any possession thereof, duly authorized by the Secretary (directly, or indirectly by one or more redelegations of authority) to perform such functions.

**(13) Commissioner**

The term "Commissioner" means the Commissioner of Internal Revenue.

→ **(14) Taxpayer**

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

**(15) Military or naval forces and armed forces of the United States**

The term "military or naval forces of the United States" and the term "Armed Forces of the United States" each includes all regular and reserve components of the uniformed services which are subject to the jurisdiction of the Secretary of Defense, the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, and each term also includes the Coast Guard. The members of such forces include commissioned officers and personnel below the grade of commissioned officers in such forces.

→ **(16) Withholding agent**

The term "withholding agent" means any person required to deduct and withhold any tax under the provisions of section 1441, 1442, 1443, or 1461.

**(17) Husband and wife**

As used in sections 682 and 2516, if the husband and wife therein referred to are divorced, wherever appropriate to the meaning of such sections, the term "wife" shall be read "former wife" and the term "husband" shall be read "former husband"; and, if the payments described in such sections are made by or on behalf of the wife or former wife to the husband or former husband instead of vice versa, wherever appropriate to the meaning of such sections, the term "husband" shall be read "wife" and the term "wife" shall be read "husband."

**(18) International organization**

The term "international organization" means a public international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288-288f).

**(19) Domestic building and loan association**

The term "domestic building and loan association" means a domestic building and loan association, a domestic savings and loan association, and a Federal savings and loan association—

**(A)** which either (i) is an insured institution within the meaning of section 401(a) <sup>[1]</sup> of the National Housing Act (12 U.S.C., sec. 1724 (a)), or (ii) is subject by law to supervision and examination by State or Federal authority having supervision over such associations;

**(B)** the business of which consists principally of acquiring the

The term "Attorney General" means the Attorney General of the United States.

**(23) Taxable year**

The term "taxable year" means the calendar year, or the fiscal year ending during such calendar year, upon the basis of which the taxable income is computed under subtitle A. "Taxable year" means, in the case of a return made for a fractional part of a year under the provisions of subtitle A or under regulations prescribed by the Secretary, the period for which such return is made.

**(24) Fiscal year**

The term "fiscal year" means an accounting period of 12 months ending on the last day of any month other than December.

**(25) Paid or incurred, paid or accrued**

The terms "paid or incurred" and "paid or accrued" shall be construed according to the method of accounting upon the basis of which the taxable income is computed under subtitle A.

→ **(26) Trade or business**

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

**(27) Tax Court**

The term "Tax Court" means the United States Tax Court.

**(28) Other terms**

Any term used in this subtitle with respect to the application of, or in connection with, the provisions of any other subtitle of this title shall have the same meaning as in such provisions.

→ **(29) Internal Revenue Code**

The term "Internal Revenue Code of 1986" means this title, and the term "Internal Revenue Code of 1939" means the Internal Revenue Code enacted February 10, 1939, as amended.

→ **(30) United States person**

The term "United States person" means—

- (A) a citizen or resident of the United States,
- (B) a domestic partnership,
- (C) a domestic corporation,
- (D) any estate (other than a foreign estate, within the meaning of paragraph (31)), and
- (E) any trust if—
  - (i) a court within the United States is able to exercise primary supervision over the administration of the trust,

and

(ii) one or more United States persons have the authority to control all substantial decisions of the trust.

→ **(31) Foreign estate or trust**

**(A) Foreign estate**

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

**(B) Foreign trust**

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

**(32) Cooperative bank**

The term "cooperative bank" means an institution without capital stock organized and operated for mutual purposes and without profit, which—

**(A) either—**

(i) is an insured institution within the meaning of section 401(a) <sup>[2]</sup> of the National Housing Act (12 U.S.C., sec. 1724 (a)), or

(ii) is subject by law to supervision and examination by State or Federal authority having supervision over such institutions, and

**(B)** meets the requirements of subparagraphs (B) and (C) of paragraph (19) of this subsection (relating to definition of domestic building and loan association).

In determining whether an institution meets the requirements referred to in subparagraph (B) of this paragraph, any reference to an association or to a domestic building and loan association contained in paragraph (19) shall be deemed to be a reference to such institution.

**(33) Regulated public utility**

The term "regulated public utility" means—

**(A) A corporation engaged in the furnishing or sale of—**

(i) electric energy, gas, water, or sewerage disposal services, or

(ii) transportation (not included in subparagraph (C)) on an intrastate, suburban, municipal, or interurban electric railroad, on an intrastate, municipal, or suburban trackless trolley system, or on a municipal or suburban bus system, or

(iii) transportation (not included in clause (ii)) by motor

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## TITLE 26--INTERNAL REVENUE

CHAPTER I--INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY--  
(Continued)

## PART 301--PROCEDURE AND ADMINISTRATION

Sec. 301.6109-1 Identifying numbers.

(a) In general--(1) Taxpayer identifying numbers--(i) Principal types. There are several types of taxpayer identifying numbers that include the following: social security numbers, Internal Revenue Service (IRS) individual taxpayer identification numbers, IRS adoption taxpayer identification numbers, and employer identification numbers. Social security numbers take the form 000-00-0000. IRS individual taxpayer identification numbers and IRS adoption taxpayer identification numbers also take the form 000-00-0000 but include a specific number or numbers designated by the IRS. Employer identification numbers take the form 00-0000000.

(ii) Uses. Social security numbers, IRS individual taxpayer identification numbers, and IRS adoption taxpayer identification numbers are used to identify individual persons. Employer identification numbers are used to identify employers. For the definition of social security number and employer identification number, see Secs. 301.7701-11 and 301.7701-12, respectively. For the definition of IRS individual taxpayer identification number, see paragraph (d)(3) of this section. For the definition of IRS adoption taxpayer identification number, see Sec. 301.6109-3(a). Except as otherwise provided in applicable regulations under this chapter or on a return, statement, or other document, and related instructions, taxpayer identifying numbers must be used as follows:

(A) Except as otherwise provided in paragraph (a)(1)(ii)(B) and (D) of this section, and Sec. 301.6109-3, an individual required to furnish a taxpayer identifying number must use a social security number.

(B) Except as otherwise provided in paragraph (a)(1)(ii)(D) of this section and Sec. 301.6109-3, an individual required to furnish a taxpayer identifying number but who is not eligible to obtain a social security number must use an IRS individual taxpayer identification number.

(C) Any person other than an individual (such as corporations, partnerships, nonprofit associations, trusts,

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estates, and similar nonindividual persons) that is required to furnish a taxpayer identifying number must use an employer identification number.

(D) An individual, whether U.S. or foreign, who is an employer or who is engaged in a trade or business as a sole proprietor should use an employer identification number as required by returns, statements, or other documents and their related instructions.

(2) A trust all of which is treated as owned by the grantor or another person pursuant to sections 671 through 678--(i) Obtaining a taxpayer identification number. If a trust does not have a taxpayer identification number and the trustee furnishes the name and taxpayer identification number of the grantor or other person treated as the owner of the trust and the address of the trust to all payors pursuant to Sec. 1.671-4(b)(2)(i)(A) of this chapter, the trustee need not obtain a taxpayer identification number for the trust until either the first taxable year of the trust in which all of the trust is no longer owned by the grantor or another person, or until the first taxable year of the trust for which the trustee no longer reports pursuant to Sec. 1.671-4(b)(2)(i)(A) of this chapter. If the trustee has not already obtained a

**EXHIBIT 4**

the social security number for all tax purposes under this title, even though the individual is, or later becomes, a nonresident alien individual. Further, any individual who has an application pending with the Social Security Administration will be issued an IRS individual taxpayer identification number only after the Social Security Administration has notified the individual that a social security number cannot be issued. Any alien individual duly issued an IRS individual taxpayer identification number who later becomes a U.S. citizen, or an alien lawfully permitted to enter the United States either for permanent residence or under authority of law permitting U.S. employment, will be required to obtain a social security number. Any individual who has an IRS individual taxpayer identification number and a social security number, due to the circumstances described in the preceding sentence, must notify the Internal Revenue Service of the acquisition of the social security number and must use the newly-issued social security number as the taxpayer identifying number on all future returns, statements, or other documents filed under this title.

(ii) Employer identification number. Any individual with both a social security number (or an IRS individual taxpayer identification number) and an employer identification number may use the social security number (or the IRS individual taxpayer identification number) for individual taxes, and the employer identification number for business taxes as required by returns, statements, and other documents and their related instructions. Any alien individual duly assigned an IRS individual taxpayer identification number who also is required to obtain an employer identification number must furnish the previously-assigned IRS individual taxpayer identification number to the Internal Revenue Service on Form SS-4 at the time of application for the employer identification number. Similarly, where an alien individual has an employer identification number and is required to obtain an IRS individual taxpayer identification number, the individual must furnish the previously-assigned employer identification number to the Internal Revenue Service on Form W-7, or such other form as may be prescribed by the Internal Revenue Service, at the time of application for the IRS individual taxpayer identification number.

(e) Banks, and brokers and dealers in securities. For additional requirements relating to deposits, share accounts, and brokerage accounts, see 31 CFR 103.34 and 103.35.

(f) Penalty. For penalties for failure to supply taxpayer identifying numbers, see sections 6721 through 6724.

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

[[Page 88]]

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

(ii) Employer identification number. An employer identification number is generally identified in the records and database of the Internal Revenue Service as a number belonging to a U.S. person. However, the Internal Revenue Service may establish a separate class of employer identification numbers solely dedicated to foreign persons which will be identified as such in the records and database of the Internal Revenue Service. A person may establish a different status for the number either at the time of application or subsequently by providing proof of U.S. or foreign status with the Internal Revenue Service under such procedures as the Internal Revenue Service shall prescribe, including the use of a form as the Internal Revenue Service may specify. The Internal Revenue Service may require a person to apply for the type of employer identification number that reflects the status of that person as a U.S. or foreign person.

(iii) IRS individual taxpayer identification number. An IRS individual taxpayer identification number is generally identified in the



**Steadman Jackson**

**EXHIBIT 5**

---

**From:** Douglass, Phillip <Phillip.Douglass@ssa.gov>  
**To:** <aspen@lvcn.com>  
**Sent:** Tuesday, November 28, 2000 9:01 AM  
**Attach:** INA.doc  
**Subject:** additional question

To: Steadman Jackson

Since we derive our definitions in this policy area from the INS I am attaching a reference from the Immigration and Naturalization Act cited in the procedural reference I gave you. If you have any further questions I would have to talk with one of our policy people or refer you to the INS.

Phillip Douglass  
Social Security Administration

<<INA.doc>>



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**TITLE 8 > CHAPTER 12 > SUBCHAPTER III > Part I > § 1401**

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### **§ 1401. Nationals and citizens of United States at birth**

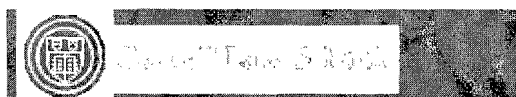
*How Current is This?*

The following shall be nationals and citizens of the United States at birth:

- (a)** a person born in the United States, and subject to the jurisdiction thereof;
- (b)** a person born in the United States to a member of an Indian, Eskimo, Aleutian, or other aboriginal tribe: Provided, That the granting of citizenship under this subsection shall not in any manner impair or otherwise affect the right of such person to tribal or other property;
- (c)** a person born outside of the United States and its outlying possessions of parents both of whom are citizens of the United States and one of whom has had a residence in the United States or one of its outlying possessions, prior to the birth of such person;
- (d)** a person born outside of the United States and its outlying possessions of parents one of whom is a citizen of the United States who has been physically present in the United States or one of its outlying possessions for a continuous period of one year prior to the birth of such person, and the other of whom is a national, but not a citizen of the United States;
- (e)** a person born in an outlying possession of the United States of parents one of whom is a citizen of the United States who has been physically present in the United States or one of its outlying possessions for a continuous period of one year at any time prior to the birth of such person;
- (f)** a person of unknown parentage found in the United States while under the age of five years, until shown, prior to his attaining the age of twenty-one years, not to have been born in the United States;
- (g)** a person born outside the geographical limits of the United States and its outlying possessions of parents one of whom is an alien, and the other a citizen of the United States who, prior to the birth of such person, was physically present in the United States or its outlying possessions for a period or periods totaling not less than five years, at least two of which were after attaining the age of fourteen years: Provided, That any periods of honorable service in the Armed Forces of the United States, or periods of employment with the United States Government or with an international organization as that term is defined in section 288 of title 22 by such citizen parent, or any periods during which such citizen parent is physically present abroad as the dependent unmarried son or daughter and a member of the

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### **§ 1408. Nationals but not citizens of the United States at birth**

*How Current is This?*

Unless otherwise provided in section 1401 of this title, the following shall be nationals, but not citizens, of the United States at birth:

- (1) A person born in an outlying possession of the United States on or after the date of formal acquisition of such possession;
- (2) A person born outside the United States and its outlying possessions of parents both of whom are nationals, but not citizens, of the United States, and have had a residence in the United States, or one of its outlying possessions prior to the birth of such person;
- (3) A person of unknown parentage found in an outlying possession of the United States while under the age of five years, until shown, prior to his attaining the age of twenty-one years, not to have been born in such outlying possession; and
- (4) A person born outside the United States and its outlying possessions of parents one of whom is an alien, and the other a national, but not a citizen, of the United States who, prior to the birth of such person, was physically present in the United States or its outlying possessions for a period or periods totaling not less than seven years in any continuous period of ten years—
  - (A) during which the national parent was not outside the United States or its outlying possessions for a continuous period of more than one year, and
  - (B) at least five years of which were after attaining the age of fourteen years.

The proviso of section 1401 (g) of this title shall apply to the national parent under this paragraph in the same manner as it applies to the citizen parent under that section.

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# SOCIAL SECURITY

March 18, 1999

Mr. Scott McDonald  
789 Meal Drive  
Gurley, Alabama 35748

Dear Mr. McDonald:

This is in response to your letter to the Commissioner concerning Social Security numbers for children.

The Social Security Act does not require a person to have a Social Security number (SSN) to live and work in the United States, nor does it require an SSN simply for the purpose of having one. However, if someone works without an SSN, we cannot properly credit the earnings for the work performed.

{ Other laws require people to have and use SSN's for specific Purposes. For example, the Internal Revenue Code (26 U.S.C. 6109 (a) and applicable regulations (26 CFR 301.6109-1 (d)) require an individual to get and use an SSN on tax documents and to furnish the number to any other person or institution (such as an employer or a bank) that is required to provide the Internal Revenue Service (IRS) information about payments to the individual. There are penalties for failure to do so. The IRS also requires employers to report SSN's with employees' earnings. In addition, people filing tax returns for taxable years after December 31, 1994, generally must include the SSN of each dependent.

The privacy Act regulates the use of SSN's by government agencies. They may require an SSN only if a law or regulation either orders or authorize them to do so. Agencies are required to disclose the authorizing law or regulation. If the request has no legal basis, the person may refuse to provide the number and still receive the agency's services. However, the law does not apply to private sector organizations. Such an organization can refuse its services to anyone who does not provide the number on request.

We hope you find this information helpful. If you have further questions, you may call our toll-free number, 1-800-772-1213. Our representatives will be glad to help you.

Sincerely,

A handwritten signature in black ink, appearing to read "C. H. Mullen".

Charles H. Mullen  
Associate Commissioner  
Office of Public Inquiries

# SOCIAL SECURITY ADMINISTRATION Application for a Social Security Card

## EXHIBIT 6

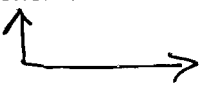
<b>1</b>	<b>NAME</b> TO BE SHOWN ON CARD →	First	Full Middle Name	Last
	<b>FULL NAME AT BIRTH</b> IF OTHER THAN ABOVE →	First	Full Middle Name	Last
	OTHER NAMES USED →			
<b>2</b>	<b>MAILING ADDRESS</b> Do Not Abbreviate →	Street Address, Apt. No., PO Box, Rural Route No.		
		City	State	Zip Code
<b>3</b>	<b>CITIZENSHIP</b> (Check One) →	<input type="checkbox"/> U.S. Citizen <input type="checkbox"/> Legal Alien Allowed To Work <input type="checkbox"/> Legal Alien <b>Not</b> Allowed To Work <input type="checkbox"/> Other (See Instructions On Page 1)		
<b>4</b>	<b>SEX</b> →	<input type="checkbox"/> Male <input type="checkbox"/> Female		
<b>5</b>	<b>RACE/ETHNIC DESCRIPTION</b> (Check One Only—Voluntary) →	<input type="checkbox"/> Asian Asian-American or Pacific Islander <input type="checkbox"/> Hispanic <input type="checkbox"/> Black (Not Hispanic) <input type="checkbox"/> North American Indian or Alaskan Native <input type="checkbox"/> White (Not Hispanic)		
<b>6</b>	<b>DATE OF BIRTH</b> Month, Day, Year	<b>7</b>	<b>PLACE OF BIRTH</b> (Do Not Abbreviate)     City     State or Foreign Country     FCI	
<b>8</b>	<b>A. MOTHER'S MAIDEN NAME</b> →	First	Full Middle Name	Last Name At Her Birth
	<b>B. MOTHER'S SOCIAL SECURITY NUMBER</b> (Complete only if applying for a number for a child under age 18.) →	<input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
<b>9</b>	<b>A. FATHER'S NAME</b> →	First	Full Middle Name	Last
	<b>B. FATHER'S SOCIAL SECURITY NUMBER</b> (Complete only if applying for a number for a child under age 18.) →	<input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
<b>10</b>	Has the applicant or anyone acting on his/her behalf ever filed for or received a Social Security number card before?			
	<input type="checkbox"/> Yes (If "yes", answer questions 11-13.) <input type="checkbox"/> No (If "no", go on to question 14.) <input type="checkbox"/> Don't Know (If "don't know", go on to question 14.)			
<b>11</b>	Enter the Social Security number previously assigned to the person listed in item 1. →	<input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		
<b>12</b>	Enter the name shown on the most recent Social Security card issued for the person listed in item 1. →	First	Middle	Last
<b>13</b>	Enter any different date of birth if used on an earlier application for a card. →	Month, Day, Year		
<b>14</b>	<b>TODAY'S DATE</b> Month, Day, Year	<b>15</b>	<b>DAYTIME PHONE NUMBER</b> ( ) Area Code     Number	
DELIBERATELY FURNISHING (OR CAUSING TO BE FURNISHED) FALSE INFORMATION ON THIS APPLICATION IS A CRIME PUNISHABLE BY FINE OR IMPRISONMENT, OR BOTH.				
<b>16</b>	<b>YOUR SIGNATURE</b> →	<b>17</b>	<b>YOUR RELATIONSHIP TO THE PERSON IN ITEM 1 IS:</b> <input type="checkbox"/> Self <input type="checkbox"/> Natural or Adoptive Parent <input type="checkbox"/> Legal Guardian <input type="checkbox"/> Other (Specify)	

DO NOT WRITE BELOW THIS LINE (FOR SSA USE ONLY)									
NPN		DOC		NTI		CAN		ITV	
PBC		EVI		EVA		EVC		PRA	
NWR		DNR		UNIT					
EVIDENCE SUBMITTED					SIGNATURE AND TITLE OF EMPLOYEE(S) REVIEWING EVIDENCE AND/OR CONDUCTING INTERVIEW				
					DATE				
					DATE				
DCL									

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	2	III	<a href="#">400-499</a>	Social Security Administration
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		VII	<a href="#">800-899</a>	Benefits Review Board, Department of Labor
		VIII	<a href="#">900-999</a>	Joint Board for the Enrollment of Actuaries
		IX	<a href="#">1000-1099</a>	Office of the Assistant Secretary for Veterans' Employment and Training Service, Department of Labor

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**TITLE 20--Employees' Benefits**  
**CHAPTER III--SOCIAL SECURITY ADMINISTRATION**  
**PART 422--ORGANIZATION AND PROCEDURES**

Subpart A--ORGANIZATION AND FUNCTIONS OF THE SOCIAL SECURITY ADMINISTRATION

- §422.1            Organization and functions.  
 §422.5            District offices and branch offices.

Subpart B--GENERAL PROCEDURES

- §422.101        Material included in this subpart.  
 → §422.103        Social security numbers.  
 §422.104        Who can be assigned a social security number.  
 §422.105        Presumption of authority of nonimmigrant alien to engage in employment.  
 §422.106        Filing applications with other government agencies.  
 §422.107        Evidence requirements.  
 §422.108        Criminal penalties.  
 §422.110        Individual's request for change in record.  
 §422.112        Employer identification numbers.  
 §422.114        Annual wage reporting process.  
 §422.120        Earnings reported without a social security number or with an incorrect employee name or social security number.  
 §422.122        Information on deferred vested pension benefits.  
 §422.125        Statements of earnings; resolving earnings discrepancies.  
 §422.130        Claim procedure.

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### Title 20: Employees' Benefits

PART 422—ORGANIZATION AND PROCEDURES

Subpart B—General Procedures

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#### § 422.103 Social security numbers.

(a) *General.* The Social Security Administration (SSA) maintains a record of the earnings reported for each individual assigned a social security number. The individual's name and social security number identify the record so that the wages or self-employment income reported for or by the individual can be properly posted to the individual's record. Additional procedures concerning social security numbers may be found in Internal Revenue Service, Department of the Treasury regulation 26 CFR 31.6011(b)–2.

(b) *Applying for a number* —(1) *Form SS–5.* An individual needing a social security number may apply for one by filing a signed form SS–5, “Application for A Social Security Number Card,” at any social security office and submitting the required evidence. Upon request, the social security office may distribute a quantity of form SS–5 applications to labor unions, employers, or other representative organizations. An individual outside the United States may apply for a social security number card at the Department of Veterans Affairs Regional Office, Manila, Philippines, at any U.S. foreign service post, or at a U.S. military post outside the United States. ( See §422.106 for special procedures for filing applications with other government agencies.) Additionally, a U.S. resident may apply for a social security number for a nonresident dependent when the number is necessary for U.S. tax purposes or some other valid reason, the evidence requirements of §422.107 are met, and we determine that a personal interview with the dependent is not required. Form SS–5 may be obtained at:

- (i) Any local social security office;
- (ii) The Social Security Administration, 300 N. Greene Street, Baltimore, MD 21201;
- (iii) Offices of District Directors of Internal Revenue;
- (iv) U.S. Postal Service offices (except the main office in cities having a social security office);
- (v) U.S. Employment Service offices in cities which do not have a social security office;
- (vi) The Department of Veterans Affairs Regional Office, Manila, Philippines;
- (vii) Any U.S. foreign service post; and
- (viii) U.S. military posts outside the U.S.

(2) *Birth registration document.* SSA may enter into an agreement with officials of a State, including, for this purpose, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands, and New York City, to establish, as part of the official birth registration process, a procedure to assist SSA in assigning social security numbers to newborn children. Where an agreement is in effect, a parent, as part of the official birth registration process, need not complete a form SS–5 and may request that SSA assign a social security number to the newborn child.

(3) *Immigration form.* SSA may enter into an agreement with the Department of State (DOS) and the Department of Homeland Security to assist SSA by collecting enumeration data as part of the immigration process. Where an agreement is in effect, an alien need not complete a Form SS–5 with SSA and may request, through DOS or Department of Homeland Security, as part of the immigration process, that SSA assign a social security number and issue a social security number card to him/her.



Requests for SSNs to be assigned via this process will be made on forms provided by DOS and Department of Homeland Security.

(c) *How numbers are assigned* —(1) *Request on form SS-5*. If the applicant has completed a form SS-5, the social security office, the Department of Veterans Affairs Regional Office, Manila, Philippines, the U.S. foreign service post, or the U.S. military post outside the United States that receives the completed form SS-5 will require the applicant to furnish documentary evidence, as necessary, to assist SSA in establishing the age, U.S. citizenship or alien status, true identity, and previously assigned social security number(s), if any, of the applicant. A personal interview may be required of the applicant. (See §422.107 for evidence requirements.) After review of the documentary evidence, the completed form SS-5 is forwarded or data from the SS-5 is transmitted to SSA's central office in Baltimore, Md., where the data is electronically screened against SSA's files. If the applicant requests evidence to show that he or she has filed an application for a social security number card, a receipt or equivalent document may be furnished. If the electronic screening or other investigation does not disclose a previously assigned number, SSA's central office assigns a number and issues a social security number card. If investigation discloses a previously assigned number for the applicant, a replacement social security number card is issued.

(2) *Request on birth registration document*. Where a parent has requested a social security number for a newborn child as part of an official birth registration process described in paragraph (b)(2) of this section, the State vital statistics office will electronically transmit the request to SSA's central office in Baltimore, MD, along with the child's name, date and place of birth, sex, mother's maiden name, father's name (if shown on the birth registration), address of the mother, and birth certificate number. This birth registration information received by SSA from the State vital statistics office will be used to establish the age, identity, and U.S. citizenship of the newborn child. Using this information, SSA will assign a number to the child and send the social security number card to the child at the mother's address.

(3) *Request on immigration document*. Where an alien has requested a social security number as part of the immigration process described in paragraph (b)(3) of this section, Department of Homeland Security will electronically transmit to SSA's central office in Baltimore, MD, the data elements collected for immigration purposes, by both Department of Homeland Security and DOS, that SSA needs to assign the alien a social security number along with other data elements as agreed upon by SSA and DOS or Department of Homeland Security. The data elements received by SSA will be used to establish the age, identity, and lawful alien status or authority to work of the alien. Using this data, SSA will assign a social security number to the alien and send the social security number card to him/her at the address the alien provides to DOS or Department of Homeland Security (or to the sponsoring agency of a refugee, if no personal mailing address is available).

(d) *Social security number cards*. A person who is assigned a social security number will receive a social security number card from SSA within a reasonable time after the number has been assigned. (See §422.104 regarding the assignment of social security number cards to aliens.) Social security number cards are the property of SSA and must be returned upon request.

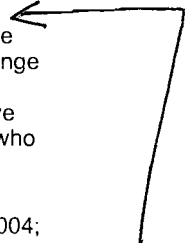
(e) *Replacement of social security number card* —(1) *When we may issue you a replacement card*. We may issue you a replacement social security number card, subject to the limitations in paragraph (e)(2) of this section. In all cases, you must complete a Form SS-5 to receive a replacement social security number card. You may obtain a Form SS-5 from any Social Security office or from one of the sources noted in paragraph (b) of this section. For evidence requirements, see §422.107.

(2) *Limits on the number of replacement cards*. There are limits on the number of replacement social security number cards we will issue to you. You may receive no more than three replacement social security number cards in a year and ten replacement social security number cards per lifetime. We may allow for reasonable exceptions to these limits on a case-by-case basis in compelling circumstances. We also will consider name changes (i.e., verified legal changes to the first name and/or surname) and changes in alien status which result in a necessary change to a restrictive legend on the SSN card (see paragraph (e)(3) of this section) to be compelling circumstances, and will not include either of these changes when determining the yearly or lifetime limits. We may grant an exception if you provide evidence establishing that you would experience significant hardship if the card were not issued. An example of significant hardship includes, but is not limited to, providing SSA with a referral letter from a governmental social services agency indicating that the social security number card must be shown in order to obtain benefits or services.

(3) *Restrictive legend change defined*. Based on a person's immigration status, a restrictive legend may appear on the face of an SSN card to indicate that work is either not authorized or that work may be performed only with Department of Homeland Security (DHS) authorization. This restrictive legend appears on the card above the individual's name and SSN. Individuals without work authorization in the

The SSN  
& the card  
are the  
"property of  
the National  
Government."

U.S. receive SSN cards showing the restrictive legend, "Not Valid for Employment;" and SSN cards for those individuals who have temporary work authorization in the U.S. show the restrictive legend, "Valid For Work Only With DHS Authorization." U.S. citizens and individuals who are permanent residents receive SSN cards without a restrictive legend. For the purpose of determining a change in restrictive legend, the individual must have a change in immigration status or citizenship which results in a change to or the removal of a restrictive legend when compared to the prior SSN card data. An SSN card request based upon a change in immigration status or citizenship which does not affect the restrictive legend will count toward the yearly and lifetime limits, as in the case of Permanent Resident Aliens who attain U.S. citizenship.



[55 FR 46664, Nov. 6, 1990, as amended at 63 FR 56554, Oct. 22, 1998; 69 FR 55076, Sept. 13, 2004; 70 FR 74651, Dec. 16, 2005; 71 FR 43056, July 31, 2006]

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The only groups identified are:  
1) U.S. citizens  
2) Permanent residents  
["Aliens"]

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# History

This is an archival or historical document and may not reflect current policies or procedures



## Legislative History

### Social Security Act of 1935

#### TITLE VIII- TAXES WITH RESPECT TO EMPLOYMENT

[Income Tax on Employees](#)  
[Deduction of Tax from Wages](#)  
[Deductibility from Income Tax](#)  
[Excise Tax on Employers](#)  
[Adjustment of Employers Tax](#)  
[Refunds and Deficiencies](#)  
[Collection and Payment of Taxes](#)  
[Rules and Regulations](#)  
[Sale of Stamps by Postmasters](#)  
[Penalties](#)  
[Definitions](#)

#### INCOME TAX ON EMPLOYEES

SECTION 801. In addition to other taxes, there shall be levied, collected, and paid upon the income of every individual a tax equal to the following percentages of the wages (as defined in section 811) received by him after December 31, 1936, with respect to employment (as defined in section 811) after such date:

- (1) With respect to employment during the calendar years 1937, 1938, and 1939, the rate shall be 1 per centum.
- (2) With respect to employment during the calendar years 1940, 1941, and 1942, the rate shall be 1 1/2 per centum.
- (3) With respect to employment during the calendar years 1943, 1944, and 1945, the rate shall be 2 per centum.
- (4) With respect to employment during the calendar years 1946, 1947, and 1948, the rate shall be 2 1/2 per centum.
- (5) With respect to employment after December 31, 1948, the rate shall be 3 per centum.

#### DEDUCTION OF TAX FROM WAGES

SEC. 802. (a) The tax imposed by section 801 shall be collected by the employer of the taxpayer by deducting the amount of the tax from the wages as and when paid. Every employer required so to deduct the tax is hereby made liable for the payment of such tax, and is hereby indemnified against the claims and demands of any person for the amount of any such payment made by such employer.

(b) If more or less than the correct amount of tax imposed by section 801 is paid with respect to any wage payment, then, under

**ZOE LOFGREN**  
16TH DISTRICT, CALIFORNIA

COMMITTEES

**COMMITTEE ON THE JUDICIARY**  
SUBCOMMITTEE ON COURTS AND  
INTELLECTUAL PROPERTY  
SUBCOMMITTEE ON IMMIGRATION AND CLAIMS

**COMMITTEE ON SCIENCE**  
SUBCOMMITTEE ON SPACE AND AERONAUTICS  
SUBCOMMITTEE ON ENERGY AND ENVIRONMENT

**COMMITTEE ON STANDARDS OF  
OFFICIAL CONDUCT**

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-0516

PLEASE RESPOND TO:  
 318 CANNON BUILDING  
WASHINGTON, DC 20515  
(202) 225-3072  
zoe@lofgren.house.gov  
 635 NORTH FIRST STREET  
SUITE B  
SAN JOSE, CA 95112  
(408) 271-8700  
 [www.house.gov/lofgren](http://www.house.gov/lofgren)

October 30, 2000

**EXHIBIT 7**

Mr. Tom Gurske  
2190 Stokes St. #205  
San Jose, CA 95128

Dear Tom,

Thank you for writing to inquire about Congressional authority over the United States and the District of Columbia.

Your assertion that Congress has exclusive legislative authority over Washington, D.C. and limited legislative authority over the states is correct. There is no Constitutional requirement to identify the source of authority when passing a particular law, and often there are multiple or overlapping authorities for the same law. Because Congress may pass laws both national and local in scope, evaluations of Constitutional authority must be done on a case by case basis.

I have enclosed a letter from the American Law Division of the Library of Congress regarding your question, and I hope that this information is helpful to you. Again, thank you for writing, and if I can be of further assistance please don't hesitate to contact me.

Sincerely,

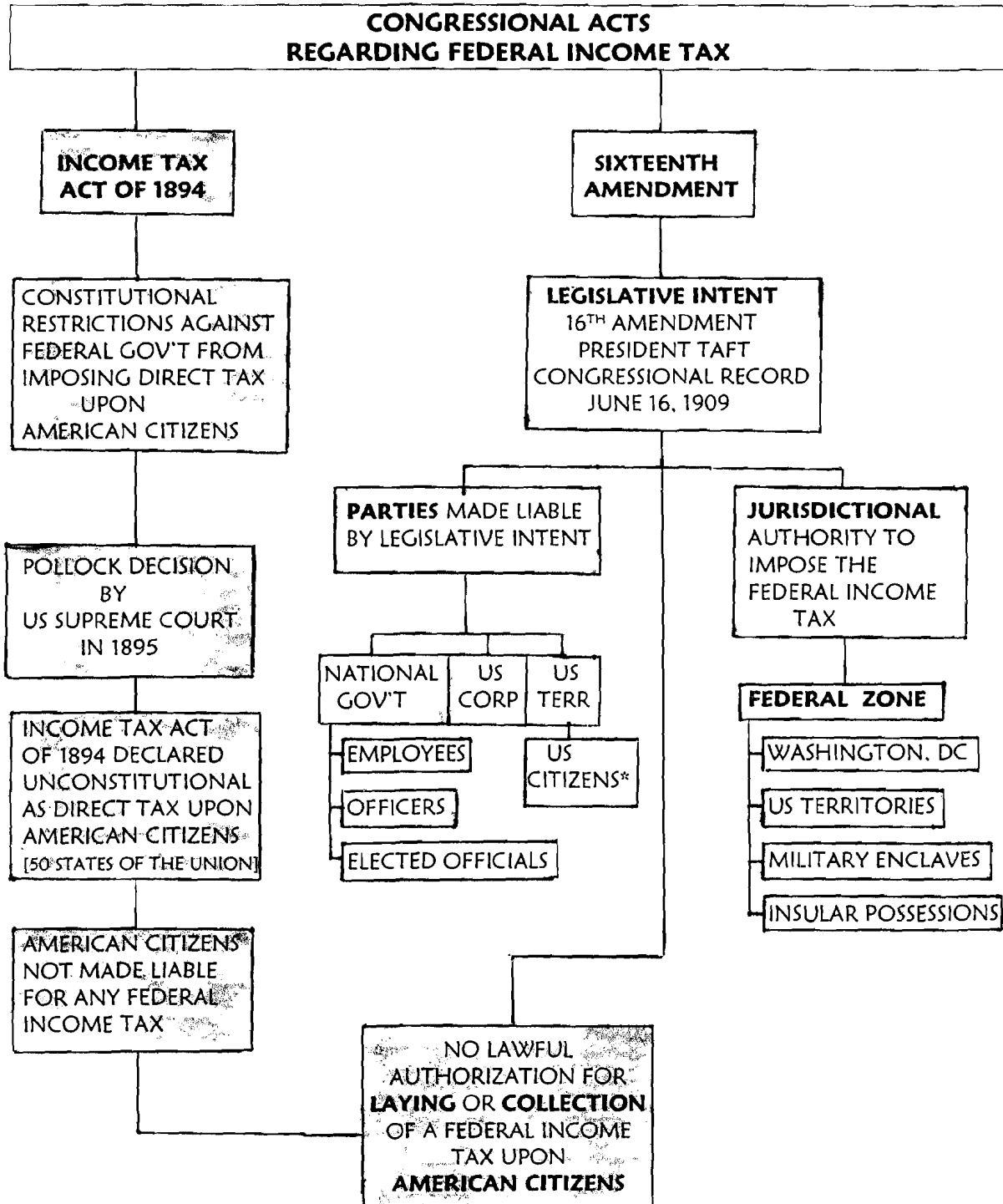


Zoe Lofgren  
Member of Congress

ZL:dc

# REALITY OF FEDERAL INCOME TAX IMPOSITION UPON AMERICAN CITIZENS

EXHIBIT 8



- US CITIZENS ARE 14<sup>TH</sup> AMENDMENT STATUTORY CITIZENS BORN IN THE FEDERAL ZONE AND SUBJECT TO THE EXCLUSIVE SOVEREIGN JURISDICTION OF THE UNITED STATES [FEDERAL GOVERNMENT] AS DEFINED BY 8 USC SECTION 1401 [IMMIGRATION & NATURALIZATION ACT]

# DISTRICT OF COLUMBIA AND U.S. TERRITORIES, POSSESIONS, COMMONWEALTHS AND STATES IN FREE ASSOCIATION

SIXTY-THIRD CONGRESS.

SESS. I. CH. 16. 1913

PAGE 177

SECTION TWO

1 REE AT LAST

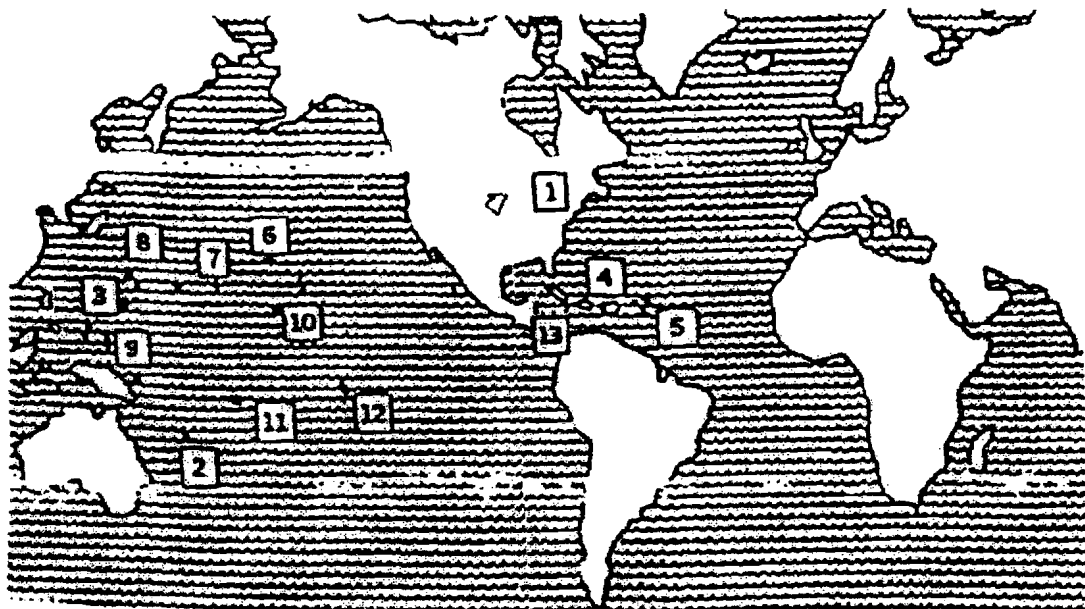
\* H. That the word "State" or United States when used in this section shall be construed to include (to mean) any Territory, Alaska, the District of Columbia, Porto Rico, and the Phillipine Islands, when such construction is necessary to carry out its provisions.

ACT OF CONGRESS

OCTOBER 3, 1913

SIXTEENTH

AMENDMENT



1. Distric of Columbia
2. American Samoa
3. Guam
4. Commonwealth of Puerto Rico
5. Virgin Islands
6. Midway Island
7. Wake Island
8. Commonwealth of the Northern Marianas
9. Republic of Palau, Republic of the Marshall Islands (Independent), Federated States of Micronesia (Independent)
10. Johnston Island
11. Baker, Howland and Jarvis Islands
12. Kingman Reef and Palmyra Island
13. Navassa Island

EXHIBIT 9

Locator map for all possessions, including unincorporated territories.

IMPORTANT: See current Quarterly Cumulative Supplement for changes.

Various Constitutional amendments such as the 16th concerning the federal income tax do NOT apply to the 50 FREE & INDEPENDENT States of America; rather only to the exclusive federal areas specified by Congress (see above), because such power jurisdiction is as foreign to the 50 States as they are to each other by Law. (Ruled) N.Y. re: MERRIAM 36 NE 505, 141 NY 479, Affirmed 16 SCT. 1073 41 LEd. 287. This Law has not been changed.

PLEASE SEE PAGE 2-52

## Black's Law Dictionary 5<sup>th</sup> Edition

Legislative Intent. Such is looked to when court attempts to construe or interpret a statute which is ambiguous or inconsistent.

EXHIBIT 10

Florida State 1995      Income Tax Code      Ch. 220

### 220.02 Legislative Intent

(1) It is the intent of the Legislature in enacting this code to impose a tax upon all corporations, organizations, associations, and other artificial entities which derive from this state or from any other jurisdiction permanent and inherent attributes not inherent to or available to natural person, such as perpetual life, transferable ownership represented by shares or certificates and limited liability for all owners. It is intended that limited liability companies be subject to the tax imposed by such corporations and other entities to taxation hereunder for the privilege of conducting business, deriving income, or existing within this state. This code is not intended to tax, and shall not be construed so as to tax any natural person who engages in a trade, business or profession in this state under his or her own or any fictitious name whether individually as a proprietorship or, in partnership with other: any estate of a decedent or incompetent; or any testamentary trust.

LEGISLATIVE INTENT

**CONGRESSIONAL RECORD - SENATE - JUNE 16, 1909**

[From Pages 3344 – 3345]

The Secretary read as follows:

To the Senate and House of Representatives:

It is the constitutional duty of the President from time to time to recommend to the consideration of Congress such measures, as he shall judge necessary and expedient. In my inaugural address, immediately preceding this present extraordinary session of Congress, I invited attention to the necessity for a revision of the tariff at this session, and stated the principles upon which I thought the revision should be affected. I referred to the then rapidly increasing deficit and pointed out the obligation on the part of the framers of the tariff bill to arrange the duty so as to secure an adequate income, and suggested that if it was not possible to do so by import duties, new kinds of taxation must be adopted, and among them I recommended a graduated inheritance tax as correct in principle and as certain and easy of collection.

The House of Representatives has adopted the suggestion, and has provided in the bill it passed for the collection of such a tax. In the Senate the action of its Finance Committee and the course of the debate indicate that it may not agree to this provision, and it is now proposed to make up the deficit by the imposition of a general income tax, in form and substance of almost exactly the same character as, that which **in the case of Pollock v. Farmer's Loan and Trust Company (157 U.S., 429) was held by the Supreme Court to be a direct tax, and therefore not within the power of the Federal Government to impose unless apportioned among the several States according to population.** [Emphasis added] This new proposal, which I did not discuss in my inaugural address or in my message at the opening of the present session, makes it appropriate for me to submit to the Congress certain additional recommendations.

Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency. The decision of the Supreme Court in the income-tax cases **deprived the National Government of a power** which, by reason of previous decisions of the court, it was **generally supposed that government had.** It is undoubtedly a power the National Government ought to have. It might be indispensable to the Nation's life in great crises. Although I have not considered a constitutional amendment as necessary to the exercise of certain phases of this power, a mature consideration has satisfied me that an amendment is the only proper course for its establishment to its full extent.

I therefore recommend to the Congress that both Houses, by a two-thirds vote, **shall propose an amendment to the Constitution conferring the power to levy an income tax upon the National Government** without apportionment among the States in proportion to population.

This course is much to be preferred to the one proposed of reenacting a law once judicially declared to be unconstitutional. For the Congress to assume that the court will reverse itself, and to enact legislation on such an assumption, will not strengthen popular confidence in the stability of judicial construction of the Constitution. It is much wiser policy to accept the decision and remedy the defect by amendment in due and regular course.



105TH CONGRESS }  
*1st Session* }

SENATE

{ DOCUMENT  
105-14

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## EXHIBIT 11

# HOW OUR LAWS ARE MADE

Revised and Updated

by Charles W. Johnson, Parliamentarian,  
U.S. House of Representatives



Presented by Mr. Warner  
November 12, 1997.—Ordered to be printed

U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1998

44-600

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For sale by the Superintendent of Documents, U.S. Government Printing Office  
Washington, D.C. 20402

affirmative to pass the bill, the measure becomes the law of the land notwithstanding the objections of the President, and it is ready for publication as a binding statute.

#### LINE ITEM VETO

The Line Item Veto Act provides the President authority to cancel certain individual items contained in a bill or joint resolution that he has signed into law. The President may cancel only three types of fiscal items: a dollar amount of discretionary budget authority, an item of new direct spending, and a tax change benefiting a class of 100 or fewer. The cancellations must be received by the House and Senate within five calendar days of the enactment of such a law and are effective unless disapproved. The President submits a single message to both Houses containing all the cancellations per law. The Act also provides special expedited procedures by which the House and Senate may consider a bill or joint resolution disapproving a President's cancellation. Such a "disapproval bill" may be passed by a majority vote in the House and Senate and presented to the President for his signature or veto under the Constitution. If the disapproval bill were vetoed by the President, the House and Senate could override the veto by a two-thirds vote in each House in which case the President's cancellations would be null and void. The constitutionality of the Line Item Veto Act is the subject of pending litigation at the time of publication of this edition.

#### XIX. PUBLICATION

One of the important steps in the enactment of a valid law is the requirement that it shall be made known to the people who are to be bound by it. There would be no justice if the state were to hold its people responsible for their conduct before it made known to them the unlawfulness of such behavior. In practice, our laws are published immediately upon their enactment so that the public will be aware of them.

If the President approves a bill, or allows it to become law without signing it, the original enrolled bill is sent from the White House to the Archivist of the United States for publication. If a bill is passed by both Houses over the objections of the President, the body that last overrides the veto transmits it. It is then assigned a public law number, and paginated for the Statutes at Large volume covering that session of Congress. The public and private law numbers run in sequence starting anew at the beginning of each Congress and since 1957 are prefixed for ready identification by the number of the Congress. For example, the first public law of the 105th Congress is designated Public Law 105-1 and the first private law of the 105th Congress is designated Private Law 105-1. Subsequent laws of this Congress also will contain the same prefix designator.

#### SLIP LAWS

The first official publication of the statute is in the form generally known as the "slip law". In this form, each law is published separately as an unbound pamphlet. The heading indicates the

# TITLES OF UNITED STATES CODE

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>*1. General Provisions</li> <li>2. The Congress</li> <li>*3. The President</li> <li>*4. Flag and Seal, Seat of Government, and the States</li> <li>*5. Government Organization and Employees and Appendix</li> <li>†6. [Surety Bonds]</li> <li>7. Agriculture</li> <li>8. Aliens and Nationality</li> <li>*9. Arbitration</li> <li>*10. Armed Forces; and Appendix</li> <li>*11. Bankruptcy; and Appendix</li> <li>12. Banks and Banking</li> <li>*13. Census</li> <li>*14. Coast Guard</li> <li>15. Commerce and Trade</li> <li>16. Conservation</li> <li>*17. Copyrights</li> <li>*18. Crimes and Criminal Procedure; and Appendix</li> <li>19. Customs Duties</li> <li>20. Education</li> <li>21. Food and Drugs</li> <li>22. Foreign Relations and Intercourse</li> <li>*23. Highways</li> <li>24. Hospitals and Asylums</li> <li>25. Indians</li> <li><u>26. Internal Revenue Code</u></li> </ul> | <ul style="list-style-type: none"> <li>27. Intoxicating Liquors</li> <li>*28. Judiciary and Judicial Procedure; and Appendix</li> <li>29. Labor</li> <li>30. Mineral Lands and Mining</li> <li>*31. Money and Finance</li> <li>*32. National Guard</li> <li>33. Navigation and Navigable Waters</li> <li>‡34. [Navy]</li> <li>*35. Patents</li> <li>36. Patriotic Societies and Observances</li> <li>*37. Pay and Allowances of the Uniformed Service</li> <li>*38. Veterans' Benefits</li> <li>*39. Postal Service</li> <li>40. Public Buildings, Property, and Works</li> <li>41. Public Contracts</li> <li>42. The Public Health and Welfare</li> <li>43. Public Lands</li> <li>*44. Public Printing and Documents</li> <li>45. Railroads</li> <li>46. Shipping</li> <li>47. Telegraphs, Telephones and Radiotelegraphs</li> <li>48. Territories and Insular Possessions</li> <li>*49. Transportation; and Appendix</li> <li>50. War and National Defense; and Appendix</li> </ul> |
|---|---|

**EXHIBIT 12**

\*This title has been enacted as law. However, an Appendix to this title has not been enacted as law.

†This title was enacted as law and has been repealed by the enactment of Title 31.

‡This title has been eliminated by an enactment of Title 10.



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

JAN 24 1998

EXHIBIT 13

Mr. Irwin Schiff  
Freedom Books  
4616 W. Sahara Suite 340  
Las Vegas, NV 89102

Dear Mr. Schiff:

This is in response to your January 4, 1996, letter asking how you can tell what category a particular regulation falls.

Regulations are authorized by Internal Revenue Code section 7805. They constitute the primary source for guidance on the Treasury's position regarding the interpretation of the Code. Regulations have, generally, been classified into three broad categories: legislative, interpretative, and procedural.

Legislative regulations are those for which the Service is specifically authorized by the Code to prescribe the operating rules. Generally, legislative regulations have the force and effect of law unless the regulation exceeds the scope of the delegated power, is contrary to the statute, or is unreasonable.

Interpretative regulations explain the Service's position on the various sections of the Code. Although interpretative regulations do not have the force and effect of law, the courts customarily accord them substantial weight.

Procedural regulations are considered to be directive rather than mandatory, and thus, do not have the force and effect of law. The purpose of procedural regulations is to outline both for public consumption and internal guidance those rules which control the operation of the Internal Revenue Service in carrying out its prime function of administering and enforcing the Internal Revenue laws.

I hope that this information will be helpful to you.

Sincerely,

Cheryl Kordick, Chief  
Assistance Section

SCHEFF REPORT 4-4  
EXHIBIT #1



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# U.S. Code collection

Enforcement Statutes

- Assessment = 26 USC 6201
- Liens = 26 USC 6321
- Levies = 26 USC 6331

Regulations in 26 CFR Part 1 = NONE

Prev | Next

TITLE 26 > Subtitle F > CHAPTER 80 > Subchapter A > § 7805

## § 7805. Rules and regulations

How Current is This?

### (a) Authorization

Except where such authority is expressly given by this title to any person other than an officer or employee of the Treasury Department, the Secretary shall prescribe all needful rules and regulations for the enforcement of this title, including all rules and regulations as may be necessary by reason of any alteration of law in relation to internal revenue.

### (b) Retroactivity of regulations

#### (1) In general

Except as otherwise provided in this subsection, no temporary, proposed, or final regulation relating to the internal revenue laws shall apply to any taxable period ending before the earliest of the following dates:

(A) The date on which such regulation is filed with the Federal Register.

(B) In the case of any final regulation, the date on which any proposed or temporary regulation to which such final regulation relates was filed with the Federal Register.

(C) The date on which any notice substantially describing the expected contents of any temporary, proposed, or final regulation is issued to the public.

#### (2) Exception for promptly issued regulations

Paragraph (1) shall not apply to regulations filed or issued within 18 months of the date of the enactment of the statutory provision to which the regulation relates.

#### (3) Prevention of abuse

The Secretary may provide that any regulation may take effect or apply retroactively to prevent abuse.

#### (4) Correction of procedural defects

The Secretary may provide that any regulation may apply retroactively to correct a procedural defect in the issuance of any

Search this title:

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Your comments

See 26 CFR Part 1

See Michael L. White, Fed Atty OFR, Legal Opinion

There are No

enforcement regulations published in either areas for use by IRS.

See California Bankers Assn. v. Schultz - USSC decision

**Internal Revenue Service**

Department of the Treasury

Internal Revenue  
Service Center

Philadelphia, PA

P.O. Box 245, Bensalem, PA 19020

▶ [REDACTED]  
[REDACTED]  
[REDACTED]

**EXHIBIT 14**  
**MAY 22 2001**

• Dear [REDACTED]

I am sorry for the delay in responding to your letter dated February 15, 2001, to Senator Harry Reid. You asked about the enactment date of Title 26 of the Code of Federal Regulations (CFR).

[ The Internal Revenue Code of 1954 established Title 26 of the United States Code, and superseded the former tax law referred to as the Internal Revenue Code of 1939. The 1954 Code became law on August 16, 1954, when the president signed H.R. 8300. It became Public Law 591, 83<sup>rd</sup> Congress. ]

Beginning with the enactment of the 1954 Code, we stopped assigning a separate number (such as Regulations 111 or Regulations 118) to newly issued regulations. Since we began this practice, regulations are grouped under Title 26 of the CFR.

I hope this information is helpful. If we can be of further assistance, please contact Mrs. Rosemary Wallace, Identification Number 2814302090, at (215) 516-7606. This number is not toll-free.

Sincerely,

→ for   
David L. Medeck  
Field Director, Accounts Management

cc: The Honorable Harry Reid

[Code of Federal Regulations]  
[Title 26, Volume 1, Part 1 Sections 1.0-1 to 1.60]  
[Revised as of April 1, 2000]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 26CFR1.0-1]

**EXHIBIT 15**

[Page 8]

TITLE 26--INTERNAL REVENUE

CHAPTER I--INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY

PART 1--INCOME TAXES--Table of Contents

Sec. 1.0-1 Internal Revenue Code of 1954 and regulations.

(a) Enactment of law. The Internal Revenue Code of 1954 which became law upon enactment of Public Law 591, 83d Congress, approved August 16, 1954, provides in part as follows:

ENACTMENT  
8/16/54

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That

(a) Citation. (1) The provisions of this Act set forth under the heading ``Internal Revenue Title'' may be cited as the ``Internal Revenue Code of 1954''

(2) The Internal Revenue Code enacted on February 10, 1939, as amended, may be cited as the ``Internal Revenue Code of 1939''.

(b) Publication. This Act shall be published as volume 68A of the United States Statutes at Large, with a comprehensive table of contents and an appendix; but without an index or marginal references. The date of enactment, bill number, public law number, and chapter number, shall be printed as a headnote.

(c) Cross reference. For saving provisions, effective date provisions, and other related provisions, see chapter 80 (sec. 7801 and following) of the Internal Revenue Code of 1954.

(d) Enactment of Internal Revenue Title into law. The Internal Revenue Title referred to in subsection (a)(1) is as follows:

\* \* \* \* \*

In general, the provisions of the Internal Revenue Code of 1954 are applicable with respect to taxable years beginning after December 31, 1953, and ending after August 16, 1954. Certain provisions of that Code are deemed to be included in the Internal Revenue Code of 1939. See section 7851.

DURATION OF ENACTMENT

(b) Scope of regulations. The regulations in this part deal with (1) the income taxes imposed under subtitle A of the Internal Revenue Code of 1954, and (2) certain administrative provisions contained in subtitle F of such Code relating to such taxes. In general, the applicability of such regulations is commensurate with the applicability of the respective provisions of the Internal Revenue Code of 1954 except that with respect to the provisions of the Internal Revenue Code of 1954 which are deemed to be included in the Internal Revenue Code of 1939, the regulations relating to such provisions are applicable to certain fiscal years and short taxable years which are subject to the Internal Revenue Code of 1939. Those provisions of the regulations which are applicable to taxable years subject to the Internal Revenue Code of 1939 and the specific taxable years to which such provisions are so applicable are identified in each instance. The regulations in 26 CFR

Ends  
8/16/54

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[collection home](#)**EXHIBIT 16  
US CODE COLLECTION**[search](#)**TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART I > Sec. 6001.****Sec. 6001. - Notice or regulations requiring records, statements, and special returns**

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

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## EXHIBIT 16 US CODE COLLECTION



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[TITLE 26](#) > [Subtitle F](#) > [CHAPTER 61](#) > [Subchapter A](#) > [PART II](#) > [Subpart A](#) > [Sec. 6011.](#)

### **Sec. 6011. - General requirement of return, statement, or list**

#### **(a) General rule**

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

#### **(b) Identification of taxpayer**

The Secretary is authorized to require such information with respect to persons subject to the taxes imposed by chapter 21 or chapter 24 as is necessary or helpful in securing proper identification of such persons.

#### **(c) Returns, etc., of DISCS and former DISCS and FSC's and former FSC's**

##### **(1) Records and information**

A DISC or former DISC or a FSC or former FSC shall for the taxable year -

##### **(A)**

furnish such information to persons who were shareholders at any time during such taxable year, and to the Secretary, and

##### **(B)**

keep such records, as may be required by regulations prescribed by the Secretary.

##### **(2) Returns**

A DISC shall file for the taxable year such returns as may be prescribed by the Secretary by forms or regulations.

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**EXHIBIT 16  
US CODE COLLECTION**



search

**TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart B > Sec. 6012.**

Next

**Sec. 6012. - Persons required to make returns of income**

**(a) General rule**

Returns with respect to income taxes under subtitle A shall be made by the following:

**(1)**

**(A)**

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

**(i)**

who is not married (determined by applying section 7703), is not a surviving spouse (as defined in section 2(a)), is not a head of a household (as defined in section 2(b)), and for the taxable year has gross income of less than the sum of the exemption amount plus the basic standard deduction applicable to such an individual,

**(ii)**

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

**(iii)**

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

**(iv)**

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EXHIBIT 17  
US CODE COLLECTION



search

TITLE 26 > Subtitle F > CHAPTER 80 > Subchapter B > Sec. 7851.

Next

**Sec. 7851. - Applicability of revenue laws**

(a) General rules

Except as otherwise provided in any section of this title -

(1) Subtitle A

(A)

Chapters 1, 2, 4, <sup>[1]</sup> and 6 of this title shall apply only with respect to taxable years beginning after December 31, 1953, and ending after the date of enactment of this title, and with respect to such taxable years, chapters 1 (except sections 143 and 144) and 2, and section 3801, of the Internal Revenue Code of 1939 are hereby repealed.

(B)

Chapters 3 and 5 <sup>[1]</sup> of this title shall apply with respect to payments and transfers occurring after December 31, 1954, and as to such payments and transfers sections 143 and 144 and chapter 7 of the Internal Revenue Code of 1939 are hereby repealed.

(C)

Any provision of subtitle A of this title the applicability of which is stated in terms of a specific date (occurring after December 31, 1953), or in terms of taxable years ending after a specific date (occurring after December 31, 1953), shall apply to taxable years ending after such specific date. Each such provision shall, in the case of a taxable year subject to the Internal Revenue Code of 1939, be deemed to be included in the Internal Revenue Code of 1939, but shall be applicable only to taxable years ending after such specific date. The provisions of the Internal Revenue Code of 1939 superseded by provisions of subtitle A of this title the applicability of which is stated in terms of a specific date (occurring after

Search this title:

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Curious Questions:

How can a 'law' be a law BEFORE it is enacted?

How can a 'law' be a law once it has 'ended'?

See Index to United States Code and note that 26 USC has not been enacted but is "special law."

2/5/2002

**EXHIBIT 17**

December 31, 1953) shall be deemed to be included in subtitle A of this title, but shall be applicable only to the period prior to the taking effect of the corresponding provision of subtitle A.

**(D)**

Effective with respect to taxable years ending after March 31, 1954, and subject to tax under chapter 1 of the Internal Revenue Code of 1939 -

**(i)**

Sections 13(b)(3), 26(b)(2)(C), 26(h) (1)(C) (including the comma and the word "and" immediately preceding such section), 26(i)(3), 108 (k), 207(a)(1)(C), 207(a)(3)(C), and the last sentence of section 362(b)(3) of such Code are hereby repealed; and

**(ii)**


Sections 13(b)(2), 26(b)(2)(B), 26(h) (1)(B), 26(i) (2), 207(a)(1)(B), 207(a)(3)(B), 421(a)(1)(B), and the second sentence of section 362(b)(3) of such Code are hereby amended by striking out "and before April 1, 1954" (and any accompanying punctuation) wherever appearing therein.

**(2) Subtitle B****(A)**

Chapter 11 of this title shall apply with respect to estates of decedents dying after the date of enactment of this title, and with respect to such estates chapter 3 of the Internal Revenue Code of 1939 is hereby repealed.

**(B)**

Chapter 12 of this title shall apply with respect to the calendar year 1955 and all calendar years thereafter, and with respect to such years chapter 4 of the Internal Revenue Code of 1939 is hereby repealed.

**(3) Subtitle C**

Subtitle C of this title shall apply only with respect to remuneration paid after December 31, 1954, except that chapter 22 of such subtitle shall apply only with respect to remuneration paid after December 31, 1954, which is for services performed after such date. Chapter 9 of the Internal Revenue Code of 1939 is hereby repealed with respect to remuneration paid after December 31, 1954, except that subchapter B of such chapter (and subchapter E of such chapter to the extent it relates to subchapter B)

shall remain in force and effect with respect to remuneration paid after December 31, 1954, for services performed on or before such date.

**EXHIBIT 18****(4) Subtitle D**

Subtitle D of this title shall take effect on January 1, 1955.

Subtitles B and C of the Internal Revenue Code of 1939 (except chapters 7, 9, 15, 26, and 28, subchapter B of chapter 25, and parts VII and VIII of subchapter A of chapter 27 of such code) are hereby repealed effective January 1, 1955. Provisions having the same effect as section 6416(b)(2)(H), <sup>[1]</sup> and so much of section 4082(c) (FOOTNOTE 1) as refers to special motor fuels, shall be considered to be included in the Internal Revenue Code of 1939 effective as of May 1, 1954. Section 2450(a) of the Internal Revenue Code of 1939 (as amended by the Excise Tax Reduction Act of 1954) applies to the period beginning on April 1, 1954, and ending on December 31, 1954.

**(5) Subtitle E**

Subtitle E shall take effect on January 1, 1955, except that the provisions in section 5411 permitting the use of a brewery under regulations prescribed by the Secretary for the purpose of producing and bottling soft drinks, section 5554, and chapter 53 shall take effect on the day after the date of enactment of this title. Subchapter B of chapter 25, and part VIII of subchapter A of chapter 27, of the Internal Revenue Code of 1939 are hereby repealed effective on the day after the date of enactment of this title. Chapters 15 and 26, and part VII of subchapter A of chapter 27, of the Internal Revenue Code of 1939 are hereby repealed effective January 1, 1955.

**(6) Subtitle F****(A) General rule**

The provisions of subtitle F shall take effect on the day after the date of enactment of this title and shall be applicable with respect to any tax imposed by this title. The provisions of subtitle F shall apply with respect to any tax imposed by the Internal Revenue Code of 1939 only to the extent provided in subparagraphs (B) and (C) of this paragraph.

**(B) Assessment, collection, and refunds**

Notwithstanding the provisions of subparagraph (A), and notwithstanding any contrary provision of subchapter A of chapter 63 (relating to assessment), chapter 64 (relating to collection), or chapter 65 (relating to abatements, credits, and refunds) of this

Requirement - To direct, order, demand, instruct, command, compel;  
To ask for authoritatively or imperatively.

[Code of Federal Regulations]  
[Title 26, Volume 19, Parts 600 to end]  
[Revised as of April 1, 2000]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 26CFR601.702]

**EXHIBIT 19**

[Page 116-141]

TITLE 26--INTERNAL REVENUE

PART 601--STATEMENT OF PROCEDURAL RULES--Table of Contents

Subpart G--Records (Note)

Sec. 601.702 Publication and public inspection.

(a) Publication in the Federal Register--(1) Requirement. Subject to the application of the exemptions described in paragraph (b)(1) of Sec. 601.701 and subject to the limitations provided in subparagraph (2) of this paragraph, the Internal Revenue Service is required under 5 U.S.C. 552(a)(1) to separately state and currently publish in the Federal Register for the guidance of the public the following information:

(i) Descriptions of its central and field organization and the established places at which, the persons from whom, and the methods whereby, the public may obtain information, make submittals or requests, or obtain decisions, from the Service;

(ii) Statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures which are available;

(iii) Rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations;

(iv) Substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the Service; and

(v) Each amendment, revision, or repeal of matters referred to in subdivisions (i) through (iv) of this subparagraph.

Pursuant to the foregoing requirements, the Commissioner publishes in the Federal Register from time to time a statement, which is not codified in this chapter, on the organization and functions of the Internal Revenue Service, and such amendments as are

[[Page 117]]

needed to keep the statement on a current basis. In addition, there are published in the Federal Register the rules set forth in this part (Statement of Procedural Rules), such as those in Subpart E of this part, relating to conference and practice requirements of the Internal Revenue Service; the regulations in Part 301 of this chapter (Procedure and Administration Regulations); and the various substantive regulations under the Internal Revenue Code of 1986, such as the regulations in Part 1 of this chapter (Income Tax Regulations), in Part 20 of this chapter (Estate Tax Regulations) and, in Part 31 of this chapter (Employment Tax Regulations).

(2) Limitations--(i) Incorporation by reference in the Federal Register. Matter which is reasonably available to the class of persons affected thereby, whether in a private or public publication, will be

deemed published in the Federal Register for purposes of subparagraph (1) of this paragraph when it is incorporated by reference the **EXHIBIT 20** the approval of the Director of the Federal Register. The matter which is incorporated by reference must be set forth in the private or public publication substantially in its entirety and not merely summarized or printed as a synopsis. Matter, the location and scope of which are familiar to only a few persons having a special working knowledge of the activities of the Internal Revenue Service, may not be incorporated in the Federal Register by reference. Matter may be incorporated by reference in the Federal Register only pursuant to the provisions of 5 U.S.C. 552(a)(1) and 1 CFR Part 20.

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

(b) Public inspection and copying--(1) In general. Subject to the application of the exemptions described in paragraph (b)(1) of Sec. 601.701, the Internal Revenue Service is required under 5 U.S.C. 552(a)(2) to make available for public inspection and copying or, in the alternative, to promptly publish and offer for sale the following information:

(i) Final opinions, including concurring and dissenting opinions, and orders, if such opinions and orders are made in the adjudication of cases;

(ii) Those statements of policy and interpretations which have been adopted by the Internal Revenue Service but are not published in the Federal Register; and

(iii) Its administrative staff manuals and instructions to staff that affect a member of the public.

The Internal Revenue Service is also required by 5 U.S.C. 552(a)(2) to maintain and make available for public inspection and copying current indexes identifying any matter described in (b)(1) (i) through (iii) of this paragraph which is issued, adopted, or promulgated after July 4, 1967, and which is required to be made available for public inspection or published. In addition, the Internal Revenue Service will also promptly publish, quarterly or more frequently, and distribute (by sale or otherwise) copies of each index or supplements thereto unless it determines by order published in the Federal Register that the publication would be unnecessary and impracticable, in which case the Internal Revenue Service will nonetheless provide copies of such indexes on request at a cost not to exceed the direct cost of duplication. No matter described in (b)(1) (i) through (iii) of this paragraph which is required by this section to be made available for public inspection or published may be relied upon, used, or cited as precedent by the Internal Revenue Service against a party other than an agency unless such party has actual and timely notice of the terms of such matter or unless the matter has been indexed and either made available for inspection or published, as provided by this subparagraph. This subparagraph applies only to matters

[[Page 118]]

which have precedential significance. It does not apply, for example, to

National Archives



EXHIBIT 21

Washington, DC 20408

May 16, 1994

THE TRUTH IS IN THE FEDERAL REGISTER

Richard Durjak  
5506 West 22nd Place  
Cicero, IL 60650

Dear Mr. Durjak:

The Director of the Federal Register has asked me to respond to your inquiry. You have asked whether Internal Revenue Service provisions codified at 26 U.S.C. 6020, 6201, 6203, 6301, 6303, 6321, 6331 through 6343, 6601, 6602, 6651, 6701, and 7207 have been processed or included in 26 CFR part 1.

The Parallel Table of Authorities and Rules, a finding aid compiled and published by the Office of the Federal Register (OFR) as a part of the CFR Index, indicates that implementing regulations for the sections cited above have been published in various parts of title 27 of the Code of Federal Regulations (CFR). There are no corresponding entries for title 26.

However, the Parallel Table is only an extract of authority citations from the CFR data base and cannot be considered a comprehensive key to the statutory basis of all regulations. An agency may have additional authority for regulations that are not listed separately in authority citations, or is carried within the text of CFR sections. Citations in regulatory text generally do not appear as entries in the Parallel Table.

Since there are 12 volumes that make up part 1 of title 26 of the CFR, it would require extensive research to answer your question with certainty. Commercial computer based services are better equipped to perform this type of research. In any case, the OFR has neither the resources nor the authority to perform the research requested, since to do so would require us to make substantive interpretations as to whether certain tax statutes have any association with the specified set of regulations (see 1 CFR 3.1 enclosed).

Your second question refers to IRS procedures for incorporating material by reference in the Federal Register. The incorporation by reference process is narrowly defined by the provisions of 5 U.S.C. 552(a) and 1 CFR Part 51. Our records indicate that the Internal Revenue Service has not incorporated by reference in the Federal Register (as that term is defined in the Federal Register system) a requirement to make an income tax return.

I hope this information will be useful to you.

Sincerely,

*Michael L. White*

MICHAEL L. WHITE  
Attorney  
Office of the Federal Register

Enclosure



# THOMAS W. ROBERTS

2390 OLD U.S. HWY 441, SUITE 1  
MOUNT DORA, FLORIDA 32757

EXHIBIT 22

(352) 383-9100

FAX: (352) 383-0808

December 16, 1997

Certified Return Receipt Request  
#Z194264496

Internal Revenue Service  
Kansas City, MO 64999

RE: SS# [REDACTED]

SUBJECT: CP-515

Year(s) in Question: 1996

Dear Sirs:

Mr. Pope and I have Power of Attorney for [REDACTED] and are authorized to resolve the instant matter.

We have before us your CP-515. Before we can proceed to settle this, we have some documents we need for you to provide to us.

In reviewing the documents sent by the IRS we do not find any citation or reference to the specific tax you are claiming our client, [REDACTED] liable for. Since there are numerous types of taxes enumerated in the Internal Revenue Code, we need to know which specific type(s) of tax or taxes the records show that the IRS has determined our client is allegedly liable for in the specific year(s) in question.

We also need to know what specific tax form(s) the IRS records claim or show [REDACTED] was required to file for the specific year or years in question.

Specifically, the documents we need you to send are:

- 1) the documents used to determine what tax [REDACTED] is liable for;
- 2) the documents used to determine what form [REDACTED] is required to file for that tax; and;
- 3) the documents used to determine what type or class of taxpayer the IRS records indicate that [REDACTED] is; for the specific years(s) in question.

Since our client has never been given documents by the IRS which clearly state what specific tax(es) the IRS claims [REDACTED] is liable for and which specific form he / she is required to file, it is imperative that we must be able to obtain a true and correct copy of these documents before we can begin to resolve this matter.

Internal Revenue Service

District  
Director

Thomas W. Roberts  
8190 Beechmont Ave., #108  
Cincinnati, OH 45255

Department of Treasury

600 17<sup>th</sup> Street, Denver, CO 80202-2400

**EXHIBIT 22**

Person to Contact:  
Stephen Webb  
Telephone Number:  
(303) 446-1137  
Refer Reply To:  
PA 1999-267  
Date:

DEC 29 1998

Dear Mr. Roberts:

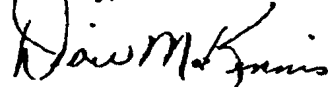
RE: Privacy Act Request for Virgil L. and Debora A.

This letter is in response to your Privacy Act request dated October 21, 1998.

In response to your items 1, 2, and 3, our records indicate that Mr. and Mrs. have filed a Form 1040, U.S. Individual Income Tax Return. The return was received on January 8, 1997. Mr. And Mrs. have therefore, determined the sources of income, the type of form to file and the particular tax they are liable for.

Thank you for your inquiry.

Sincerely,



Diane McKinnis  
Sr. Disclosure Specialist

Internal Revenue Service

Department of the Treasury

Director  
Internal Revenue  
Service Center

Philadelphia PA

P.O. Box 69, Bensalem, PA 19020

OCT 27 1998

**EXHIBIT 23**

Mr. Claudie Baker  
2213 Chase Field  
Shreveport, LA 71118

Dear Mr. Baker:

Your letter dated September 26, 1998 to Mr. Charles O. Rossotti, Commissioner of Internal Revenue, has recently been forwarded to my office for reply. Your inquiry concerned the authority by which the Internal Revenue Service (IRS) requires an individual to file a tax return.

It is not the policy of IRS to respond to letters such as yours on a point by point basis. Such letters almost always reflect personal opinions and frustrations with the tax system which the IRS is unable to address. However, we can supply the following general information which may concern the area of the law you are addressing. If more information is needed, you may wish to contact the Library of Congress.

\* Our system of taxation is dependent on taxpayers' belief that the laws they follow apply to everyone and that the IRS will respect and protect their rights under the law. We assure you that the mission of the IRS is to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. We apologize for any actions of rude behavior or intimidation you may have encountered.

The courts have consistently upheld the constitutionality of the federal income tax. See, e.g., Broughton v. United States, 632 F 2d 707 (8<sup>th</sup> Cir. 1980); Cupp v. Commissioner, 65 T.C. 68 (1975), aff'd mem., 559 F 2d 1207 (3<sup>rd</sup> Cir. 1977); and Schiff v. Commissioner, T.C.M. 1984-223, aff'd 751 f2d 116 (2<sup>nd</sup> Cir. 1984).

The courts have rejected claims that the Sixteenth Amendment, which grants Congress the power to prescribe the current income tax laws, was not properly ratified. Some individuals have alleged that the Sixteenth Amendment is invalid because Ohio was not a state at the time of ratification. However, the amendment was ratified by 38 states altogether and ratification was necessary by only 36. Therefore, more than enough states ratified this amendment even without Ohio's vote.

Whether an individual is liable for income tax is determined under Subtitle A of the Internal Revenue Code, (the Code), Chapter 1, Subchapter A. Determination of Tax Liability. Part 1, Section 1, imposes a tax on the taxable income of every individual. Whether an individual has taxable income is determined under Chapter 1, Subchapter B - Computation of Taxable Income. Part 1, Section 63, defines "taxable income", generally, as gross income minus the deductions allowed by Chapter 1.

How can Subtitle A be imposed when Subtitle A has never been enacted into law? 26 usc 7851(a)(1).  
• Statute has no full force & effect of law.  
• U.S. Citizens

The  
Question →

Code = 50 Titles  
Not all are  
enacted...

Excise Taxes  
Only

Sec 7851 p. 9442  
26 USC - No Enactment Date  
- Subtitle A & F

The current federal tax law enacted by Congress is the Code. Sections 6001 and 6011 of the Code provide, in pertinent part, that every person liable for any tax imposed by the Code shall make a return. In addition, Section 6012 of the Code provides that a federal income tax return shall be made by every individual whose gross income equals or exceeds certain amounts. "Shall" as used in Sections 6001, 6011 and 6012 means "must"; "must" means "to be required to". Who is required by the Code to file a return is explained in the instructions for Form 1040 under the heading "Filing Requirements".

The straight  
Answer

The law itself does not require individuals to file a Form 1040. However, Section 6001 of the Code states that every person liable for a tax imposed by the Code shall make returns and comply with such rules and regulations as the Secretary of the Treasury may from time to time prescribe. Section 1.6012(a)(6) of the Income Tax Regulations states that Form 1040 is prescribed for general use in making the return required under Section 6012 of the Code.

7 paragraphs  
after  
restarting  
the question

Section 6151 of the Code provides that, except as specifically provided otherwise, when a return of tax is required by the Code or the Regulations, the person required to make such a return shall, without assessment or notice and demand from the Secretary, pay such tax to the internal revenue officer with whom the return is filed.

Section 6331 of the Code states that if any person liable to pay tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the secretary to collect such tax by levy upon all property and rights to property belonging to such person.

The levy may be made upon the accrued salary or wages of any officer, employee, or elected official of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer of such officer, employee or elected official.

Section 6321 of the Code provides that if any person liable to pay any tax neglects or refuses to pay the same after demand, the amount (including any interest, additional amount, addition to tax, or assessable penalty, together with any costs that may accrue in addition thereto) shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person.

Your correspondence also request copies of several documents. Under 44 U.S.C. Chapter 1505, the Federal Register publishes Presidential Proclamations and Executive Orders, other documents they have "general applicability and legal effect", and documents required to be published by Congress. That does not mean or imply that any portion of the Code must be published in the Federal Register. The Code is the Federal Tax Law, not a "document" or "order".

We hope this information is helpful.

↳ 26 USC not enacted into law.

↳ 44 USC 1501 document means: "... order, regulation, rule, or similar instrument, issued, prescribed or promulgated by a Federal agency."

Sincerely,

Signature on File

Deborah Gasard  
For Joseph H. Cloonan  
Director

8 paragraphs  
spent in  
the attempt  
to say  
'What they've  
just said  
is not  
right.'

"United States means the Federal Government"

Not what Implementing Regulation 26 CFR 601.702(a)(1)

states! Requirement to Publish in the Federal Register

"The IRS is required under 5 USC 552(a)(1) to separately state and currently publish in the Federal Register for the guidance of the public... Substantive rules of general applicability adopted as authorized by law."

Internal Revenue Service

Director  
Internal Revenue  
Service Center

Philadelphia PA

Department of the Treasury

P.O. Box 69, Bensalem, PA 19020

OCT 27 1998

Mr. Claudie Baker  
2213 Chase Field  
Shreveport, LA 71118

Dear Mr. Baker:

Your letter dated September 26, 1998 to Mr. Charles O. Rossotti, Commissioner of Internal Revenue, has recently been forwarded to my office for reply. Your inquiry concerned the authority by which the Internal Revenue Service (IRS) requires an individual to file a tax return.

It is not the policy of IRS to respond to letters such as yours on a point by point basis. Such letters almost always reflect personal opinions and frustrations with the tax system which the IRS is unable to address. However, we can supply the following general information which may concern the area of the law you are addressing. If more information is needed, you may wish to contact the Library of Congress.

Our system of taxation is dependent on taxpayers' belief that the laws they follow apply to everyone and that the IRS will respect and protect their rights under the law. We assure you that the mission of the IRS is to provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all. We apologize for any actions of rude behavior or intimidation you may have encountered.

The courts have consistently upheld the constitutionality of the federal income tax. See, e.g., Broughton v. United States, 632 F 2d 707 (8<sup>th</sup> Cir. 1980); Cupp v. Commissioner, 65 T.C. 68 (1975), aff'd mem., 559 F 2d 1207 (3<sup>rd</sup> Cir. 1977); and Schiff v. Commissioner, T.C.M. 1984-223, aff'd 751 f2d 116 (2<sup>nd</sup> Cir. 1984).

The courts have rejected claims that the Sixteenth Amendment, which grants Congress the power to prescribe the current income tax laws, was not properly ratified. Some individuals have alleged that the Sixteenth Amendment is invalid because Ohio was not a state at the time of ratification. However, the amendment was ratified by 38 states altogether and ratification was necessary by only 36. Therefore, more than enough states ratified this amendment even without Ohio's vote.

Whether an individual is liable for income tax is determined under Subtitle A of the Internal Revenue Code, (the Code), Chapter 1, Subchapter A. Determination of Tax Liability. Part 1, Section 1, imposes a tax on the taxable income of every individual. Whether an individual has taxable income is determined under Chapter 1, Subchapter B - Computation of Taxable Income. Part 1, Section 63, defines "taxable income", generally, as gross income minus the deductions allowed by Chapter 1.

**The current federal tax law enacted by Congress is the Code.** Sections 6001 and 6011 of the Code provide, in pertinent part, that every person liable for any tax imposed by the Code shall make a return. In addition, Section 6012 of the Code provides that a federal income tax return shall be made by every individual whose gross income equals or exceeds certain amounts. "Shall" as used in Sections 6001, 6011 and 6012 means "must"; "must" means "to be required to". Who is required by the Code to file a return is explained in the instructions for Form 1040 under the heading "Filing Requirements".

**The law itself does not require individuals to file a Form 1040.** However, Section 6001 of the Code states that every person liable for a tax imposed by the Code shall make returns and comply with such rules and regulations as the Secretary of the Treasury may from time to time prescribe. Section 1.6012(a)(6) of the Income Tax Regulations states that Form 1040 is prescribed for general use in making the return required under Section 6012 of the Code.

Section 6151 of the Code provides that, except as specifically provided otherwise, when a return of tax is required by the Code or the Regulations, the person required to make such a return shall, without assessment or notice and demand from the Secretary, pay such tax to the internal revenue officer with whom the return is filed.

**Section 6331 of the Code states that if any person liable to pay tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the secretary to collect such tax by levy upon all property and rights to property belonging to such person. The levy may be made upon the accrued salary or wages of any officer, employee, or elected official of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer of such officer, employee or elected official.**

Section 6321 of the Code provides that if any person liable to pay any tax neglects or refuses to pay the same after demand, the amount (including any interest, additional amount, addition to tax, or assessable penalty, together with any costs that may accrue in addition thereto) shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person.

Your correspondence also request copies of several documents. Under 44 U.S.C. Chapter 1505, the Federal Register publishes Presidential Proclamations and Executive Orders, other documents they have "general applicability and legal effect", and documents required to be published by Congress. That does not mean or imply that any portion of the Code must be published in the Federal Register. The Code is the Federal Tax Law, not a "document" or "order".

We hope this information is helpful.

Sincerely,

*Signature on File*

Deborah Gasard  
For Joseph H. Cloonan  
Director

Your Name in upper & lower case  
Your Mailing Address  
City, State spelled out in full [Zip Code in brackets]

**EXHIBIT 24**

*"Silence equates to fraud where there is a legal or moral obligation to reveal the information or where a question left unanswered would be intentionally misleading." US v. Pruden, 424 F2d*

January 26, 2002

Chief, ACS  
Internal Revenue Service  
Fresno, CA 93888

SS#: Your SSN  
Tax Year: 1996  
Subject: FOIA Request  
Issue: CP 504 Tax & Assessment

Dear Chief, ACS:

This is a Freedom Of Information Act request under Title 5 USC Section 552. This is my firm promise to pay fees and costs for locating and duplicating the records below, ultimately determined in accordance with 26 CFR Section 601.702(f). If costs are expected to exceed \$0.00, please send estimate of costs.

If portions of this request are exempt from release, please furnish me with those portions reasonably segregated. Please expedite this request within the time prescribed by statute. This request pertains to calendar year 1996 as identified on the CP 504

A recent CP 504 form letter was received from your location regarding Year Ending 1996. Notice Date: 1-21-2002. I spoke with a Mr. Salinas, ID # 8900828 in your Fresno CA office and he could not determine any tax in his computer records that was related to the CP 504. Mr. Salinas stated that the IRS completed an Assessment and substitute tax form that generated the CP 504 form letter. *"Tax liability is a condition precedent to the demand. Merely demanding payment, even repeatedly, does not cause liability."* Boathke v. Flour Engineers & Contractors, 713 F.2<sup>nd</sup> 1405 (1983)

This FOIA Request is to obtain a clean, readable, hardcopy of the following documents in question:

1. A copy of the **Form 23C Assessment and Supporting Documents** for the year in question, which only identifies Your Name in upper & lower case, an American Citizen, as having been assessed. The Form 23 C and Supporting Documents must have been signed and dated by an IRS Assessment Officer under Penalties of Perjury against the Assessment Officer in order to be a valid authorized document. [A RACS report is not acceptable.]
2. A copy of the **Substituted Tax Form** for the year in question completed by the IRS individual who acted under enacted federal tax law to complete such a document.
3. A copy of the **Delegation of Authority from the Secretary of the Treasury** authorizing the identified IRS agent to complete the Substituted Tax Form for the year in question on behalf of the IRS.
4. An identification of the enacted federal tax law consisting of the specific Statute section in 26 USC and the specific Implementing Regulation section located in 26 CFR imposing the [currently unidentified] tax upon American Citizens.

I understand the penalties provided in 5 USC Section 552(a)(1)(3) for requesting or obtaining access to records under false pretense. This information is being secured for my own behalf for use in the CP 504 action that has been sent. Please identify all correspondence with my name and Social Security Number.

Regards,

*Your Name*

American Citizen who is a Non-taxpayer  
and is neither of the subject  
nor the object of federal revenue laws.

STATE OF NEVADA, COUNTY OF CLARK

The foregoing instrument was acknowledged before me

this \_\_\_\_\_ of \_\_\_\_\_, 2002 by Your Name,  
who is personally known to me.

\_\_\_\_\_  
Signature of Notary Public

EXHIBIT

EXHIBIT 25



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

[REDACTED]  
[REDACTED]  
Greenwich, CT [REDACTED]

Person to Contact:  
Carroll Field  
Telephone Number:  
(202) 622-5151  
Refer Reply to:  
OP:EX:GLD:F/1998-4477  
Date: JUN 26 1998

Dear Mr. [REDACTED]

This is in response to your May 29, 1998, Freedom of Information Act request which was sent to the Headquarters Office. We apologize for the delay in responding to your request.

In response to item six of your request, please be advised that the Internal Revenue Service is subject to the Administrative Procedures Act.

Sincerely,

Carroll Field  
Tax Law Specialist  
Freedom of Information

In response to item six of your request, please be advised that the Internal revenue service is subject to the Administrative Procedures Act.



# LII

legal information institute

[collection home](#)

## EXHIBIT 26 US CODE COLLECTION



[search](#)

**TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > Sec. 556.**

[Prev](#) | [Next](#)

### **Sec. 556. - Hearings; presiding employees; powers and duties; burden of proof; evidence; record as basis of decision**

**(a)**

This section applies, according to the provisions thereof, to hearings required by section 553 or 554 of this title to be conducted in accordance with this section.

**(b)**

There shall preside at the taking of evidence -

**(1)**

the agency;

**(2)**

one or more members of the body which comprises the agency; or

**(3)**

one or more administrative law judges appointed under section 3105 of this title.

This subchapter does not supersede the conduct of specified classes of proceedings, in whole or in part, by or before boards or other employees specially provided for by or designated under statute. The functions of presiding employees and of employees participating in decisions in accordance with section 557 of this title shall be conducted in an impartial manner. A presiding or participating employee may at any time disqualify himself. On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating employee, the agency shall determine the matter as a part of the record and decision in the case.

**(c)**

Subject to published rules of the agency and within its

*Search this title:*

Notes  
Updates  
Parallel authorities  
(CFR)  
Topical references

powers, employees presiding at hearings may -

**(1)**

administer oaths and affirmations;

**(2)**

issue subpoenas authorized by law;

**(3)**

rule on offers of proof and receive relevant evidence;

**(4)**

take depositions or have depositions taken when the ends of justice would be served;

**(5)**

regulate the course of the hearing;

**(6)**

hold conferences for the settlement or simplification of the issues by consent of the parties or by the use of alternative means of dispute resolution as provided in subchapter IV of this chapter;

**(7)**

inform the parties as to the availability of one or more alternative means of dispute resolution, and encourage use of such methods;

**(8)**

require the attendance at any conference held pursuant to paragraph (6) of at least one representative of each party who has authority to negotiate concerning resolution of issues in controversy;

**(9)**

dispose of procedural requests or similar matters;

**(10)**

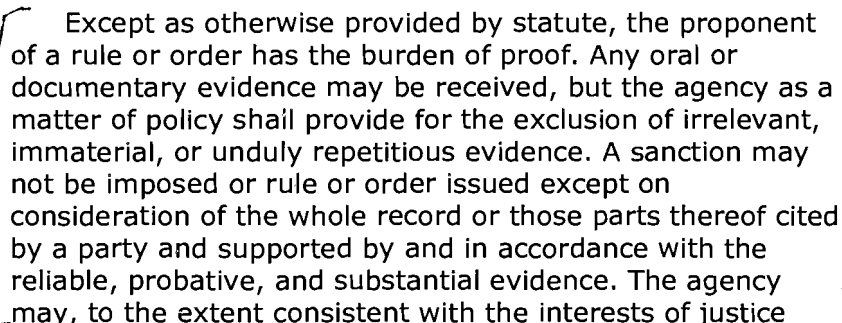
make or recommend decisions in accordance with section 557 of this title; and

**(11)**

take other action authorized by agency rule consistent with this subchapter.

**(d)**

## EXHIBIT 26



Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof. Any oral or documentary evidence may be received, but the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. A sanction may not be imposed or rule or order issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence. The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557(d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur. A party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In rule making or determining claims for money or benefits or applications for initial licenses an agency may, when a party will not be prejudiced thereby, adopt procedures for the submission of all or part of the evidence in written form.

**EXHIBIT 26****(e)**

The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, constitutes the exclusive record for decision in accordance with section 557 of this title and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary

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## EXHIBIT 27 US CODE COLLECTION



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**TITLE 26 > Subtitle F > CHAPTER 79 > Sec. 7701.**

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### Sec. 7701. - Definitions

(a)

→ When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof

(1) Person

The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, association, company or corporation.

(2) Partnership and partner

The term "partnership" includes a syndicate, group, pool, joint venture, or other unincorporated organization, through or by means of which any business, financial operation, or venture is carried on, and which is not, within the meaning of this title, a trust or estate or a corporation; and the term "partner" includes a member in such a syndicate, group, pool, joint venture, or organization.

(3) Corporation

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

(4) Domestic

The term "domestic" when applied to a corporation or partnership means created or organized in the United States or under the law of the United States or of any State unless, in the case of a partnership, the Secretary provides otherwise by regulations.

(5) Foreign

The term "foreign" when applied to a corporation or partnership means a corporation or partnership which is not domestic.

(6) Fiduciary

Search this title:

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- Topical references

**EXHIBIT 27**

The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

**(7) Stock**

The term "stock" includes shares in an association, joint-stock company, or insurance company.

**(8) Shareholder**

The term "shareholder" includes a member in an association, joint-stock company, or insurance company.

**(9) United States**

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

**(10) State**

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

**(11) Secretary of the Treasury and Secretary****(A) Secretary of the Treasury**

The term "Secretary of the Treasury" means the Secretary of the Treasury, personally, and shall not include any delegate of his.

**(B) Secretary**

The term "Secretary" means the Secretary of the Treasury or his delegate.

**(12) Delegate****(A) In general**

The term "or his delegate" -

**(i)**

when used with reference to the Secretary of the Treasury, means any officer, employee, or agency of the Treasury Department duly authorized by the Secretary of the Treasury directly, or indirectly by one or more redelegations of authority, to perform the function mentioned or described in the context; and

**(ii)**

when used with reference to any other official of



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EXHIBIT 27  
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TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter Q > PART II > Sec. 1313.

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**Sec. 1313. - Definitions**

**(a) Determination**

For purposes of this part, the term "determination" means -

**(1)**

a decision by the Tax Court or a judgment, decree, or other order by any court of competent jurisdiction, which has become final;

**(2)**

a closing agreement made under section 7121;

**(3)**

a final disposition by the Secretary of a claim for refund. For purposes of this part, a claim for refund shall be deemed finally disposed of by the Secretary -

**(A)**

as to items with respect to which the claim was allowed, on the date of allowance of refund or credit or on the date of mailing notice of disallowance (by reason of offsetting items) of the claim for refund, and

**(B)**

as to items with respect to which the claim was disallowed, in whole or in part, or as to items applied by the Secretary in reduction of the refund or credit, on expiration of the time for instituting suit with respect thereto (unless suit is instituted before the expiration of such time); or

**(4)**

under regulations prescribed by the Secretary, an agreement for purposes of this part, signed by the Secretary and by any person, relating to the liability of

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such person (or the person for whom he acts) in respect of a tax under this subtitle for any taxable period.

**EXHIBIT 27**

**(b) Taxpayer**

Notwithstanding section 7701(a)(14), the term "taxpayer" means any person subject to a tax under the applicable revenue law.

**(c) Related taxpayer**

For purposes of this part, the term "related taxpayer" means a taxpayer who, with the taxpayer with respect to whom a determination is made, stood, in the taxable year with respect to which the erroneous inclusion, exclusion, omission, allowance, or disallowance was made, in one of the following relationships:

**(1)**

husband and wife,

**(2)**

grantor and fiduciary,

**(3)**

grantor and beneficiary,

**(4)**

fiduciary and beneficiary, legatee, or heir,

**(5)**

decedent and decedent's estate,

**(6)**

partner, or

**(7)**

member of an affiliated group of corporations (as defined in section 1504)

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## EXHIBIT 28 US CODE COLLECTION



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TITLE 26 > Subtitle F > CHAPTER 64 > Subchapter D > PART II > Sec. 6331.

Next

### Sec. 6331. - Levy and distraint

#### (a) Authority of Secretary

If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section 6334) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.

#### (b) Seizure and sale of property

The term "levy" as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).

#### (c) Successive seizures

Whenever any property or right to property upon which levy has been made by virtue of subsection (a) is not sufficient to satisfy the claim of the United States for which levy is made, the Secretary may, thereafter, and as often as may be necessary, proceed to levy in like manner upon any other property liable to levy of the person against whom

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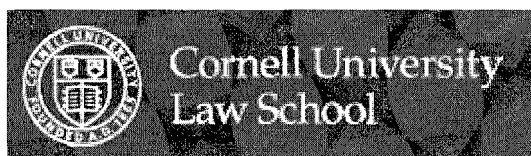
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- Topical references



**Sec. 6331. Levy and distraint**

→ Cotton & Distilled Spirits only  
US Code as of: 01/05/99  
 Rebut: Statutes-at-Large  
 Revised Statutes of 1874  
 Section 3187

- (a) Authority of Secretary  
 If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and demand, it shall be lawful for the Secretary to collect such tax (and such further sum as shall be sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except such property as is exempt under section ~~6334~~) belonging to such person or on which there is a lien provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or wages of any officer, employee, or elected official, of the United States, the District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d)) of such officer, employee, or elected official. If the Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this section.
- (b) Seizure and sale of property  
 The term "levy" as used in this title includes the power of distraint and seizure by any means. Except as otherwise provided in subsection (e), a levy shall extend only to property possessed and obligations existing at the time thereof. In any case in which the Secretary may levy upon property or rights to property, he may seize and sell such property or rights to property (whether real or personal, tangible or intangible).
- (c) Successive seizures  
 Whenever any property or right to property upon which levy has been made by virtue of subsection (a) is not sufficient to satisfy the claim of the United States for which levy is made, the Secretary may, thereafter, and as often as may be necessary, proceed to levy in like manner upon any other property liable to levy of the person against whom such claim exists, until the amount due from him, together with all expenses, is fully paid.
- (d) Requirement of notice before levy
  - (1) In general  
 Levy may be made under subsection (a) upon the salary or wages or other property of any person with respect to any unpaid tax only after the Secretary has notified such person in writing of his intention to make such levy.
  - (2) 30-day requirement  
 The notice required under paragraph (1) shall be -
    - (A) given in person,
    - (B) left at the dwelling or usual place of business of such person, or
    - (C) sent by certified or registered mail to such persons's last known address,

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### CFR parts for which 26 USC 6331 provides authority

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- 27 CFR 70

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## Electronic Code of Federal Regulations (e-CFR)

e-CFR Data is current as of June 13, 2007

### TITLE 27--Alcohol, Tobacco Products and Firearms

#### CHAPTER I--ALCOHOL AND TOBACCO TAX AND TRADE BUREAU, DEPARTMENT OF THE TREASURY

##### SUBCHAPTER F--PROCEDURES AND PRACTICES

##### PART 70--PROCEDURE AND ADMINISTRATION

---

###### Subpart A--SCOPE

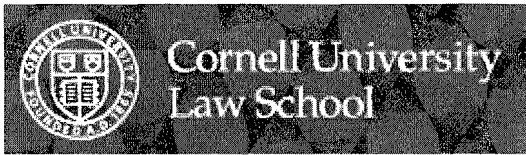
- §70.1 General.
  - §70.2 Forms prescribed.
  - §70.3 Delegations of the Administrator.
- 

###### Subpart B--DEFINITIONS

- §70.11 Meaning of terms.
- 

###### Subpart C--DISCOVERY OF LIABILITY AND ENFORCEMENT OF LAWS

- §70.21 Canvass of regions for taxable persons and objects.
- §70.22 Examination of books and witnesses.
- §70.23 Service of summonses.
- §70.24 Enforcement of summonses.
- §70.25 Special procedures for third-party summonses.
- §70.26 Third-party recordkeepers.
- §70.27 Right to intervene; right to institute a proceeding to quash.
- §70.28 Summonses excepted from 26 U.S.C. 7609 procedures.
- §70.29 Suspension of statutes of limitations.


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**TITLE 26 > Subtitle F > CHAPTER 80 > Subchapter B > § 7851**

## § 7851. Applicability of revenue laws

*How Current is This?*

### (a) General rules

Except as otherwise provided in any section of this title—

#### (1) Subtitle A

**(A)** Chapters 1, 2, 4,<sup>[1]</sup> and 6 of this title shall apply only with respect to taxable years beginning after December 31, 1953, and ending after the date of enactment of this title, and with respect to such taxable years, chapters 1 (except sections 143 and 144) and 2, and section 3801, of the Internal Revenue Code of 1939 are hereby repealed.

**(B)** Chapters 3 and 5<sup>[1]</sup> of this title shall apply with respect to payments and transfers occurring after December 31, 1954, and as to such payments and transfers sections 143 and 144 and chapter 7 sections 143 and 144 and chapter 7 of the Internal Revenue Code of 1939 are hereby repealed.

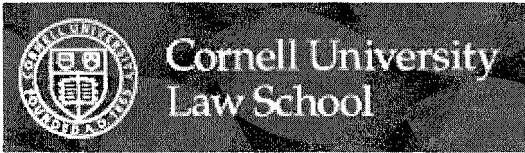
**(C)** Any provision of subtitle A of this title the applicability of which is stated in terms of a specific date (occurring after December 31, 1953), or in terms of taxable years ending after a specific date (occurring after December 31, 1953), shall apply to taxable years ending after such specific date. Each such provision shall, in the case of a taxable year subject to the Internal Revenue Code of 1939, be deemed to be included in the Internal Revenue Code of 1939, but shall be applicable only to taxable years ending after such specific date. The provisions of the Internal Revenue Code of 1939 superseded by provisions of subtitle A of this title the applicability of which is stated in terms of a specific date (occurring after December 31, 1953) shall be deemed to be included in subtitle A of this title, but shall be applicable only to the period prior to the taking effect of the corresponding provision of subtitle A.

**(D)** Effective with respect to taxable years ending after March 31, 1954, and subject to tax under chapter 1 of the Internal Revenue Code of 1939—

**(i)** Sections 13 (b)(3), 26 (b)(2)(C), 26 (h) (1)(C) (including the comma and the word "and" immediately

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- 27 CFR 24

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## Electronic Code of Federal Regulations (e-CFR)

e-CFR Data is current as of April 9, 2007

### TITLE 27--Alcohol, Tobacco Products and Firearms

#### CHAPTER I--ALCOHOL AND TOBACCO TAX AND TRADE BUREAU, DEPARTMENT OF THE TREASURY

##### SUBCHAPTER A--LIQUORS

##### PART 24--WINE

---

###### Subpart A--SCOPE

- §24.1            General.
  - §24.2            Territorial extent.
  - §24.4            Related regulations.
- 

###### Subpart B--DEFINITIONS

- §24.10            Meaning of terms.
- 

###### Subpart C--ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

- §24.19            Delegations of the Administrator.
- §24.20            Forms prescribed.
- §24.21            Modified forms.
- §24.22            Alternate method or procedure.
- §24.25            Emergency variations from requirements.
- §24.26            Authority to approve.
- §24.27            Segregation of operations.
- §24.28            Installation of meters, tanks, and other apparatus.
- §24.29            Claims.
- §24.30            Supervision.

LEGISLATIVE INTENT

CONGRESSIONAL RECORD - SENATE - JUNE 16, 1909

[From Pages 3344 – 3345]

EXHIBIT 29

The Secretary read as follows:

To the Senate and House of Representatives:

It is the constitutional duty of the President from time to time to recommend to the consideration of Congress such measures, as he shall judge necessary and expedient. In my inaugural address, immediately preceding this present extraordinary session of Congress, I invited attention to the necessity for a revision of the tariff at this session, and stated the principles upon which I thought the revision should be affected. I referred to the then rapidly increasing deficit and pointed out the obligation on the part of the framers of the tariff bill to arrange the duty so as to secure an adequate income, and suggested that if it was not possible to do so by import duties, new kinds of taxation must be adopted, and among them I recommended a graduated inheritance tax as correct in principle and as certain and easy of collection.

The House of Representatives has adopted the suggestion, and has provided in the bill it passed for the collection of such a tax. In the Senate the action of its Finance Committee and the course of the debate indicate that it may not agree to this provision, and it is now proposed to make up the deficit by the imposition of a general income tax, in form and substance of almost exactly the same character as, that which **in the case of Pollock v. Farmer's Loan and Trust Company (157 U.S., 429) was held by the Supreme Court to be a direct tax, and therefore not within the power of the Federal Government to impose unless apportioned among the several States according to population.** [Emphasis added] This new proposal, which I did not discuss in my inaugural address or in my message at the opening of the present session, makes it appropriate for me to submit to the Congress certain additional recommendations.

Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency. The decision of the Supreme Court in the income-tax cases **deprived the National Government of a power** which, by reason of previous decisions of the court, it was **generally supposed that government had.** It is undoubtedly a power the National Government ought to have. It might be indispensable to the Nation's life in great crises. Although I have not considered a constitutional amendment as necessary to the exercise of certain phases of this power, a mature consideration has satisfied me that an amendment is the only proper course for its establishment to its full extent.

I therefore recommend to the Congress that both Houses, by a two-thirds vote, **shall propose an amendment to the Constitution conferring the power to levy an income tax upon the National Government** without apportionment among the States in proportion to population.

This course is much to be preferred to the one proposed of reenacting a law once judicially declared to be unconstitutional. For the Congress to assume that the court will reverse itself, and to enact legislation on such an assumption, will not strengthen popular confidence in the stability of judicial construction of the Constitution. It is much wiser policy to accept the decision and remedy the defect by amendment in due and regular course.

Again, it is clear that by the enactment of the proposed law the Congress will not be bringing money into the Treasury to meet the present deficiency, but by putting on the statute book a law already there and never repealed will simply be suggesting to the executive officers of the Government their possible duty to invoke litigation.

If the court should maintain its former view, not tax would be collected at all. If it should ultimately reverse itself, still no taxes would have been collected until after protracted delay.

It is said the difficulty and delay in securing the approval of three-fourths of the States will destroy all chance of adopting the amendment. Of course, no one can speak with certainty upon this point, but I have become convinced that a great majority of the people of this country are in favor of investing the National Government with power to levy an income tax, and that they will secure the adoption of the amendment in the States, if proposed to them.

Second, **the decision in the Pollock case left power in the National Government to levy an excise tax, which accomplishes the same purpose as a corporation income tax** and is free from certain objections urged to the proposed income tax measure.

I therefore recommend an **amendment to the tariff bill imposing upon all corporations and joint stock companies for profit**, except national banks (otherwise taxed), savings banks, and building and loan associations, **an excise tax** measured by 2 per cent on the net income of such corporations. **This is an excise tax upon the privilege of doing business as an artificial entity and of freedom from a general partnership liability enjoyed by those who own the stock.** [Emphasis added] I am informed that a 2 per cent tax of this character would bring into the Treasury of the United States not less than \$25,000,000.

The decision of the Supreme Court in the case of Spreckels Sugar Refining Company against McClain (192 U.S., 397), seems clearly to **establish the principle that such a tax as this is an excise tax upon privilege and not a direct tax on property**, and is within the federal power without apportionment according to population. The tax on net income is preferable to one proportionate to a percentage of the gross receipts, because it is a tax upon success and not failure. It imposes a burden at the source of the income at a time when the corporation is well able to pay and when collection is easy.

Another merit of this tax is the federal supervision, which must be exercised in order to make the law effective over the annual accounts and business transactions of all corporations. While the faculty of assuming a corporate form has been of the utmost utility in the business world, it is also true that substantially all of the abuses and all of the evils which have aroused the public to the necessity of reform were made possible by the use of this very faculty. If now, by a perfectly legitimate and effective system of taxation, we are incidentally able to possess the Government and the stockholders and the public of the knowledge of the real business transactions and the gains and profits of every corporation in the country, we have made a long step toward that supervisory control of corporations which may prevent a further abuse of power.

I recommend, then, first, the adoption of a joint resolution by two-thirds of both Houses, proposing to the States an amendment to the Constitution granting to the Federal Government the right to levy and collect an income tax without apportionment among the several States according to population; and, second, the enactment, as part of the pending revenue measure, either as a substitute for, or in addition to, the inheritance tax, of an excise tax upon all corporations, measured by 2 percent of their net income.

Wm. H. Taft

THE WHITE HOUSE, June 16, 1909.



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## EXHIBIT 30 US CODE COLLECTION



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**TITLE 31 > SUBTITLE I > CHAPTER 3 > SUBCHAPTER I**

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

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- Sec. 323. Investment of operating cash
- Sec. 324. Disposing and extending the maturity of obligations
- Sec. 325. International affairs authorization
- Sec. 326. Availability of appropriations for certain expenses
- Sec. 327. Advancements and reimbursements for services
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- Sec. 329. Limitations on outside activities
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- Sec. 332. Miscellaneous administrative authority
- Sec. 333. Prohibition of misuse of Department of the Treasury names, symbols, etc.

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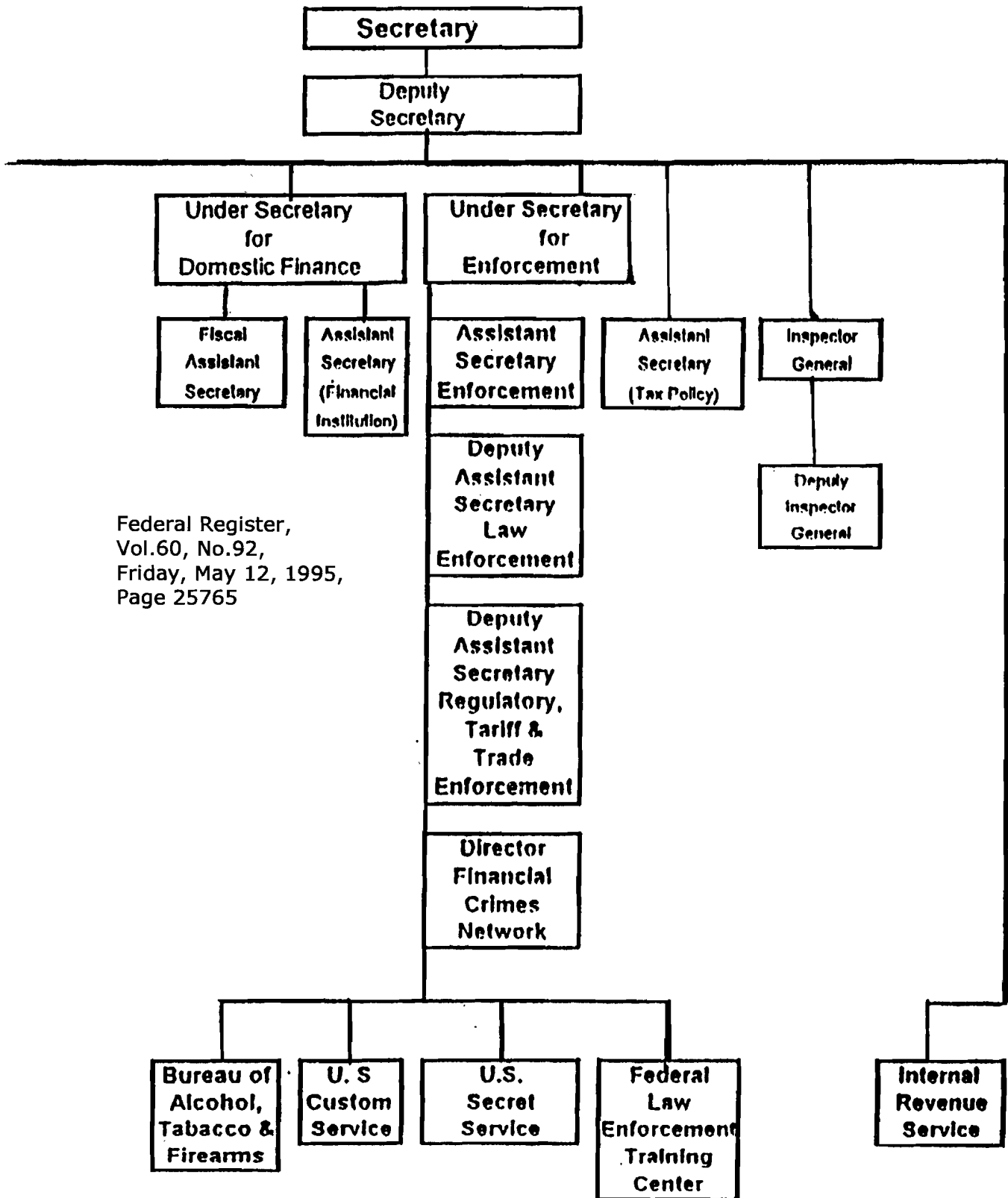
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## WHERE IS THE IRS?

THE DEPARTMENT OF THE TREASURY

EXHIBIT 31



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Vol.60, No.92,  
Friday, May 12, 1995,  
Page 25765

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United States Attorney  
United States Attorney's Office  
Box 32  
Boise, Idaho 83707  
Telephone: (208) 334-1211

**EXHIBIT 32**

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RICHARD R. WARD  
Trial Attorney, Tax Division  
U.S. Department of Justice  
P.O. Box 683  
Ben Franklin Station  
Washington, D.C. 20044-0683  
Telephone: (202) 307-5867

Attorneys for the United States of America

IN THE UNITED STATES DISTRICT COURT FOR THE

DISTRICT OF IDAHO

DIVERSIFIED METAL PRODUCTS,  
INC.,

Plaintiff,

v.

T-BOW COMPANY TRUST, INTERNAL  
REVENUE SERVICE, and STEVE  
MORGAN,

Defendants.

I, Duane Panter hereby swear (or affirm) that this reproduction of Civil No. 93-405-E-EJL is a true, correct and complete photocopy of a document in my possession.

Duane Panter  
2124 Harrison Ave. Medford, Oregon 97501

Civil No. 93-405-E-EJL

UNITED STATES' ANSWER AND CLAIM

The United States of America, through undersigned counsel hereby responds to the numbered paragraphs of plaintiff's complaint as follows:

1. The United States is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 1 and, on that basis, denies the allegations.

UNITED STATES ANSWER AND CLAIM - 1

Certified to be a true and correct copy of original filed in my office  
Cameron S. Burke, Clerk  
United States Courts, District of Idaho  
By: Jill Agui Deputy  
Dated: 4-20-00

APR 20 2000  
FEDERAL CLERK  
DISTRICT COURT  
DISTRICT OF IDAHO  
BOISE

2. The United States is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 2 and, on that basis, denies the allegations.

3. The United States is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 3 and, on that basis, denies the allegations.

4. Denies that the Internal Revenue Service is an agency of the United States Government but admits that the United States of America would be a proper party to this action. Admits that the IRS has served a Notice of Levy on plaintiff for funds owed to defendant Steve Morgan.

5. Admits that the IRS has made a demand on plaintiff for payment of funds owed to Steve Morgan. The United States is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations, and, on that basis, denies the remaining allegations.

6. Admits that Exhibits A and B are attached and are respectively, a copy of a letter from Lonnie Crockett and a copy of a Notice of Levy served by the IRS.

7. The United States is without information or knowledge sufficient to form a belief as to the truth of the allegations contained in paragraph 7 and, on that basis, denies the allegations.

UNITED STATES ANSWER AND CLAIM - 2

Q: The IRS is not an agency of the Dept of Treasury or the US. They must be something else. What else but a corp? 28 USC 1349.

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**EXHIBIT 33**  
**US CODE COLLECTION**



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**TITLE 28 > PART IV > CHAPTER 85 > Sec. 1349.**

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**Sec. 1349. - Corporation organized under federal law as party**

The district courts shall not have jurisdiction of any civil action by or against any corporation upon the ground that it was incorporated by or under an Act of Congress, unless the United States is the owner of more than one-half of its capital stock

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§ 103.34

31 CFR Ch. I (7-1-05 Edition)

with the provisions of paragraph (g)(2) of this section if it:

(A) Includes in the transmittal order, at the time it is sent to the receiving financial institution, the information specified in paragraphs (g)(2)(iii) through (g)(2)(vi) of this section, to the extent that such information has been received by the intermediary financial institution; and

(B) Provides the information specified in paragraphs (g)(2)(i), (ii) and (vii) of this section, to the extent that such information has been received by the intermediary financial institution, to a financial institution that acted as an intermediary financial institution or recipient's financial institution in connection with the transmittal order, within a reasonable time after any such financial institution makes a request therefor in connection with the requesting financial institution's receipt of a lawful request for such information from a federal, state, or local law enforcement or regulatory agency, or in connection with the requesting financial institution's own Bank Secrecy Act compliance program.

(iii) *Obligation of requesting financial institution.* Any information requested under paragraph (g)(3)(i)(B) or (g)(3)(ii)(B) of this section shall be treated by the requesting institution, once received, as if it had been included in the transmittal order to which such information relates.

(4) *Exceptions.* The requirements of this paragraph (g) shall not apply to transmittals of funds that are listed in paragraph (e)(6) or (f)(6) of this section.

(Approved by the Office of Management and Budget under control number 1505-0063)

[37 FR 6912, Apr. 5, 1972, as amended at 52 FR 11444, Apr. 8, 1987; 54 FR 33679, Aug. 16, 1989; 60 FR 229, 238, Jan. 3, 1995; 61 FR 14385, 14388, Apr. 1, 1996; 61 FR 18250, Apr. 25, 1996; 68 FR 65399, Nov. 20, 2003]

§ 103.34 **Additional records to be made and retained by banks.**

(a)(1) With respect to each certificate of deposit sold or redeemed after May 31, 1978, and before October 1, 2003, or each deposit or share account opened with a bank after June 30, 1972, and before October 1, 2003, a bank shall, within 30 days from the date such a transaction occurs or an account is opened,

secure and maintain a record of the taxpayer identification number of the customer involved; or where the account or certificate is in the names of two or more persons, the bank shall secure the taxpayer identification number of a person having a financial interest in the certificate or account. In the event that a bank has been unable to secure, within the 30-day period specified, the required identification, it shall nevertheless not be deemed to be in violation of this section if (i) it has made a reasonable effort to secure such identification, and (ii) it maintains a list containing the names, addresses, and account numbers of those persons from whom it has been unable to secure such identification, and makes the names, addresses, and account numbers of those persons available to the Secretary as directed by him. A bank acting as an agent for another person in the purchase or redemption of a certificate of deposit issued by another bank is responsible for obtaining and recording the required taxpayer identification, as well as for maintaining the records referred to in paragraphs (b)(11) and (12) of this section. The issuing bank can satisfy the recordkeeping requirement by recording the name and address of the agent together with a description of the instrument and the date of the transaction. Where a person is a non-resident alien, the bank shall also record the person's passport number or a description of some other government document used to verify his identity.

(2) The 30-day period provided for in paragraph (a)(1) of this section shall be extended where the person opening the account has applied for a taxpayer identification or social security number on Form SS-4 or SS-5, until such time as the person maintaining the account has had a reasonable opportunity to secure such number and furnish it to the bank.

(3) A taxpayer identification number required under paragraph (a)(1) of this section need not be secured for accounts or transactions with the following: (i) Agencies and instrumentalities of Federal, state, local or foreign governments; (ii) judges, public officials, or clerks of courts of record as custodians of funds in controversy or

under the control of the court; (iii) aliens who are (A) ambassadors, ministers, career diplomatic or consular officers, or (B) naval, military or other attaches of foreign embassies and legations, and for the members of their immediate families; (iv) aliens who are accredited representatives of international organizations which are entitled to enjoy privileges, exemptions and immunities as an international organization under the International Organization Immunities Act of December 29, 1945 (22 U.S.C. 288), and the members of their immediate families; (v) aliens temporarily residing in the United States for a period not to exceed 180 days; (vi) aliens not engaged in a trade or business in the United States who are attending a recognized college or university or any training program, supervised or conducted by any agency of the Federal Government; (vii) unincorporated subordinate units of a tax exempt central organization which are covered by a group exemption letter, (viii) a person under 18 years of age with respect to an account opened as a part of a school thrift savings program, provided the annual interest is less than \$10; (ix) a person opening a Christmas club, vacation club and similar installment savings programs provided the annual interest is less than \$10; and (x) non-resident aliens who are not engaged in a trade or business in the United States. In instances described in paragraphs (a)(3), (viii) and (ix) of this section, the bank shall, within 15 days following the end of any calendar year in which the interest accrued in that year is \$10 or more use its best effort to secure and maintain the appropriate taxpayer identification number or application form therefor.

(4) The rules and regulations issued by the Internal Revenue Service under section 6109 of the Internal Revenue Code of 1954 shall determine what constitutes a taxpayer identification number and whose number shall be obtained in the case of an account maintained by one or more persons.

(b) Each bank shall, in addition, retain either the original or a microfilm or other copy or reproduction of each of the following:

(1) Each document granting signature authority over each deposit or share account, including any notations, if such are normally made, of specific identifying information verifying the identity of the signer (such as a driver's license number or credit card number);

(2) Each statement, ledger card or other record on each deposit or share account, showing each transaction in, or with respect to, that account;

(3) Each check, clean draft, or money order drawn on the bank or issued and payable by it, except those drawn for \$100 or less or those drawn on accounts which can be expected to have drawn on them an average of at least 100 checks per month over the calendar year or on each occasion on which such checks are issued, and which are (i) dividend checks, (ii) payroll checks, (iii) employee benefit checks, (iv) insurance claim checks, (v) medical benefit checks, (vi) checks drawn on government agency accounts, (vii) checks drawn by brokers or dealers in securities, (viii) checks drawn on fiduciary accounts, (ix) checks drawn on other financial institutions, or (x) pension or annuity checks;

(4) Each item in excess of \$100 (other than bank charges or periodic charges made pursuant to agreement with the customer), comprising a debit to a customer's deposit or share account, not required to be kept, and not specifically exempted, under paragraph (b)(3) of this section;

(5) Each item, including checks, drafts, or transfers of credit, of more than \$10,000 remitted or transferred to a person, account or place outside the United States;

(6) A record of each remittance or transfer of funds, or of currency, other monetary instruments, checks, investment securities, or credit, of more than \$10,000 to a person, account or place outside the United States;

(7) Each check or draft in an amount in excess of \$10,000 drawn on or issued by a foreign bank which the domestic bank has paid or presented to a nonbank drawee for payment;

(8) Each item, including checks, drafts or transfers of credit, of more than \$10,000 received directly and not





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## U.S. Code collection

**TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART III > Subpart B > § 6041**

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### **§ 6041. Information at source**

*How Current is This?*

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

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

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#### **(b) Collection of foreign items**

In the case of collections of items (not payable in the United States) of interest upon the bonds of foreign countries and interest upon the bonds of and dividends from foreign corporations by any person undertaking as a matter of business or for profit the collection of foreign payments of such interest or dividends by means of coupons, checks, or bills of exchange, such person shall make a return according to the forms or regulations prescribed by the Secretary, setting forth the amount paid and the name and address of the recipient of each such payment.

#### **(c) Recipient to furnish name and address**

When necessary to make effective the provisions of this section, the name and address of the recipient of income shall be furnished upon demand of the person paying the income.

#### **(d) Statements to be furnished to persons with respect to whom information is required**

Every person required to make a return under subsection (a) shall furnish to each person with respect to whom such a return is required a written



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**TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart B > § 6014. Income tax return**

### **§ 6014. Income tax return—tax not computed by taxpayer**

*How Current is This?*

#### → (a) Election by taxpayer

An individual who does not itemize his deductions and who is not described in section 6012 (a)(1)(C)(i), whose gross income is less than \$10,000 and includes no income other than remuneration for services performed by him as an employee, dividends or interest, and whose gross income other than wages, as defined in section 3401 (a), does not exceed \$100, shall at his election not be required to show on the return the tax imposed by section 1. Such election shall be made by using the form prescribed for purposes of this section. In such case the tax shall be computed by the Secretary who shall mail to the taxpayer a notice stating the amount determined as payable.

#### (b) Regulations

The Secretary shall prescribe regulations for carrying out this section, and such regulations may provide for the application of the rules of this section—

- (1) to cases where the gross income includes items other than those enumerated by subsection (a),
- (2) to cases where the gross income from sources other than wages on which the tax has been withheld at the source is more than \$100,
- (3) to cases where the gross income is \$10,000 or more, or
- (4) to cases where the taxpayer itemizes his deductions or where the taxpayer claims a reduced standard deduction by reason of section 63 (c)(5).

Such regulations shall provide for the application of this section in the case of husband and wife, including provisions determining when a joint return under this section may be permitted or required, whether the liability shall be joint and several, and whether one spouse may make return under this section and the other without regard to this section.

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**TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart A > § 6011**

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

*How Current is This?*

#### **(a) General rule**

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

#### **(b) Identification of taxpayer**

The Secretary is authorized to require such information with respect to persons subject to the taxes imposed by chapter 21 or chapter 24 as is necessary or helpful in securing proper identification of such persons.

#### **(c) Returns, etc., of DISCS and former DISCS and FSC's and former FSC's**

##### **(1) Records and information**

A DISC or former DISC or a FSC or former FSC shall for the taxable year—

**(A)** furnish such information to persons who were shareholders at any time during such taxable year, and to the Secretary, and

**(B)** keep such records, as may be required by regulations prescribed by the Secretary.

##### **(2) Returns**

A DISC shall file for the taxable year such returns as may be prescribed by the Secretary by forms or regulations.

#### **(d) Authority to require information concerning section 912 allowances**

The Secretary may by regulations require any individual who receives allowances which are excluded from gross income under section 912 for any taxable year to include on his return of the taxes imposed by subtitle A for such taxable year such information with respect to the amount and type of such allowances as the Secretary determines to be appropriate.

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**TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART I > § 6001**  
**§ 6001. Notice or regulations requiring records, statements, and special returns**

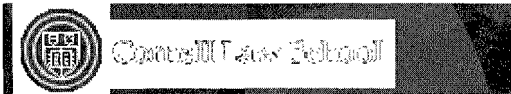
*How Current is This?*

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

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**TITLE 26 > Subtitle F > CHAPTER 76 > Subchapter A > § 7408**

## **§ 7408. Actions to enjoin specified conduct related to tax shelters and reportable transactions**

*How Current is This?*

### **(a) Authority to seek injunction**

A civil action in the name of the United States to enjoin any person from further engaging in specified conduct may be commenced at the request of the Secretary. Any action under this section shall be brought in the district court of the United States for the district in which such person resides, has his principal place of business, or has engaged in specified conduct. The court may exercise its jurisdiction over such action (as provided in section 7402 (a)) separate and apart from any other action brought by the United States against such person.

### **(b) Adjudication and decree**

In any action under subsection (a), if the court finds—

- (1)** that the person has engaged in any specified conduct, and
- (2)** that injunctive relief is appropriate to prevent recurrence of such conduct,

the court may enjoin such person from engaging in such conduct or in any other activity subject to penalty under this title.

### **(c) Specified conduct**

For purposes of this section, the term "specified conduct" means any action, or failure to take action, which is—

- (1)** subject to penalty under section 6700, 6701, 6707, or 6708, or
- (2)** in violation of any requirement under regulations issued under section 330 of title 31, United States Code.

### **(d) Citizens and residents outside the United States**

If any citizen or resident of the United States does not reside in, and does not have his principal place of business in, any United States judicial district, such citizen or resident shall be treated for purposes of this section as residing in the District of Columbia.

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# U.S. Code collection

**TITLE 4 > CHAPTER 3 > § 72**

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## **§ 72. Public offices; at seat of Government**

*How Current is This?*

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

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# U.S. Code collection

TITLE 26 > Subtitle F > CHAPTER 76 > Subchapter B > § 7433

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## § 7433. Civil damages for certain unauthorized collection actions

*How Current is This?*

### (a) In general

If, in connection with any collection of Federal tax with respect to a taxpayer, any officer or employee of the Internal Revenue Service recklessly or intentionally, or by reason of negligence, disregards any provision of this title, or any regulation promulgated under this title, such taxpayer may bring a civil action for damages against the United States in a district court of the United States. Except as provided in section 7432, such civil action shall be the exclusive remedy for recovering damages resulting from such actions.

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### (b) Damages

In any action brought under subsection (a) or petition filed under subsection (e), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the lesser of \$1,000,000 (\$100,000, in the case of negligence) or the sum of—

- (1) actual, direct economic damages sustained by the plaintiff as a proximate result of the reckless or intentional or negligent actions of the officer or employee, and
- (2) the costs of the action.

### (c) Payment authority

Claims pursuant to this section shall be payable out of funds appropriated under section 1304 of title 31, United States Code.

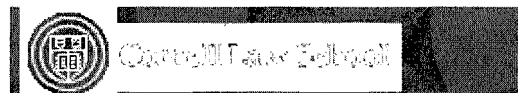
### (d) Limitations

#### (1) Requirement that administrative remedies be exhausted

A judgment for damages shall not be awarded under subsection (b) unless the court determines that the plaintiff has exhausted the administrative remedies available to such plaintiff within the Internal Revenue Service.

#### (2) Mitigation of damages

The amount of damages awarded under subsection (b)(1) shall be reduced by the amount of such damages which could have



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## U.S. Code collection

**TITLE 26 > Subtitle F > CHAPTER 76 > Subchapter A > § 7401**  
**§ 7401. Authorization**

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*How Current is This?*

No civil action for the collection or recovery of taxes, or of any fine, penalty, or forfeiture, shall be commenced unless the Secretary authorizes or sanctions the proceedings and the Attorney General or his delegate directs that the action be commenced.

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# Internal Revenue Manual

## Part 5. Collection Process

### Chapter 1. General Handbook

#### Section 11. Delinquent Return Accounts (Cont. 1)

##### 5.1.11 Delinquent Return Accounts (Cont. 1)

- [5.1.11.6 No Return Secured](#)
- [5.1.11.7 Del Ret Closures](#)
- [5.1.11.8 Delinquency Check Programs](#)
- [5.1.11.9 Tax Liability of Entities and Individuals from Canada and Mexico](#)
- [5.1.11.10 Heavy Vehicle Use Tax](#)
- [Exhibit 5.1.11-1 Index for Questions and Answers to Assist in the Disposition of Del Ret \(Reference: IRM 5.1.11.7\)](#)
- [Exhibit 5.1.11-2 Questions and Answers to Assist in the Disposition of Del Ret \(Reference: IRM 5.1.11.7\)](#)
- [Exhibit 5.1.11-3 Comprehensive List of Transaction Code 59X Closing Codes](#)
- [Exhibit 5.1.11-4 Substitute for Return for Revenue Officer \(SFR for RO\) worksheet](#)
- [Exhibit 5.1.11-5 Return Delinquency Processing Flow Chart](#)

##### 5.1.11.6 No Return Secured

##### 5.1.11.6.4 Referrals to Examination

##### 5.1.11.6.4.1 (05-27-1999) Preparation of Form 3449

1. Prepare Form 3449 Referral Report with sufficient information for Examination to prepare a return(s) for taxpayers who refuse or fail to file once contacted. To complete Form 3449, follow the steps outlined below:
  - A. For IMF referrals, state the income, (must meet current LEM criteria) the amount of withholding, and compute the potential tax due using Filing Status 1 or 3 with no deductions or exemptions. State which documents or sources were used to compute income and withholding. Thoroughly document the non-IRP income and sources;

**Note:**

1. The Employment Tax Program is responsible for determining when income of independent contractors or officers of corporations should be reported as wages subject to income tax and or FICA. The program responsibilities involve determining the appropriateness of the following:
  - A. Withholding of income tax on wages of employees reported on Form 941, 941-M and Form 1042
  - B. Employer tax and employee tax (Social Security) under the General Insurance Contribution Act Form 941, Form 942, Form 943 and Schedule H (Form 1040)
  - C. Employer tax and employee tax for retirement purposes imposed on employers of individuals performing railroad services and the railroad employee representatives tax reported on CT-1 and CT-2
  - D. Withholding on certain gambling winnings reported on Form 941, Form 945 and Form 1042 by the payor of winnings
  - E. Backup withholding
  - F. Tax for unemployment insurance under the Federal Unemployment Act reported on 940
  - G. Withholding of tax under IRC 1441 and 1442
2. Refer a case to the area Employment Tax Program or the PSP Support Manager in Compliance when it is determined during an investigation that a taxpayer may be treating employees as independent contractors or officers may be taking draws, loans, dividends, professional or administrative fees, etc., to avoid reporting taxable wages.
3. Refer potential Employee/Employer relationship determinations on Form 3449 relating all the facts of the case.
4. Internal Revenue Manual 4600, Employment Tax Handbook, contains additional information for all functions pertaining to the administration of Employee/Employer classification issues.

5.1.11.6.10 (05-27-1999)  
IRC 6020(b) Authority

*No Reference to Form 1040*

1. The following returns may be prepared, signed and assessed under the authority of IRC 6020(b):
  - A. Form 940, Employer's Annual Federal Unemployment Tax Return
  - B. Form 941, Employer's Quarterly Federal Tax Return
  - C. Form 943, Employer's Annual Tax Return for Agricultural Employees
  - D. Form 720, Quarterly Federal Excise Tax Return
  - E. Form 2290, Heavy Vehicle Use Tax Return
  - F. Form CT-1, Employer's Annual Railroad Retirement Tax Return
  - G. Form 1065, U.S. Return of Partnership Income.

Figure 23-2

Order No. 182 (Rev. 3)

Effective date: 12-14-83 Authority to Execute Returns

The authority granted to the Commissioner of Internal Revenue by 26 CFR 301.6020-1(b) and 26 CFR 301.7701-9 to execute returns required by any internal revenue law or regulation made thereunder when the person required to file such return fails to do so, is delegated to:

1. Revenue agents;
2. Tax auditors;
3. Revenue officers, GS-9 and above;
4. Collection Office function managers, GS-9 and above;
5. Automated Collection Branch Managers, GS-9 and above; and
6. Service Center Collection Branch managers, GS-9 and above.

The authority delegated herein may not be redelegated. Delegation Order No. 182 (Rev. 2), effective March 7, 1983, is superseded.

/s/ James I. Owens  
Deputy Commissioner

The IRM restricts the broad delegation shown in figure 23-2, for revenue officers, to employment, excise, and partnership tax returns because of constitutional issues. (You have already studied audit referrals as a means to enforce compliance on income tax returns).

Generally you can file the following returns, using the authority granted by IRC section 6020(b):

1. Form 940, Employer's Annual Federal Unemployment Tax Return
2. Form 941, Employer's Quarterly Federal Tax Return

Internal Revenue Service

Director  
Internal Revenue  
Service Center

Southeast Region

Department of the Treasury  
801-619-1754 NOE TOLL FREE  
P.O. Box 9041, Ocmulgee Station  
M/S 7000

November 2, 1993

Dear Mr. \_\_\_\_\_

This is in response to your Privacy Act request dated October 15, 1993.

The document locator numbers identified in your request are for Substitute for Returns, Form 1040. As stated in our prior response, these documents are available through routine processing procedures. Please refer to the enclosed page from Internal Revenue Manual 1373.

Delegation orders which authorize Internal Revenue Service employees to create substitutes for returns do not exist. This is part of a processing procedure located in an Internal Revenue Manual. If you wish to obtain a copy of the appropriate manual, you should address your inquiry to:

Internal Revenue Service  
Attn: FOI Reading Room  
P.O. Box 388  
Ben Franklin Station  
Washington, DC 20044

Sincerely,

*Jay Hamer*  
for Jay Hamer  
Disclosure Officer

Enclosure

John J. Rizzo  
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June 17, 1999

EXHIBIT

**EXHIBIT 36**

**INTERNAL REVENUE INVESTIGATION**

**HEARINGS  
BEFORE A  
SUBCOMMITTEE OF THE  
COMMITTEE ON WAYS AND MEANS  
HOUSE OF REPRESENTATIVES  
EIGHTY-THIRD CONGRESS  
FIRST SESSION  
ON  
ADMINISTRATION OF THE INTERNAL REVENUE LAWS**

**PART A**

**FEBRUARY 3, 4, 5, 6, 7, 9, 10, 25, 26, 27, MARCH 2, 3, 4, 5, 6, 10, 11, 12,  
AND 13, 1953**

**Printed for the use of the Committee on Ways and Means**

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**Exhibit F**

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Mr. CURTIS. So in comparing the number of men in the top echelon who would supervise the people in the field, that varies from district to district?

Mr. AVIS. That is true. In some districts where we do not have very much of a permissive problem, we would not have as many permissive supervisors.

Mr. CURTIS. What is a permissive problem?

Mr. AVIS. That is your tax problem, your regulatory problem, your regulation of your industry; that is what we refer to generally as the permissive side, that is, distinguished from the law enforcement.

Chairman KEAN. They are classified differently?

Mr. AVIS. Depending on the job they do. For example, take in the Denver district and the Seattle district, the problem there does not correspond to the Louisville district, for example, which is a large distilling center, and in Indiana and Kentucky, and consequently they are not graded as high.

Chairman KEAN. You still have the same title, but not the same grade and salary?

Mr. AVIS. That is right, sir.

Chairman KEAN. And the staff is much smaller in one area than in another?

Mr. AVIS. Much smaller, and that applies to rank and file, of course, as well as to intermediate supervisory positions.

Chairman KEAN. The only reason some of these areas exist are for geographical reasons, and otherwise you would probably make it a lot bigger to cover more territory; but for geographical reasons you have to bunch them close together, some of the smaller ones?

Mr. AVIS. That is true, sir.

Mr. CURTIS. I have one more question. What type of alcohol and liquor tax problem would be referred to the Bureau of Internal Revenue generally, and not be confined to and finally disposed of in the Alcohol and Tobacco Tax Division?

Mr. AVIS. I do not believe there is any.

One of my assistants refers to policy and personnel, and of course, under this new structure, we are concerned here in Washington, as I pointed out, largely with policy and in administering the industry, rather than directing the personnel. That is left primarily to the district commissioners or, rather, the assistant district commissioners.

Mr. CURTIS. An alcohol tax matter that would go to the Appeals Section —

Mr. AVIS. There is just no such thing. That is where this structure differs.

Let me point this out now: *Your income tax is 100 percent voluntary tax and your liquor tax is 100 percent enforced tax.* Now, the situation is as different as night and day. Consequently, your same rules just will not apply, and therefore the alcohol and tobacco tax has been handled here in this reorganization a little differently, because of the very nature of it, than the rest of the overall tax problem.

EXHIBIT

**EXHIBIT 37**

→ ○ (6) Subtitle F

■ (A) General rule

The provisions of subtitle F shall take effect on the day after the date of enactment of this title and shall be applicable with respect to any tax imposed by this title. The provisions of subtitle F shall apply with respect to any tax imposed by the Internal Revenue Code of 1939 only to the extent provided in subparagraphs (B) and (C) of this paragraph.

■ (B) Assessment, collection, and refunds

Notwithstanding the provisions of subparagraph (A), and notwithstanding any contrary provision of subchapter A of chapter 63 (relating to assessment), chapter 64 (relating to collection), or chapter 65 (relating to abatement, credits, and refunds) of this title, the provisions of part II of subchapter A of chapter 28 and chapters 35, 36, and 37 (except section 3777) of subtitle D of the Internal Revenue Code of 1939 shall remain in effect until January 1, 1955, and shall also be applicable to the taxes imposed by this title. On and after January 1, 1955, the provisions of subchapter A of chapter 63, chapter 64, and chapter 65 (except section 6405) of this title shall be applicable to all internal revenue taxes (whether imposed by this title or by the Internal Revenue Code of 1939), notwithstanding any contrary provision of part II of subchapter A of chapter 28, or of chapter 35, 36, or 37, of the Internal Revenue Code of 1939. The provisions of section 6405 (relating to reports of refunds and credits) shall be applicable with respect to refunds or credits allowed after the date of enactment of this title, and section 3777 of the Internal Revenue Code of 1939 is hereby repealed with respect to such refunds and credits.

■ (C) Taxes imposed under the 1939 Code

After the date of enactment of this title, the following provisions of subtitle F shall apply to the taxes imposed by the Internal Revenue Code of 1939, notwithstanding any contrary provisions of such code:

- (i) Chapter 73, relating to bonds.
- (ii) Chapter 74, relating to closing agreements and compromises.
- (iii) Chapter 75, relating to crimes and other offenses, but only insofar as it relates to offenses committed after the date of enactment of this title, and in the case of such offenses, section 6531, relating to periods of limitation on criminal prosecution, shall be applicable. The penalties (other than penalties which may be assessed) provided by the Internal Revenue Code of 1939 shall not apply to offenses, committed after the date of enactment of this title, to which chapter 75 of this title is applicable.

Enforcement under Implementing Regulations found in 26 CFR

There are NONE!

6201  
6321  
6331

Regs are under Title 27 to enforce ATF enacted Federal Laws.

(6201)  
(6321)  
(6331)  
Enforcement Statutes requiring Implementing Regulations under Subtitle F



shall remain in force and effect with respect to remuneration paid after December 31, 1954, for services performed on or before such date.

**EXHIBIT 37****(4) Subtitle D**

Subtitle D of this title shall take effect on January 1, 1955.

Subtitles B and C of the Internal Revenue Code of 1939 (except chapters 7, 9, 15, 26, and 28, subchapter B of chapter 25, and parts VII and VIII of subchapter A of chapter 27 of such code) are hereby repealed effective January 1, 1955. Provisions having the same effect as section 6416(b)(2)(H), <sup>[1]</sup> and so much of section 4082(c) (FOOTNOTE 1) as refers to special motor fuels, shall be considered to be included in the Internal Revenue Code of 1939 effective as of May 1, 1954. Section 2450(a) of the Internal Revenue Code of 1939 (as amended by the Excise Tax Reduction Act of 1954) applies to the period beginning on April 1, 1954, and ending on December 31, 1954.

**(5) Subtitle E**

Subtitle E shall take effect on January 1, 1955, except that the provisions in section 5411 permitting the use of a brewery under regulations prescribed by the Secretary for the purpose of producing and bottling soft drinks, section 5554, and chapter 53 shall take effect on the day after the date of enactment of this title. Subchapter B of chapter 25, and part VIII of subchapter A of chapter 27, of the Internal Revenue Code of 1939 are hereby repealed effective on the day after the date of enactment of this title. Chapters 15 and 26, and part VII of subchapter A of chapter 27, of the Internal Revenue Code of 1939 are hereby repealed effective January 1, 1955.

**(6) Subtitle F****(A) General rule**

The provisions of subtitle F shall take effect on the day after the date of enactment of this title and shall be applicable with respect to any tax imposed by this title. The provisions of subtitle F shall apply with respect to any tax imposed by the Internal Revenue Code of 1939 only to the extent provided in subparagraphs (B) and (C) of this paragraph.

**(B) Assessment, collection, and refunds**

Notwithstanding the provisions of subparagraph (A), and notwithstanding any contrary provision of subchapter A of chapter 63 (relating to assessment), chapter 64 (relating to collection), or chapter 65 (relating to abatements, credits, and refunds) of this



EXHIBIT

 **We Support the Victims of the September 11th 2001 Attacks.**  
**God Bless America.** Show your support and Donate to a Charity 

For information on the **(IRS) "in rem Complaint forms"** and material click on John and Marlin in the Menu Bar above. This will take you to the public Site were sample forms and information on how to order the various kits. **(Audio and Video)**. Due to communications out of our control we are no longer able to supply Tapes of the Seminars, sorry for this inconvenience.

If you would like to sign up for members login just click on Login Signup. If you only wish to be on the E-Mail List just click on Listserver. Please remember that if you sign up for Listserver the system will not allow you to sign up for Members Login. If you sign up for members Login you will also be placed on the E-Mail List.

### FEDERAL JURISDICTION TAX QUESTION ANSWERED

2001 WL 306496

**EXHIBIT 38**

87 A.F.T.R.2d 2001-1233, 2001-1 USTC P 50,366  
**(Cite as: 2001 WL 306496 (S.D.Cal.))**

United States District Court, S.D. California.

Matthew A. FOGEL, Plaintiff,

v.

UNITED STATES of America, Defendant.

No. 00-CV-2293-J (LSP). ↗

Feb. 6, 2001.



**ORDER GRANTING DEFENDANT'S MOTION TO DISMISS WITH PREJUDICE**

JONES, District J.



\*1 This matter comes before the Court on the United States OF America's Motion to Dismiss for lack of subject matter jurisdiction and failure to state a claim upon which relief can be granted. Because section 2201(a) of the Declaratory Judgment Act [FN1] expressly denies federal courts subject matter jurisdiction over requests for declaratory judgments in federal tax matters, the Government's motion to dismiss for lack of subject matter jurisdiction is GRANTED with prejudice. Because the Court lacks jurisdiction, Defendant's motion to dismiss for failure to state a claim upon which relief may be granted is DENIED as MOOT.

FN1. 28 U.S.C. § 2201(a) (2001).

#### BACKGROUND

Plaintiff, Matthew A. Fogel, was born in New York and has paid taxes in the United States for several years. (Compl.PP 6, 10.) On November 14,2000, Mr. Fogel, *in propria persona*, filed a complaint against the United States of America, alleging "fraud, slavery and involuntary servitude in the application of the Collective Entity Rule." (Compl. at 1.) Plaintiff claims that obtaining a Social Security Number from the government amounts to a contractual relationship with the United States and that paying taxes is voluntary under that contractual relationship. Plaintiff further alleges that because he

was not born "within the boundaries of the United States" he is not a "person" or "taxpayer" within the meaning of the United States tax code and thus, his social security "contract" is void. (Compl.PP 10-13.) Plaintiff now seeks a declaratory judgment which provides him with "non-taxpayer" status and rescinds all "contracts" between him and the United States. (Compl. at 3.)

## DISCUSSION

### I. Subject Matter Jurisdiction

#### A. Standard of Review

Under Federal Rule of Civil Procedure 12(b)(1), a motion to dismiss for lack of subject matter jurisdiction may be properly granted if the plaintiff does not meet its burden in establishing that the court has such jurisdiction. Because federal courts are courts of limited jurisdiction, the plaintiff must demonstrate that the court has been authorized to preside over the case either by statute or the constitution. See *Willy v. Coastal Corp.*, 503 U.S. 131, 136-37 (1992). Whenever it appears that the court lacks subject matter jurisdiction, the court is obligated to dismiss the action. Fed.R.Civ.P. 12(h)(3). In a suit against the United States, a 12(b)(1) motion is proper when sovereign immunity has not been waived. See *McCarthy v. United States*, 850 F.2d 558, 560 (9th Cir.1988). "[A] waiver cannot be implied but must be unequivocally expressed." *United States v. King*, 395 U.S. 1,4 (1969).

#### B. Analysis

The government's motion to dismiss for lack of subject matter jurisdiction must be granted pursuant to 28 U.S.C. § 2201(a), which expressly declares an exception to federal court jurisdiction in controversies "with respect to Federal taxes" when the plaintiff requests declaratory relief. See *Hughes v. United States*, 953 F.2d 531, 536-37 (9th Cir.1991) (where the real issue in the case is whether the plaintiff must pay taxes, the court lacks subject matter jurisdiction under § 2201). Because Plaintiff has requested a declaratory judgment finding that he is a "non-taxpayer" and is not required to file taxes in the United States, this Court lacks subject matter jurisdiction and is obligated to grant the United States' motion to dismiss.

\*2 Furthermore, even if Plaintiffs claim validly invoked federal question jurisdiction under 28 U.S.C. § 1331, he has failed to demonstrate that the United States has given consent to be sued and thereby waived its sovereign immunity, a requirement that must be met before this Court may preside over such a case. See *United States v. Dalm*, 494 U.S. 596,608 (1990). Section 1331 itself does not contain a waiver of sovereign immunity. See *Kester v. Campbell*, 652 F.2d 13 (9th Cir.1981). Because the Plaintiff has failed to establish that the United States has waived its sovereign immunity, there is undeniably no for subject matter jurisdiction in this case. [FN2]

FN2. Plaintiff filed an untimely opposition motion for summary judgment on January 25, 2001. In it he asserts that the United States is not sovereign to him, thus no waiver is necessary. Plaintiff's failure to recognize the U.S. as his sovereign does not obliterate the doctrine of sovereign immunity.

## CONCLUSION

Based on the foregoing, Defendant's Motion to Dismiss for lack of subject matter jurisdiction is GRANTED with prejudice pursuant to section 2201(a) of Declaratory Judgment Act. The Defendant's Motion to Dismiss for failure to state a claim upon which relief may be granted is DENIED as MOOT. Plaintiffs Motion for Summary Judgment is also DENIED as MOOT. The Clerk of the Court is ORDERED to close this file.

IT IS SO ORDERED.

END OF DOCUMENT



026355

# FEDERAL RULES OF CIVIL PROCEDURE

## EXHIBIT 39

### FRCP 12 (b) HOW PRESENTED.

Every defense, in law or fact, to a claim for relief in any pleading, whether a claim, counterclaim, cross-claim, or third-party claim, shall be asserted in the responsive pleading thereto if one is required, except that the following defenses may at the option of the pleader be made by motion:

- 1) **lack of jurisdiction over the subject matter,**
- 2) lack of jurisdiction over the person,
- 3) improper venue,
- 4) insufficiency of process,
- 5) insufficiency of service of process
- 6) failure to state a claim for which relief can be granted.

### FRCP 12 (h) WAIVER OR PRESERVATION OF CERTAIN DEFENSES

- (1) A defense of lack of jurisdiction over the person, improper venue, insufficiency of process, or insufficiency of service of process is waived (A) if omitted from a motion in the circumstances described in subdivision (g), or (B) if it is neither made by motion under this rule nor included in a responsive pleading or an amendment thereof permitted by Rule 15(a) to be made as a matter of course.
- (2) A defense of failure to state a claim upon which relief can be granted, a defense of failure to join a party indispensable under Rule 19, and an objection of failure to state a legal defense to a claim may be made in any pleading permitted or order under Rule 7(a), or by motion for judgment on the pleadings, or at the trial on the merits.
- (3) **Whenever it appears by suggestion of the parties or otherwise that the court lacks jurisdiction of the subject matter, the court shall dismiss the action.**

**United States Supreme Court Decisions regarding  
'once subject matter jurisdiction has been challenged,  
the court shall go no further'.**

**EXHIBIT 40**

**Scheuer v. Rhodes, 416 U.S. 232, 236, 94 S. Ct. 1683, 1686 (1974).**

*"When a federal court review the sufficiency of a complaint, the issue is not whether a plaintiff will ultimately prevail but whether the claimant is entitled to offer evidence to support the claims. Indeed it may appear on the face of the pleadings that a recovery is very remote and unlikely but that is not the test.*

*In passing on a motion to dismiss, whether on the ground of lack of jurisdiction over the subject matter or for failure to state a cause of action, the allegations of the complaint should be construed favorably to the pleader."*

**Caterpillar, Inc. v. Lewis, 519 U.S. 61,76-77, 117 S. Ct. 467, 477 (1996)**

*"Despite a federal trial court's threshold denial of a motion to remand, if, at the end of the day a case, a jurisdictional defect remains uncured, the judgment must be vacated."*

Code of Federal Regulations  
Title 26, Volume 14, Parts 30 to 39  
Revised as of April 1, 1998  
CITE: 26CFR31.3402(p)-1

**TITLE 26 – INTERNAL REVENUE****CHAPTER 1-- INTERNAL REVENUE SERVICE DEPARTMENT OF THE TREASURY—****PART 31—EMPLOYMENT TAXES AND COLLECTION OF INCOME TAX AT SOURCE—****Table of Contents****Subpart E—Collection of Income Tax at Source****Sec. 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 Sec.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 Sec. 31.3405(c)-1, Q and A-3 concerning agreements to have more than 20-percent Federal income tax withheld from eligible rollover distributions within the meaning of section 402.
- (b) **Form and duration of agreement.**
- (1) (i) Except as provided in subdivision (ii) of this subparagraph, an employee who desires to enter into an agreement under section 3402(p) shall furnish his employer with Form W-4 (withholding exemption certificate) executed in accordance with the provisions of section 3402(f) and the regulations thereunder. The furnishing of such Form W-4 shall constitute a request for withholding.
- (ii) In the case of an employee who desires to enter into an agreement under section 3402 (p) with his employer, if the employee performs services (in addition to those to be the subject of the agreement) the remuneration for which is subject to mandatory income tax withholding by such employer, or if the employee wishes to specify that the agreement terminate on a specific date, the employee shall furnish the employer with a request for withholding which shall be signed by the employee, and shall contain—
- (a) The name, address, and social security number of the employee making the request,
- (b) The name and address of the employer,
- (c) A statement that the employee desires to terminate withholding of Federal income tax, and if applicable, of qualified State individual income tax (see paragraph (d) (3)(i) of Sec. 301.6361-1 of this chapter [Regulations on Procedures and Administration]), and
- (d) If the employee desires that the agreement terminate on a specific date, the date of the termination of the agreement.

If accepted by the employer as provided in subdivision (iii) of this subparagraph, the request shall be attached to, and constitute part of, the employee's Form W-4. An employee who furnishes his employer a request for withholding under this subdivision shall also furnish such employer with Form W-4 if such employee does not already have a Form W-4 in effect with such employer.

- (iii) No request for withholding under section 3402(p) shall be effective as an agreement between an employer and an employee until the employer accepts the request by commencing to withhold from the amounts with respect to which the request was made.
- (2) An agreement under section 3402 (p) shall be effective for such period as the employer and employee mutually agree upon. However, either the employer or the employee may terminate the agreement prior to the end of such period by furnishing a signed written notice to the other. Unless the employer and the employee agree to an earlier termination date, the notice shall be effective with respect to the first payment of an amount in respect of which the agreement is in effect which is made on or after the first "status determination date" (January 1, May 1, July 1, and October 1 of each year) that occurs at least 30 days after the date on which the notice is furnished. If the employee executes a new Form W-4, the request upon which an agreement under section 3402 (p) is based shall be attached to, and constitute a part of, such new Form W-4.

(86 Stat. 944, 26 U.S.C. 6364; 68A Stat. 917, 26 U.S.C. 7805)

[T.D. 7096, 36 FR 5216, Mar 18, 1971, as amended by T.D. 7577, 43 FR 59359, Dec. 20, 1978; T. D. 8619, 60 FR 49215, Sept. 22, 1995]

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## EXHIBIT 42 US CODE COLLECTION



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**TITLE 26 > Subtitle C > CHAPTER 24 > Sec. 3402.**

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↑  
↙ ↘

### **Sec. 3402. - Income tax collected at source**

**(a)** Requirement of withholding

**(1)** In general

Except as otherwise provided in this section, every employer making payment of wages shall deduct and withhold upon such wages a tax determined in accordance with tables or computational procedures prescribed by the Secretary. Any tables or procedures prescribed under this paragraph shall -

**(A)**

apply with respect to the amount of wages paid during such periods as the Secretary may prescribe, and

**(B)**

be in such form, and provide for such amounts to be deducted and withheld, as the Secretary determines to be most appropriate to carry out the purposes of this chapter and to reflect the provisions of chapter 1 applicable to such periods.

**(2)** Amount of wages

For purposes of applying tables or procedures prescribed under paragraph (1), the term "the amount of wages" means the amount by which the wages exceed the number of withholding exemptions claimed multiplied by the amount of one such exemption. The amount of each withholding exemption shall be equal to the amount of one personal exemption provided in section 151(b), prorated to the payroll period. The maximum number of withholding exemptions permitted shall be calculated in accordance with regulations prescribed by the Secretary under this section, taking into account any reduction in withholding to which an employee is entitled under this section.

**(b)** Percentage method of withholding

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(CFR)  
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## EXHIBIT 43 US CODE COLLECTION



[search](#)

**TITLE 26 > Subtitle C > CHAPTER 21 > Subchapter C > Sec. 3121.**

[Next](#)

### Sec. 3121. - Definitions

#### (a) Wages

For purposes of this chapter, the term "wages" means all remuneration for employment, including the cash value of all remuneration (including benefits) paid in any medium other than cash; except that such term shall not include -

#### (1)

in the case of the taxes imposed by sections 3101(a) and 3111(a) that part of the remuneration which, after remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) equal to the contribution and benefit base (as determined under section 230 of the Social Security Act) with respect to employment has been paid to an individual by an employer during the calendar year with respect to which such contribution and benefit base is effective, is paid to such individual by such employer during such calendar year. If an employer (hereinafter referred to as successor employer) during any calendar year acquires substantially all the property used in a trade or business of another employer (hereinafter referred to as a predecessor), or used in a separate unit of a trade or business of a predecessor, and immediately after the acquisition employs in his trade or business an individual who immediately prior to the acquisition was employed in the trade or business of such predecessor, then, for the purpose of determining whether the successor employer has paid remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment equal to the contribution and benefit base (as determined under section 230 of the Social Security Act) to such individual during such calendar year, any remuneration (other than remuneration referred to in the succeeding paragraphs of this subsection) with respect to employment paid (or considered under this paragraph as having been paid) to such individual by such predecessor during such calendar year and prior to such acquisition shall be considered as having been paid by such successor employer;

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(CFR)  
Topical references

than one-half of any such pay period by an employee for the person employing him do not constitute employment, then none of the services of such employee for such period shall be deemed to be employment. As used in this subsection, the term "pay period" means a period (of not more than 31 consecutive days) for which a payment of remuneration is ordinarily made to the employee by the person employing him. This subsection shall not be applicable with respect to services performed in a pay period by an employee for the person employing him, where any of such service is excepted by subsection (b)(9).

**EXHIBIT 43****(d) Employee**

For purposes of this chapter, the term "employee" means -

**(1)**

any officer of a corporation; or

**(2)**

any individual who, under the usual common law rules applicable in determining the employer-employee relationship, has the status of an employee; or

**(3)**

any individual (other than an individual who is an employee under paragraph (1) or (2)) who performs services for remuneration for any person -

**(A)**

as an agent-driver or commission-driver engaged in distributing meat products, vegetable products, fruit products, bakery products, beverages (other than milk), or laundry or dry-cleaning services, for his principal;

**(B)**

as a full-time life insurance salesman;

**(C)**

as a home worker performing work, according to specifications furnished by the person for whom the services are performed, on materials or goods furnished by such person which are required to be returned to such person or a person designated by him; or

**(D)**

as a traveling or city salesman, other than as an agent-driver or commission-driver, engaged upon a

**EXHIBIT 43**

full-time basis in the solicitation on behalf of, and the transmission to, his principal (except for side-line sales activities on behalf of some other person) of orders from wholesalers, retailers, contractors, or operators of hotels, restaurants, or other similar establishments for merchandise for resale or supplies for use in their business operations;

if the contract of service contemplates that substantially all of such services are to be performed personally by such individual; except that an individual shall not be included in the term "employee" under the provisions of this paragraph if such individual has a substantial investment in facilities used in connection with the performance of such services (other than in facilities for transportation), or if the services are in the nature of a single transaction not part of a continuing relationship with the person for whom the services are performed; or

**(4)**

any individual who performs services that are included under an agreement entered into pursuant to section 218 of the Social Security Act.

**(e) State, United States, and citizen**

For purposes of this chapter -

**(1) State**

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

**(2) United States**

→ The term "United States" when used in a geographical sense includes the Commonwealth of Puerto Rico, the Virgin Islands,

Guam, and American Samoa.

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

**(f) American vessel and aircraft**

For purposes of this chapter, the term "American vessel" means any vessel documented or numbered under the laws of the United States; and includes any vessel which is neither documented or numbered under the laws of the United States nor documented under the laws of any foreign country, if its crew is employed solely by one or more citizens or residents of the United States or corporations organized under the laws of the United States or of any

**EXHIBIT 43**

commodity with respect to which such service is performed. For purposes of this subparagraph, any unincorporated group of operators shall be deemed a cooperative organization if the number of operators comprising such group is more than 20 at any time during the calendar year in which such service is performed;

**(C)**

the provisions of subparagraphs (A) and (B) shall not be deemed to be applicable with respect to service performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

**(5)**

on a farm operated for profit if such service is not in the course of the employer's trade or business or is domestic service in a private home of the employer.

As used in this subsection, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animal, and truck farms, plantations, ranches, nurseries, ranges, greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities, and orchards.

**(h) American employer**

For purposes of this chapter, the term "American employer" means an employer which is -

**(1)**

the United States or any instrumentality thereof,

**(2)**

an individual who is a resident of the United States,

**(3)**

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

**(4)**

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

**(5)**

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

Internal Revenue Service

Department of the Treasury

**EXHIBIT 44**

55 South Market Street  
San Jose, CA 95113  
M/S: HQ-3882

Person to Contact: Cheri Rossi  
I.D. Number: 77-01008

Telephone Number: (408) 817-6782  
Fax: (408) 817-6790

Date: June 16, 1999

Employer: [REDACTED]

SSN: [REDACTED]

Dear [REDACTED]

We reviewed your Form W-4, Withholding Allowance Certificate, with the employer listed above. Our records indicate that you have not filed tax returns for the 1997 and 1998 tax years. Your income appears to create a tax liability. You may not receive all the federal income tax that was withheld.

Internal Revenue Code Section 3402(n) states that (1) an employee may claim EXEMPT status only if he/she has no tax liability for the prior tax year and expects to receive all the federal income tax that was withheld, and (2) anticipates that he/she will not incur a tax liability for the current year and will expect a refund for all federal income tax.

Therefore, based on the information above, your Form W-4 does not meet the requirements of the Internal Revenue Code Section 3402(n)(1)&(2) and related employment tax regulations to claim the EXEMPT status. Therefore, we have directed your employer to disregard your Form W-4 and withhold as follows:

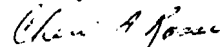
\*Withholding Status: Single  
Withholding Allowances: 0

\* Please note that this does not affect your filing status.

Your employer will honor a new Form W-4 that you submit only if it claims no more than the number of allowances shown above. However, you may choose to claim less than this number.

If you have any questions, please contact us at the address shown on this letter, or call between 6:00 a.m. and 4:30 p.m. Monday - Thursday.

Sincerely,



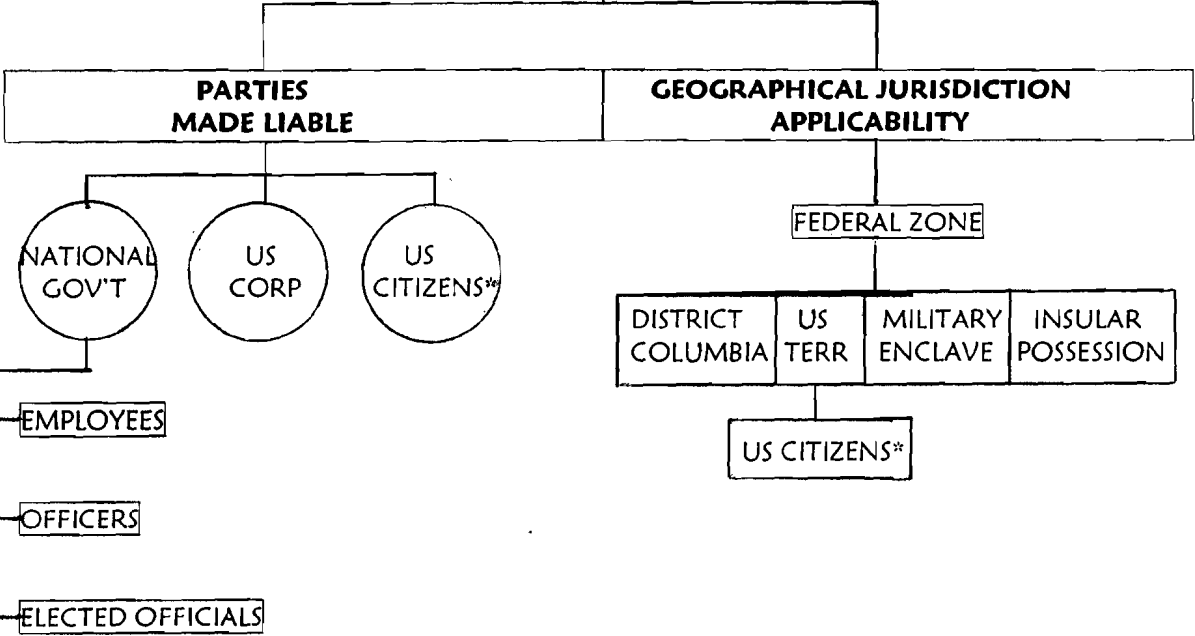
Cheri A Rossi  
Taxpayer Service Specialist  
Central California District

# FEDERAL INCOME TAX APPLICABLE PARTIES & JURISDICTION FOR THE TAX    **EXHIBIT 45**

**ARTICLE 1 SECTION 9 CONSTITUTION OF THE UNITED STATES OF AMERICA**  
RESTRICTIONS OF TAXATION BY THE FEDERAL GOVERNMENT UPON AMERICAN CITIZENS  
 "NO CAPITATION, OR OTHER DIRECT TAX SHALL BE LAID, UNLESS IN PROPORTION OF THE CENSUS OR ENUMERATION HEREINBEFORE DIRECTED TO BE TAKEN."

**16<sup>TH</sup> AMENDMENT - 1913**  
 "THE CONGRESS SHALL HAVE THE POWER TO LAY AND COLLECT TAXES ON INCOMES, FROM WHATEVER SOURCE DERIVED, WITHOUT APPORTIONMENT AMONG THE SEVERAL STATES, AND WITHOUT REGARD TO ANY CENSUS OR ENMUMERATION."

**LEGISLATIVE INTENT 16<sup>TH</sup> AMENDMENT  
 PRESIDENT TAFT - CONGRESSIONAL RECORD - 1909**



\* US CITIZENS ARE 14<sup>TH</sup> AMENDMENT STATUTORY CITIZENS BORN IN THE FEDERAL ZONE AND SUBJECT TO THE EXCLUSIVE SOVEREIGN JURISDICTION OF THE UNITED STATES [FEDERAL GOVERNMENT] AS DEFINED BY 8 USC SECTION 1401 [IMMIGRATION & NATURALIZATION ACT]

**Account 6110 Tax Assessments**

- (2) All tax assessments must be recorded on Form 23C Assessment Certificate. The Assessment Certificate must be signed by the Assessment Officer and dated. The Assessment Certificate is the legal document that permits collection activity...

Internal Revenue Manual 3(17)(46)2.3

**Certification**

- (1) All assessments must be certified by signature of an authorized official on Form 23-C, Assessment Certificate. A signed Form 23C authorizes issuance of notices and other collection action...
- (2) Some assessments are prescribed for expeditious action as and be certified on a daily basis. These assessments will require immediate preparation of Form 23C from RACS...

Form 23C is described in Document 7130, IRS Printed Product Catalog as:

23C - Assessment Certificate-Summary Record of Assessments

Form 23C is used to official assess tax liabilities. The completed form is retained in the Service Center case file as a legal document to support the assessment made against the taxpayer. This status notice is reissued to update the status notice file. TR:R:A Internal Use

# Assessment Certificate

Summary Record of Assessments

1. Service center  
**ATLANTA SERVICE CENTER**

2. Date  
**07-10-95**

3. Prepared by  
**GLENDA MOSLEY**

4. Number  
**07-006R**

Class of Tax	Current Assessments		Deficiency and Additional Assessments (Resulting From Regular Audit Examinations)					Total Assessments (1)
	Tax & Penalty (a)	Interest (b)	Tax & Penalty (c)	Interest (d)	No. of Items (e)			
Withheld individual income and FICA	684,586,902.00	2,436,712.49	177,822.05	12,355.20	36916		687,213,791.74	
Individual income—other	1,859,866,464.23	5,866,803.64	7,183,131.96	2,087,821.51	76662		1,875,004,221.34	
Corporation income and excess profits	79,000,392.26	781,846.75	35,022,268.66	293,152.84	3656		115,097,660.51	
Excise	19,709,139.77	60,422.72	47,185.79	4,560.44	1583		19,821,308.72	
Estate and gift	29,170,121.64	646,132.31	774,146.99	164,802.03	202		30,755,202.97	
Tax on carriers and their employees								
Federal unemployment tax act	1,551,649.83	66,345.76	65,670.99	1,134.41	2216		1,684,800.99	
<b>Total Assessments</b>	<b>2,673,884,569.73</b>	<b>9,858,263.67</b>	<b>43,270,226.44</b>	<b>2,563,826.43</b>	<b>121235</b>		<b>2,729,576,986.27</b>	

5. Jeopardy Assessments Against Principal Taxpayers (Included in the assessments above)	6. Prepared From Accounting Assessment Journals		
	Date and Number	Through	Date and Number
	RRECP9526		
	Number of principal taxpayers		
Total assessed against principal taxpayers			

### Certification

I certify that the taxes, penalties, and interest of the above classifications, hereby assessed, are specified in supporting records, subject to such correction as subsequent inquiries and determinations in respect thereto may indicate to be proper.

7. Date **7/11/95**

8. Signature (For service center director of Internal Revenue)  
*for Carolyn D. Wilkinson*

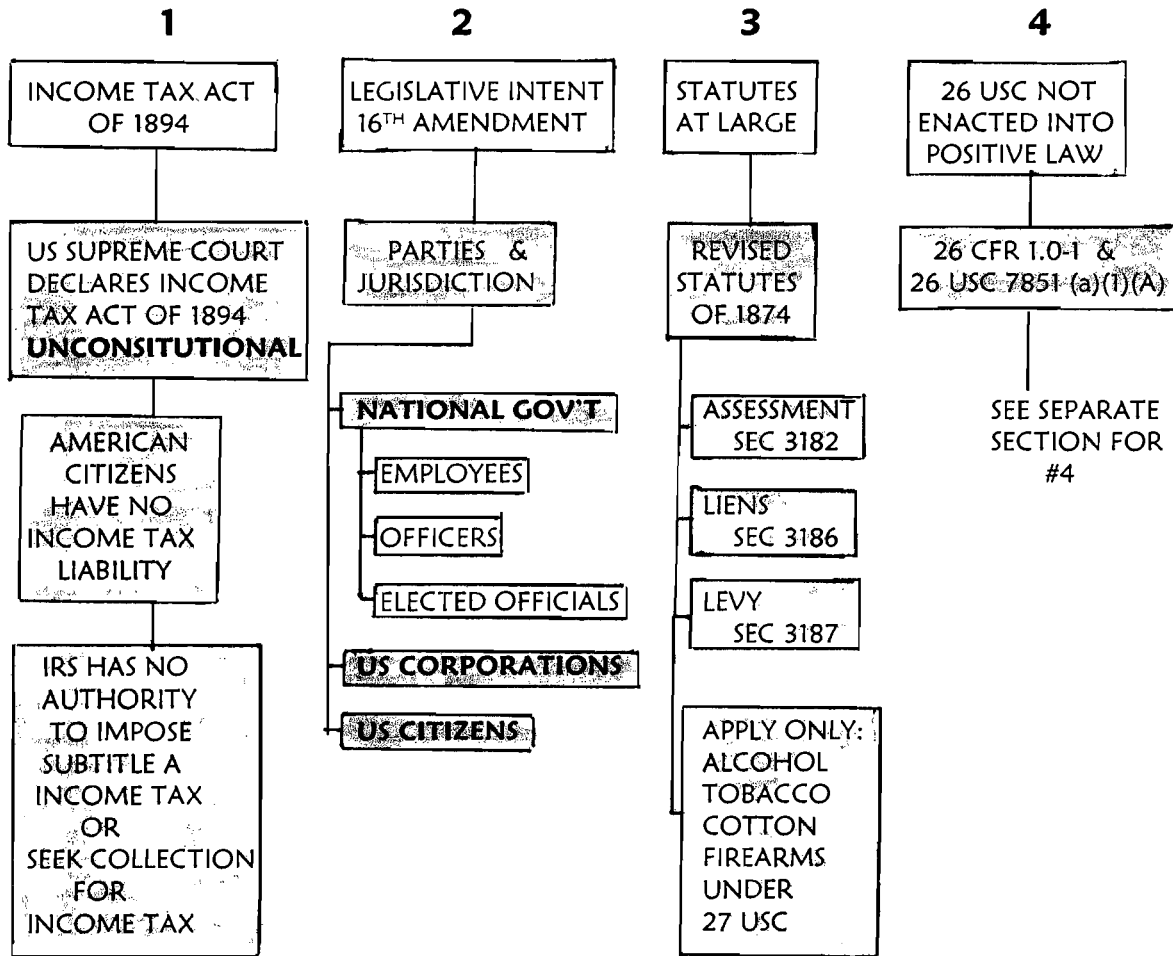
Assessment Officer **32**

EXHIBIT 46



# PROBLEMS FOR IRS WHEN MAKING CLAIMS UPON AMERICAN CITIZENS AS BEING MADE LIABLE FOR THE FEDERAL INCOME TAX

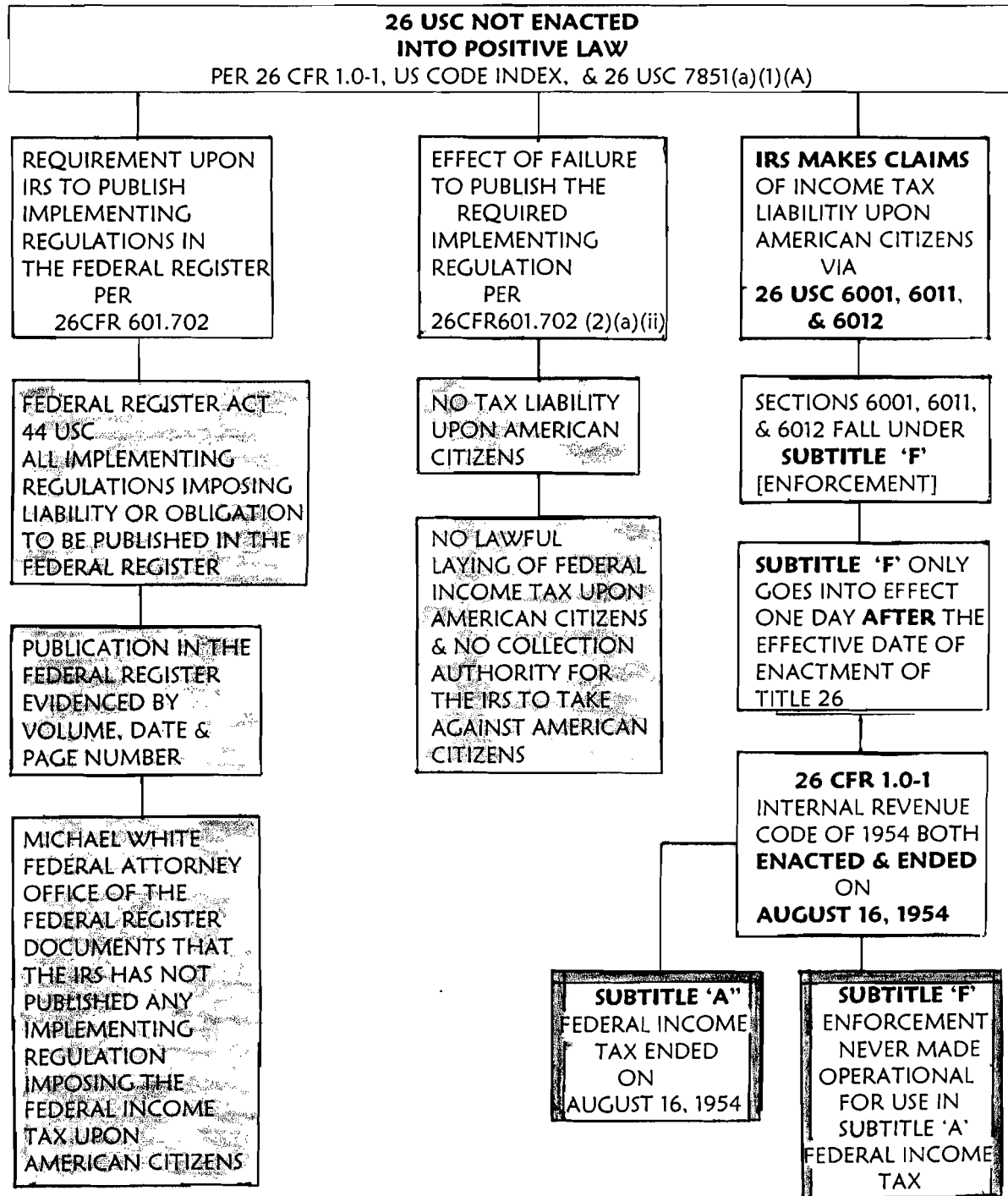
EXHIBIT 47



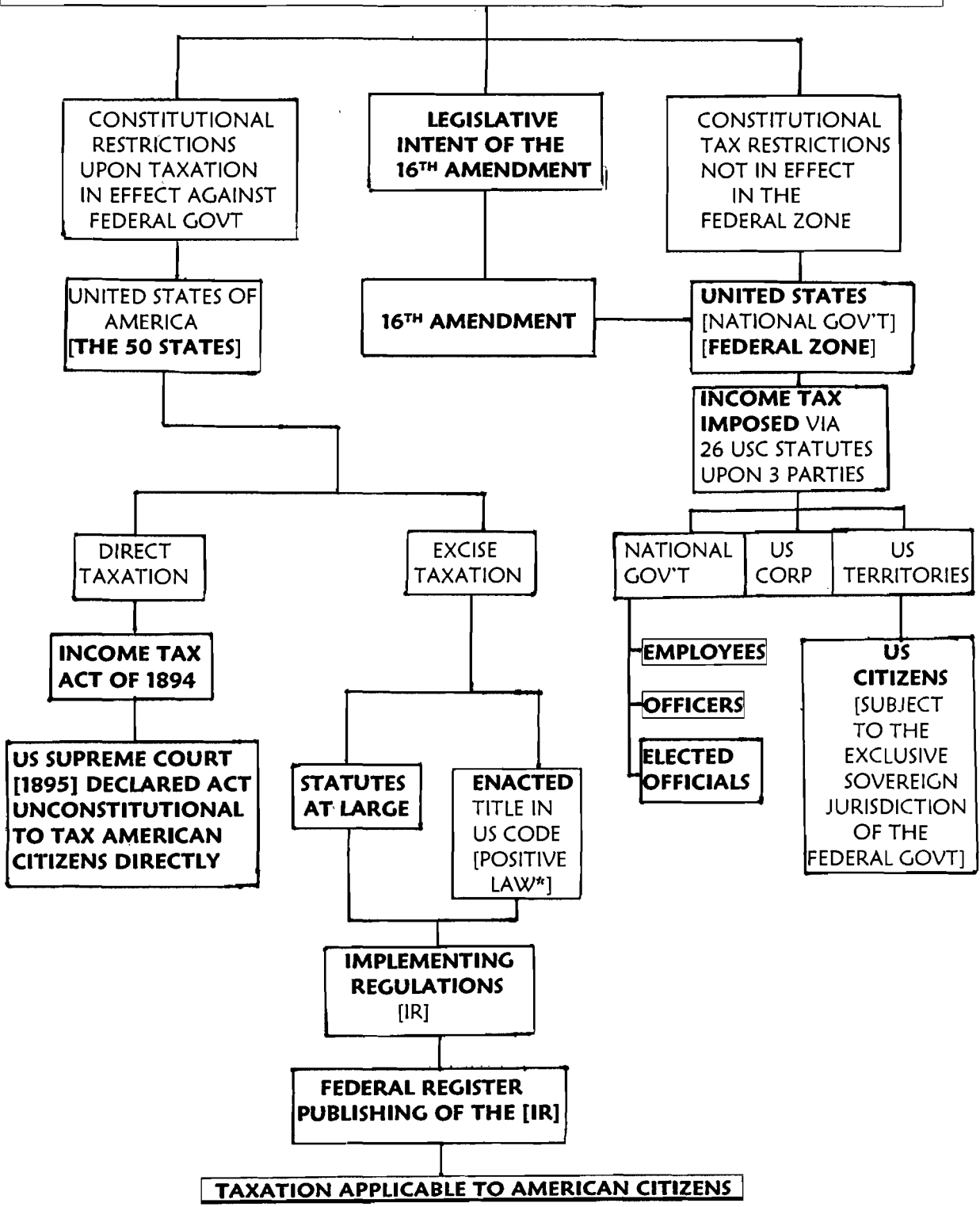
**PROBLEMS FOR IRS WHEN MAKING CLAIMS UPON  
AMERICAN CITIZENS AS BEING MADE LIABLE FOR THE  
SUBTITLE A FEDERAL INCOME TAX**

**EXHIBIT 47**

**4**



**CONGRESSIONAL GEOGRAPHICAL JURISDICTION OF FEDERAL INCOME TAX LAWS** **EXHIBIT 49**



\* 26 USC NOT ENACTED INTO POSITIVE LAW  
 [PER UNITED STATES CODE INDEX, 26CFR 1.0-1, & 26 USC 7851 (a)(1)(A)]

# Electronic Code of Federal Regulations (e-CFR)

## BETA TEST SITE

e-CFR Data is current as of June 22, 2006

### Title 26: Internal Revenue

PART 1—INCOME TAXES  
nonresident alien individuals

Browse Next

#### § 1.871-1 Classification and manner of taxing alien individuals.

(a) *Classes of aliens.* For purposes of the income tax, alien individuals are divided generally into two classes, namely, resident aliens and nonresident aliens. Resident alien individuals are, in general, taxable the same as citizens of the United States; that is, a resident alien is taxable on income derived from all sources, including sources without the United States. See §1.1-1(b). Nonresident alien individuals are taxable only on certain income from sources within the United States and on the income described in section 864(c)(4) from sources without the United States which is effectively connected for the taxable year with the conduct of a trade or business in the United States. However, nonresident alien individuals may elect, under section 6013 (g) or (h), to be treated as U.S. residents for purposes of determining their income tax liability under Chapters 1, 5, and 24 of the code. Accordingly, any reference in §§1.1-1 through 1.1388-1 and §§1.1491-1 through 1.1494-1 of this part to non-resident alien individuals does not include those with respect to whom an election under section 6013 (g) or (h) is in effect, unless otherwise specifically provided. Similarly, any reference to resident aliens or U.S. residents includes those with respect to whom an election is in effect, unless otherwise specifically provided.

(b) *Classes of nonresident aliens—(1) In general.* For purposes of the income tax, nonresident alien individuals are divided into the following three classes:

(i) Nonresident alien individuals who at no time during the taxable year are engaged in a trade or business in the United States,

(ii) Nonresident alien individuals who at any time during the taxable year are, or are deemed under §1.871-9 to be, engaged in a trade or business in the United States, and

(iii) Nonresident alien individuals who are bona fide residents of Puerto Rico during the entire taxable year.

An individual described in subdivision (i) or (ii) of this subparagraph is subject to tax pursuant to the provisions of subpart A (section 871 and following), part II, subchapter N, chapter 1 of the Code, and the regulations thereunder. See §§1.871-7 and 1.871-8. The provisions of subpart A do not apply to individuals described in subdivision (iii) of this subparagraph, but such individuals, except as provided in section 933 with respect to Puerto Rican source income, are subject to the tax imposed by section 1 or section 1201(b). See §1.876-1.

(2) *Treaty income.* If the gross income of a nonresident alien individual described in subparagraph (1) (i) or (ii) of this paragraph includes income on which the tax is limited by tax convention, see §1.871-12.

(3) *Exclusions from gross income.* For rules relating to the exclusion of certain items from the gross income of a nonresident alien individual, including annuities excluded under section 871(f), see §§1.872-2 and 1.894-1.

(4) Expatriation to avoid tax. For special rules applicable in determining the tax of a nonresident alien

Am. Nats can expatriate!!

NR Aliens =  
American Nationals  
as Am. Nat. can  
Expatriate from the  
United States.

Trade or Business  
26 USC  
7701(a)(26)

United States  
26 USC 7408(d)  
7701(a)(9)  
& (a)(10)

Am. Nats who  
do not work  
for the Fed Govt  
& are not using  
fed. property  
(SSN).

DOMICILE is  
key as  
"United States"  
means the  
Federal Zone.

individual who has lost U.S. citizenship with a principal purpose of avoiding certain taxes, see section 877.

(5) *Adjustment of tax of certain nonresident aliens.* For the application of pre-1967 income tax provisions to residents of a foreign country which imposes a more burdensome income tax than the United States, and for the adjustment of the income tax of a national or resident of a foreign country which imposes a discriminatory income tax on the income of citizens of the United States or domestic corporations, see section 896.

(6) *Conduit financing arrangements.* For rules regarding conduit financing arrangements, see §§1.881-3 and 1.881-4.

(c) *Effective date.* This section shall apply for taxable years beginning after December 31, 1966. For corresponding rules applicable to taxable years beginning before January 1, 1967, see 26 CFR 1.871-1 and 1.871-7(a) (Revised as of January 1, 1971).

[T.D. 7332, 39 FR 44218, Dec. 23, 1974, as amended by T.D. 7670, 45 FR 6928, Jan. 31, 1980; T.D. 8611, 60 FR 41004, Aug. 11, 1995; T.D. 9194, 70 FR 18928, Apr. 11, 2005]

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Last updated: July 27, 2005



## EXHIBIT 50

*American Law Division*

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**MEMORANDUM**

September 22, 1995

SUBJECT: Constituent Inquiry: Congressional Power to Legislate

AUTHOR: Kenneth R. Thomas

This is to respond to your request to explain how one can identify a law that has been passed under Congress' authority to legislate regarding the District of Columbia, and a law that is passed under Congress' authority to legislate regarding the other fifty states.

Article I of the Constitution addresses the structure and powers of the United States Congress. For example, Article I, §8 contains 18 clauses, each of which addresses one or several areas in which Congress has the authority to legislate. Other Congressional powers are found in other Articles of the Constitution,<sup>1</sup> or in the various amendments to the Constitution.<sup>2</sup> Among these many powers, Congress has been granted the authority to exercise exclusive jurisdiction over the District of Columbia.<sup>3</sup> It should be noted, however, that there is no similar clause in the Constitution that gives Congress authority to exercise exclusive jurisdiction over the states.

When Congress passes a law, there is no requirement under the Constitution that the Congress identify the nature or source of its authority. Often, a particular piece of legislation may have multiple constitutional authorities, each of which would be sufficient to pass the legislation. Or, in many cases, the legislative authority is derived from overlapping authorities which support some, but not all pieces of the legislation. Thus, for instance, a bill concerning universal health care might be based on the authority of

<sup>1</sup> See, e.g., U.S. Const., Art. IV, §3, cl. 2 (provides congressional power over federal land and territories).

<sup>2</sup> See, e.g., U.S. Const., Amendment XIV, §5 (giving Congress the power to enforce the Fourteenth Amendment).

<sup>3</sup> U.S. Const., Art. I, §8, cl. 17.

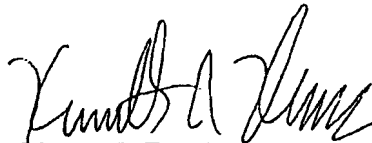
95-3430

*This legal memorandum was prepared by the American Law Division to enable distribution to more than one client. Copies may be obtained from the American Law Division.*

Congress to regulate commerce,<sup>4</sup> to raise taxes,<sup>5</sup> to grant patent **EXHIBIT 50** necessary laws,<sup>7</sup> and other powers.

Congress passes many laws that affect the District of Columbia, including both laws national in scope, *e.g.* imposing taxes, regulating air quality, or building highways, and laws local in nature, *e.g.* a law limiting how the District Government may spend its federal payment. Arguably, all these laws are based on Congress's authority over the District of Columbia, at least to the extent that they effect the District of Columbia. However, these laws may or may not have an independent basis elsewhere in the Constitution.

Consequently, legal analysis evaluating the constitutional basis would need to be done on a case by case basis. Occasionally, arguments are made in federal courts that Congress has acted outside of the scope of its constitutional authority in passing a piece of legislation. In these cases, the constitutional basis for a particular piece of legislation may address the issue of which Congressional powers are the basis for the legislation. Or, in other cases, a court might note the constitutional authority for a statute in *dicta*. Generally, however, the constitutional basis for legislation is accepted by both parties to a case, so the issue is generally irrelevant to particular litigation.



Kenneth R. Thomas  
Legislative Attorney  
American Law Division

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<sup>4</sup> U.S. Const., Art. I, §8, cl. 3.

<sup>5</sup> U.S. Const., Art. I, §8, cl. 1.

<sup>6</sup> U.S. Const., Art. I, §8, cl. 8.

<sup>7</sup> U.S. Const., Art. I, §8, cl. 18.

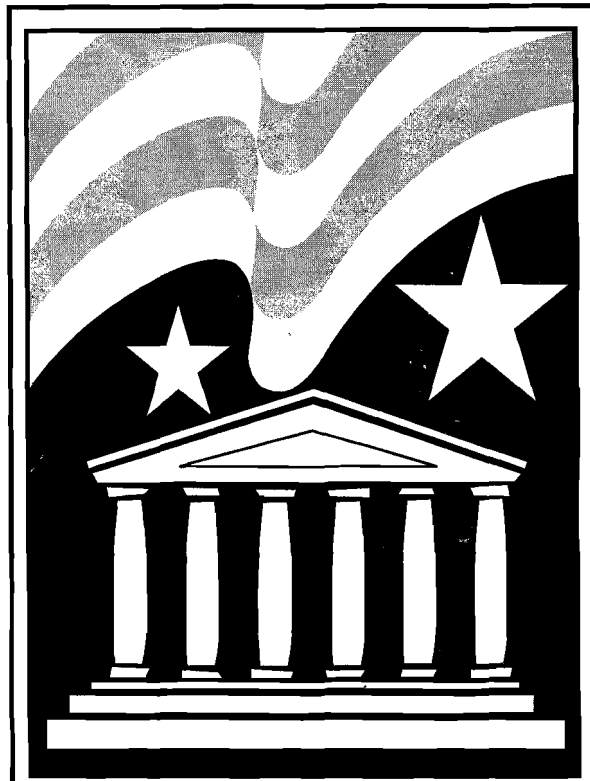


Department  
of the  
Treasury  
  
Internal  
Revenue  
Service

**Publication 515**  
(Rev. November 2001)  
Cat. No. 15019L

# Withholding of Tax on Nonresident Aliens and Foreign Entities

**For Withholding in 2002**



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## Withholding of Tax

Generally, a foreign person is subject to U.S. tax on its U.S. source income. Most types of U.S. source income received by a foreign person are subject to U.S. tax of 30%. A reduced rate, including exemption, may apply if there is a tax treaty between the foreign person's country of residence and the United States. The tax is generally withheld (NRA withholding) from the payment made to the foreign person.

The term "**NRA withholding**" is used in this publication descriptively to refer to withholding required under sections 1441, 1442, and 1443 of the Internal Revenue Code. Generally, NRA withholding describes the withholding regime that requires 30% withholding on a payment of U.S. source income. Payments to all foreign persons, including nonresident alien individuals, foreign entities and governments, may be subject to NRA withholding.



**NRA withholding does not include withholding done under section 1445 of the Code (see U.S. Real Property Interest, later) or under section 1446 of the Code (see Partnership Withholding on Effectively Connected Income, later).**

A withholding agent must withhold 30% of any payment subject to NRA withholding, made to a payee that is a foreign person. However, a withholding agent that can reliably associate the payment with documentation (discussed later) from a U.S. person is not required to withhold. In addition, a withholding agent may apply a reduced rate of withholding (including an exemption from withholding) if it can reliably associate the payment with documentation from a beneficial owner that is a foreign person entitled to a reduced rate of withholding.

### Withholding Agent

You are a withholding agent if you are a U.S. or foreign person that has control, receipt, custody, disposal, or payment of any item of income of a foreign person that is subject to withholding. A withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including any foreign intermediary, foreign partnership, or U.S. branch of certain foreign banks and insurance companies. You may be a withholding agent even if there is no requirement to withhold from a payment or even if another person has withheld the required amount from the payment.

Although several persons may be withholding agents for a single payment, the full tax is required to be withheld only once. Generally, the U.S. person who pays an amount subject to NRA withholding is the person responsible for withholding. However, other persons may be required to withhold. For example, a payment made by a flow-through entity or nonqualified intermediary that knows, or has reason to know, that the full amount of NRA withholding was not done by the person from which it receives a payment is required to do the appropriate withholding since it also falls within the definition of a withholding agent. In addition, withholding must be done by any qualified intermediary in accordance with the terms of its qualified intermediary withholding agreement, discussed later.

**Liability for tax.** As a withholding agent, you are personally liable for any tax required to be withheld. This liability is independent of the tax liability of the foreign person to whom the payment is made. If you fail to withhold and the foreign payee fails to satisfy its U.S. tax liability, then both you and the foreign person are liable for tax, as well as interest and any applicable penalties. The applicable tax will be collected only once. If the foreign person satisfies its U.S. tax liability, you may still be held liable for interest and penalties for your failure to withhold.

**Determination of amount to withhold.** You must withhold on the gross amount subject to NRA withholding. You cannot reduce the gross amount by any deductions. However, see *Scholarships and Fellowship Grants and Pay for Personal Services Performed*, later, for when a deduction for a personal exemption may be allowed.

If the determination of the source of the income or the amount subject to tax depends on facts that are not known at the time of payment, you must withhold an amount sufficient to ensure that at least 30% of the amount subsequently determined to be subject to withholding is withheld. In no case, however, should you withhold more than 30% of the total amount paid.

**When to withhold.** Withholding is required at the time you make a payment of an amount subject to withholding. A payment is made to a person if that person realizes income whether or not there is an actual transfer of cash or other property. A payment is considered made to a person if it is paid for that person's benefit. For example, a payment made to a creditor of a person in satisfaction of that person's debt to the creditor is considered made to the person. A payment is also considered made to a person if it is made to that person's agent.

A U.S. partnership should withhold when any distributions that include amounts subject to withholding are made. However, if a foreign partner's distributive share of income subject to withholding is not actually distributed, the U.S. partnership must withhold on the foreign partner's distributive share of the income on the earlier of the date that a Schedule K-1 (Form 1065) is provided or mailed to the partner or the due date for furnishing that schedule. If the distributable amount consists of effectively connected income, see *Partnership Withholding on Effectively Connected Income*, later.

A U.S. trust is required to withhold on the amount includible in the gross income of a foreign beneficiary to the extent the trust's distributable net income consists of an amount subject to withholding. To the extent a U.S. trust is required to distribute an amount subject to withholding but does not actually distribute the amount, it must withhold on the foreign beneficiary's allocable share at the time the income is required to be reported on Form 1042-S.

### Withholding and Reporting Obligations

You are required to report payments subject to NRA withholding on Form 1042-S and to file a tax return on Form 1042. (See *Returns Required*, later.) An exception from reporting may

apply to individuals who are not required to withhold from a payment and who do not make the payment in the course of their trade or business.

**Form 1099 reporting and backup withholding.** You may also be responsible as a payer for reporting on Form 1099 payments made to a U.S. person. You must withhold 30% from a reportable payment made to a U.S. person that is subject to Form 1099 reporting if (1) the U.S. person has not provided its taxpayer identification number (TIN) in the manner required, (2) the IRS notifies you that the TIN furnished by the payee is incorrect, (3) there has been a notified payee under-reporting, or (4) there has been a payee certification failure. Generally, a TIN must be provided by a U.S. non-exempt recipient on Form W-9. A payer files a tax return on Form 945 for backup withholding.

You may be required to file Form 1099, and, if appropriate, backup withhold, even if you do not make the payments directly to that U.S. person. For example, you are required to report income paid to a foreign intermediary or flow-through entity that collects for a U.S. person subject to Form 1099 reporting. See *Identifying the Payee*, later, for more information.

**TIP** Foreign persons who provide Form W-8BEN, Form W-8ECI, or Form W-8EXP (or applicable documentary evidence) are exempt from backup withholding and Form 1099 reporting.

**Wages paid to employees.** If you are the employer of a nonresident alien employee, you may have to withhold taxes at graduated rates. See *Pay for Personal Services Performed*, later.

**Effectively connected income by partnerships.** A withholding agent that is a partnership (whether U.S. or foreign) is also responsible for withholding on its income effectively connected with a U.S. trade or business that is allocable to foreign partners. See *Partnership Withholding on Effectively Connected Income*, later, for more information.

**U.S. real property interest.** A withholding agent may also be responsible for withholding if a foreign person transfers a U.S. real property interest to the agent, or if it is a corporation, partnership, trust or estate that distributes a U.S. real property interest to a shareholder, partner, or beneficiary that is a foreign person. See *U.S. Real Property Interest*, later.

## Persons Subject to NRA Withholding

NRA withholding applies only to payments made to a payee that is a foreign person. It does not apply to payments made to U.S. persons.

Usually, you determine the payee's status as a U.S. or foreign person based on the documentation that person provides. See *Documentation*, later. However, if you have received no documentation or you cannot reliably associate all or a portion of a payment with documentation, then you must apply certain presumption rules, discussed later.



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## U.S. Code collection

**TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART VII >  
§ 6091**

### **§ 6091. Place for filing returns or other documents**

*How Current is This?*

#### **(a) General rule**

When not otherwise provided for by this title, the Secretary shall by regulations prescribe the place for the filing of any return, declaration, statement, or other document, or copies thereof, required by this title or by regulations.

#### **(b) Tax returns**

In the case of returns of tax required under authority of part II of this subchapter—

##### **(1) Persons other than corporations**

###### **(A) General rule**

Except as provided in subparagraph (B), a return (other than a corporation return) shall be made to the Secretary—

**(i)** in the internal revenue district in which is located the legal residence or principal place of business of the person making the return, or

**(ii)** at a service center serving the internal revenue district referred to in clause (i),

as the Secretary may by regulations designate.

###### **(B) Exception**

Returns of—

**(i)** persons who have no legal residence or principal place of business in any internal revenue district,

**(ii)** citizens of the United States whose principal place of abode for the period with respect to which the return is filed is outside the United States,

**(iii)** persons who claim the benefits of section 911 (relating to citizens or residents of the United States living abroad), section 931 (relating to income from sources within Guam, American Samoa, or the Northern Mariana Islands), or section 933 (relating to income from sources

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## U.S. Code collection

**TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART III > Subpart B > § 911**

[Prev](#) | [Next](#)

### **§ 911. Citizens or residents of the United States living abroad**

*How Current is This?*

#### **(a) Exclusion from gross income**

At the election of a qualified individual (made separately with respect to paragraphs (1) and (2)), there shall be excluded from the gross income of such individual, and exempt from taxation under this subtitle, for any taxable year—

- (1)** the foreign earned income of such individual, and
- (2)** the housing cost amount of such individual.

#### **(b) Foreign earned income**

##### **(1) Definition**

For purposes of this section—

##### **(A) In general**

The term “foreign earned income” with respect to any individual means the amount received by such individual from sources within a foreign country or countries which constitute earned income attributable to services performed by such individual during the period described in subparagraph (A) or (B) of subsection (d)(1), whichever is applicable.

##### **(B) Certain amounts not included in foreign earned income**

The foreign earned income for an individual shall not include amounts—

- (i)** received as a pension or annuity,
- (ii)** paid by the United States or an agency thereof to an employee of the United States or an agency thereof,
- (iii)** included in gross income by reason of section 402 (b) (relating to taxability of beneficiary of nonexempt trust) or section 403 (c) (relating to taxability of beneficiary under a nonqualified annuity), or
- (iv)** received after the close of the taxable year following the taxable year in which the services to which the amounts

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income for any taxable year shall be determined without regard to the limitation of subparagraph (A) of subsection (b) (2).

**(d) Definitions and special rules**

For purposes of this section—

**(1) Qualified individual**

The term "qualified individual" means an individual whose tax home is in a foreign country and who is—

**(A)** a citizen of the United States and establishes to the satisfaction of the Secretary that he has been a bona fide resident of a foreign country or countries for an uninterrupted period which includes an entire taxable year, or

**(B)** a citizen or resident of the United States and who, during any period of 12 consecutive months, is present in a foreign country or countries during at least 330 full days in such period.

**(2) Earned income**

**(A) In general**

The term "earned income" means wages, salaries, or professional fees, and other amounts received as compensation for personal services actually rendered, but does not include that part of the compensation derived by the taxpayer for personal services rendered by him to a corporation which represents a distribution of earnings or profits rather than a reasonable allowance as compensation for the personal services actually rendered.

**(B) Taxpayer engaged in trade or business**

In the case of a taxpayer engaged in a trade or business in which both personal services and capital are material income-producing factors, under regulations prescribed by the Secretary, a reasonable allowance as compensation for the personal services rendered by the taxpayer, not in excess of 30 percent of his share of the net profits of such trade or business, shall be considered as earned income.

**(3) Tax home**

The term "tax home" means, with respect to any individual, such individual's home for purposes of section 162 (a)(2) (relating to traveling expenses while away from home). An individual shall not be treated as having a tax home in a foreign country for any period for which his abode is within the United States.

**(4) Waiver of period of stay in foreign country**

Notwithstanding paragraph (1), an individual who—

**(A)** is a bona fide resident of, or is present in, a foreign country for any period,

UNITED STATES TAX COURT

WASHINGTON, DC 20217

ROSS A. MILLER, )  
 )  
 Petitioner )  
 )  
 v. ) Docket No. 23611-06L.  
 )  
 COMMISSIONER OF INTERNAL REVENUE, )  
 )  
 Respondent )

ORDER OF DISMISSAL FOR LACK OF JURISDICTION

Upon due consideration of correspondence from petitioner received on December 6, 2006, which is attached hereto, it appearing that petitioner does not intend to file a proper Amended Petition or to pay the \$60.00 filing fee for this case, it is

ORDERED that this case is dismissed, for lack of jurisdiction.

(Signed) John O. Colvin

John O. Colvin  
Chief Judge

ENTERED: FEB 5 2007

## SUBTITLES OF THE INTERNAL REVENUE CODE

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

## **26 USC - SUBTITLE F - ENFORCEMENT REGULATIONS**

26 USC	Description	Location of Enforcement Regulations
6020	Returns prepared for or executed by Secretary	27 CFR Parts 53, 70
<b>6201</b>	<b>Assessment Authority</b>	<b>27 CFR Part 70</b>
6203	Method of Assessment	27 CFR Part 70
<b>6212</b>	<b>Notice of Deficiency</b>	<b>No Regulations</b>
<b>6213</b>	<b>Restrictions applicable to: deficiencies, petition to Tax Court</b>	<b>No Regulations</b>
<b>6214</b>	<b>Determinations by Tax Court</b>	<b>No Regulations</b>
<b>6215</b>	<b>Assessment of Deficiency found by Tax Court</b>	<b>No Regulations</b>
6301	Collection Activity	27 CFR Parts 24, 25, 53, 70, 250, 270, 275
6303	Notice and Demand for Tax	27 CFR Parts 53, 70
<b>6321</b>	<b>Lien for Taxes</b>	<b>27 CFR Part 70</b>
<b>6331</b>	<b>Levy and Distraint</b>	<b>27 CFR Part 70</b>
6332	Surrender of Property subject to Levy	27 CFR Part 70
<b>6420</b>	<b>Gasoline used on farms</b>	<b>No Regulations</b>
6601	Interest on underpayment, nonpayment, or extensions for payment of tax	27 CFR Parts 70, 170, 194, 296
6651	Failure to file tax return or to pay tax	27 CFR Parts 24, 25, 70, 194
6671	Rules for application of assessable penalties	27 CFR Part 70
6672	Failure to collect and pay over tax, or attempt to evade or defeat tax	27 CFR Part 70
6701	Penalties for adding and abetting understatement of tax liability	27 CFR Part 70
<b>6861</b>	<b>Jeopardy assessments of income, estate, and gift taxes</b>	<b>No Regulations</b>
<b>6902</b>	<b>Provisions of special application to transferees</b>	<b>No Regulations</b>
<b>7201</b>	<b>Attempt to evade or defeat tax</b>	<b>No Regulations</b>
<b>7203</b>	<b>Willful failure to file return, supply information, or pay tax</b>	<b>No Regulations</b>
<b>7206</b>	<b>Fraud and false statements</b>	<b>No Regulations</b>
7207	Fraudulent returns, statements and other documents	27 CFR Part 70
<b>7210</b>	<b>Failure to obey summons</b>	<b>No Regulations</b>
7212	Attempts to interfere with administration of Internal Revenue Laws	27 CFR Parts 170, 270, 275, 290, 295, 296
7342	Penalty fo refusal to permit entry or examination	27 CFR Parts 24, 25, 170, 270, 275, 290, 295, 296
<b>7343</b>	<b>Defintion of term 'person'</b>	<b>No Regulations</b>
<b>7344</b>	<b>Extended application of penalties to officers of the Treasury Dept</b>	<b>No Regulations</b>
7401	Authorization [judicial proceedings]	27 CFR Part 70
<b>7402</b>	<b>Jurisdiction of district courts</b>	<b>No Regulations</b>
7403	Action to enforce lien or to subject property to payment of tax	27 CFR Part 70
<b>7454</b>	<b>Burden of proof in fraud, foundation manager, and transferee cases</b>	<b>No Regulations</b>
7601	Canvass of districts for taxable persons and objects	27 CFR Part 70
7602	Examination of books and witnesses	27 CFR Parts 70, 170, 296
7603	Service of summons	27 CFR Part 70
7604	Enforcement of summons	27 CFR Part 70
7605	Time and place of examination	27 CFR Part 70
7608	Authority of Internal Revenue Enforcement Officers	27 CFR Parts 70, 170, 296

**NOTE: There are no Implementing Regulations for Subtitle F Enforcement Statutes to be found in 26 CFR relating to the non-enacted Subtitle A Income Tax**



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**TITLE 44 > CHAPTER 15 > § 1505**

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### **§ 1505. Documents to be published in Federal Register**

*How Current is This?*

**(a)** Proclamations and Executive Orders; Documents Having General Applicability and Legal Effect; Documents Required To Be Published by Congress. There shall be published in the Federal Register—

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

**(2)** documents or classes of documents that the President may determine from time to time have general applicability and legal effect; and

**(3)** documents or classes of documents that may be required so to be published by Act of Congress.

For the purposes of this chapter every document or order which prescribes a penalty has general applicability and legal effect.

**(b)** Documents Authorized To Be Published by Regulations; Comments and News Items Excluded. In addition to the foregoing there shall also be published in the Federal Register other documents or classes of documents authorized to be published by regulations prescribed under this chapter with the approval of the President, but comments or news items of any character may not be published in the Federal Register.

**(c)** Suspension of Requirements for Filing of Documents; Alternate Systems for Promulgating, Filing, or Publishing Documents; Preservation of Originals. In the event of an attack or threatened attack upon the continental United States and a determination by the President that as a result of an attack or threatened attack—

**(1)** publication of the Federal Register or filing of documents with the Office of the Federal Register is impracticable, or

**(2)** under existing conditions publication in the Federal Register would not serve to give appropriate notice to the public of the contents of documents, the President may, without regard to any other provision of law, suspend all or part of the requirements of law or regulation for filing with the Office or publication in the Federal Register of documents or classes of documents.

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**TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > § 552**

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### **§ 552. Public information; agency rules, opinions, orders, records, and proceedings**

*How Current is This?*

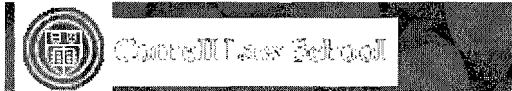
- (a) Each agency shall make available to the public information as follows:
- (1) Each agency shall separately state and currently publish in the Federal Register for the guidance of the public—
    - (A) descriptions of its central and field organization and the established places at which, the employees (and in the case of a uniformed service, the members) from whom, and the methods whereby, the public may obtain information, make submittals or requests, or obtain decisions;
    - (B) statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of all formal and informal procedures available;
    - (C) rules of procedure, descriptions of forms available or the places at which forms may be obtained, and instructions as to the scope and contents of all papers, reports, or examinations;
    - (D) substantive rules of general applicability adopted as authorized by law, and statements of general policy or interpretations of general applicability formulated and adopted by the agency; and
    - (E) each amendment, revision, or repeal of the foregoing.

Except to the extent that a person has actual and timely notice of the terms thereof, a person may not in any manner be required to resort to, or be adversely affected by, a matter required to be published in the Federal Register and not so published. For the purpose of this paragraph, matter reasonably available to the class of persons affected thereby is deemed published in the Federal Register when incorporated by reference therein with the approval of the Director of the Federal Register.

- (2) Each agency, in accordance with published rules, shall make available for public inspection and copying—
  - (A) final opinions, including concurring and dissenting opinions, as well as orders, made in the adjudication of cases;
  - (B) those statements of policy and interpretations which have been adopted by the agency and are not published in the Federal

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**TITLE 5 > PART I > CHAPTER 5 > SUBCHAPTER II > § 556**

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### **§ 556. Hearings; presiding employees; powers and duties; burden of proof; evidence; record as basis of decision**

*How Current is This?*

- (a) This section applies, according to the provisions thereof, to hearings required by section 553 or 554 of this title to be conducted in accordance with this section.
- (b) There shall preside at the taking of evidence—
- (1) the agency;
  - (2) one or more members of the body which comprises the agency; or
  - (3) one or more administrative law judges appointed under section 3105 of this title.

This subchapter does not supersede the conduct of specified classes of proceedings, in whole or in part, by or before boards or other employees specially provided for by or designated under statute. The functions of presiding employees and of employees participating in decisions in accordance with section 557 of this title shall be conducted in an impartial manner. A presiding or participating employee may at any time disqualify himself. On the filing in good faith of a timely and sufficient affidavit of personal bias or other disqualification of a presiding or participating employee, the agency shall determine the matter as a part of the record and decision in the case.

- (c) Subject to published rules of the agency and within its powers, employees presiding at hearings may—
- (1) administer oaths and affirmations;
  - (2) issue subpoenas authorized by law;
  - (3) rule on offers of proof and receive relevant evidence;
  - (4) take depositions or have depositions taken when the ends of justice would be served;
  - (5) regulate the course of the hearing;
  - (6) hold conferences for the settlement or simplification of the issues by consent of the parties or by the use of alternative means of dispute resolution as provided in subchapter IV of this chapter;
  - (7) inform the parties as to the availability of one or more alternative

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means of dispute resolution, and encourage use of such methods;

**(8)** require the attendance at any conference held pursuant to paragraph (6) of at least one representative of each party who has authority to negotiate concerning resolution of issues in controversy;

**(9)** dispose of procedural requests or similar matters;

**(10)** make or recommend decisions in accordance with section 557 of this title; and

**(11)** take other action authorized by agency rule consistent with this subchapter.

**(d)** Except as otherwise provided by statute, the proponent of a rule or order has the burden of proof. Any oral or documentary evidence may be received, but the agency as a matter of policy shall provide for the exclusion of irrelevant, immaterial, or unduly repetitious evidence. A sanction may not be imposed or rule or order issued except on consideration of the whole record or those parts thereof cited by a party and supported by and in accordance with the reliable, probative, and substantial evidence. The agency may, to the extent consistent with the interests of justice and the policy of the underlying statutes administered by the agency, consider a violation of section 557 (d) of this title sufficient grounds for a decision adverse to a party who has knowingly committed such violation or knowingly caused such violation to occur. A party is entitled to present his case or defense by oral or documentary evidence, to submit rebuttal evidence, and to conduct such cross-examination as may be required for a full and true disclosure of the facts. In rule making or determining claims for money or benefits or applications for initial licenses an agency may, when a party will not be prejudiced thereby, adopt procedures for the submission of all or part of the evidence in written form.

**(e)** The transcript of testimony and exhibits, together with all papers and requests filed in the proceeding, constitutes the exclusive record for decision in accordance with section 557 of this title and, on payment of lawfully prescribed costs, shall be made available to the parties. When an agency decision rests on official notice of a material fact not appearing in the evidence in the record, a party is entitled, on timely request, to an opportunity to show the contrary.

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EXHIBIT 51

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TITLE 28 > PART VI > CHAPTER 171 > Sec. 2679.

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# WESTFALL ACT

## Sec. 2679. - Exclusiveness of remedy

(a)

The authority of any federal agency to sue and be sued in its own name shall not be construed to authorize suits against such federal agency on claims which are cognizable under section 1346(b) of this title, and the remedies provided by this title in such cases shall be exclusive.

(b)

(1)

The remedy against the United States provided by sections 1346(b) and 2672 of this title for injury or loss of property, or personal injury or death arising or resulting from the negligent or wrongful act or omission of any employee of the Government while acting within the scope of his office or employment is exclusive of any other civil action or proceeding for money damages by reason of the same subject matter against the employee whose act or omission gave rise to the claim or against the estate of such employee. Any other civil action or proceeding for money damages arising out of or relating to the same subject matter against the employee or the employee's estate is precluded without regard to when the act or omission occurred.

(2)

→ Paragraph (1) does not extend or apply to a civil action against an employee of the Government -

(A)

→ which is brought for a violation of the Constitution of the United States, or

(B)

which is brought for a violation of a statute of the United States under which such action against an individual is otherwise authorized.

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(c)

The Attorney General shall defend any civil action or proceeding brought in any court against any employee of the Government or his estate for any such damage or injury. The employee against whom such civil action or proceeding is brought shall deliver within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon him or an attested true copy thereof to his immediate superior or to whomever was designated by the head of his department to receive such papers and such person shall promptly furnish copies of the pleadings and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought, to the Attorney General, and to the head of his employing Federal agency.

(d)

(1) SCOPE OF OFFICE

→ Upon certification by the Attorney General that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the claim arose, any civil action or proceeding commenced upon such claim in a United States district court shall be deemed an action against the United States under the provisions of this title and all references thereto, and the United States shall be substituted as the party defendant.

(2)

Upon certification by the Attorney General that the defendant employee was acting within the scope of his office or employment at the time of the incident out of which the claim arose, any civil action or proceeding commenced upon such claim in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place in which the action or proceeding is pending. Such action or proceeding shall be deemed to be an action or proceeding brought against the United States under the provisions of this title and all references thereto, and the United States shall be substituted as the party defendant. This certification of the Attorney General shall conclusively establish scope of office or employment for purposes of removal.

(3)

In the event that the Attorney General has refused to certify scope of office or employment under this section, the employee may at any time before trial petition the court to find and certify that the employee was acting within the scope of his office or employment. Upon such

If no  
Certification  
see (d)(3)

certification by the court, such action or proceeding shall be deemed to be an action or proceeding brought against the United States under the provisions of this title and all references thereto, and the United States shall be substituted as the party defendant. A copy of the petition shall be served upon the United States in accordance with the provisions of Rule 4(d)(4) of the Federal Rules of Civil Procedure. In the event the petition is filed in a civil action or proceeding pending in a State court, the action or proceeding may be removed without bond by the Attorney General to the district court of the United States for the district and division embracing the place in which it is pending. If, in considering the petition, the district court determines that the employee was not acting within the scope of his office or employment, the action or proceeding shall be remanded to the State court.

(4)

Upon certification, any action or proceeding subject to paragraph (1), (2), or (3) shall proceed in the same manner as any action against the United States filed pursuant to section 1346(b) of this title and shall be subject to the limitations and exceptions applicable to those actions.

(5)

Whenever an action or proceeding in which the United States is substituted as the party defendant under this subsection is dismissed for failure first to present a claim pursuant to section 2675(a) of this title, such a claim shall be deemed to be timely presented under section 2401(b) of this title if -

(A)

the claim would have been timely had it been filed on the date the underlying civil action was commenced, and

(B)

the claim is presented to the appropriate Federal agency within 60 days after dismissal of the civil action.

(e)

The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677, and with the same effect

See  
Caha v. U.S.

Must invoke  
a Judicial  
" three-judge "  
State Court  
proceeding.

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Jurisdiction of Federal Courts

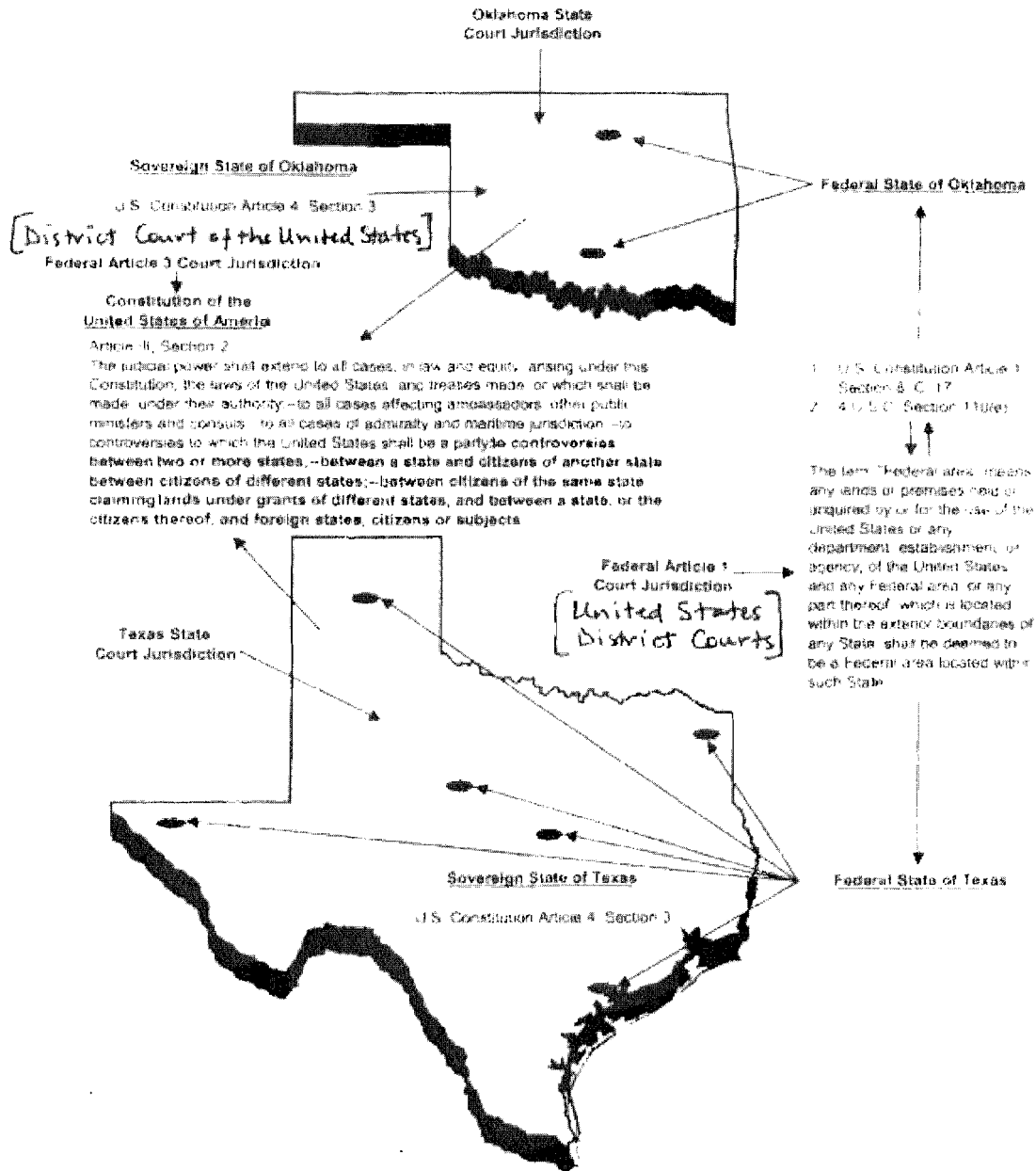


Figure 3-1. Federal Court Jurisdiction

### Jurisdiction of Federal Courts

'As only the judicial power vested in Congress is to create courts whose judges shall hold their office during good behavior, it necessarily follows that, if Congress authorizes the creation of courts and the appointment of judges for a limited time, it must act independently of the Constitution and upon **territory which is not part of the United States within the meaning of the Constitution.**' -Downes v. Bidwell, 182 US 244, 266 (1900).

since the plurality's conclusion -- **that Congress could under Article I expand the scope of the federal courts' Article III jurisdiction -- contradicted the fundamental notion that Article III sets forth the exclusive catalog of permissible federal court jurisdiction.** Thus, *Union Gas* was wrongly decided, and is overruled. The Eleventh Amendment restricts the judicial power under Article III, and Article I cannot be used to circumvent the constitutional limitations placed upon federal jurisdiction." Pp. ~ - *Seminole Tribe of Florida v. Florida* No. 94-12, Argued October 11, 1995 Decided March 27, 1996

That the term "District Court of the United States" refers to an Article III court and the term "United States District Court" refers to an Article I court is stated in the following:

58 S.Ct. 543, 303 U.S. 201, *Mookini V. U.S.*, (U.S.Hawai'i 1938)  
 [2] [3] [4] The term '**District Courts of the United States**,' as used in the rules, without an addition expressing a wider connotation, has its historic significance. It describes the constitutional courts created under article 3 of the Constitution. Courts of the Territories are legislative courts, properly speaking, and are not District Courts of the United States. We have often held that vesting a territorial court with jurisdiction similar to that vested in the District Courts of the United States does not make it a 'District Court of the United States.' *Reynolds v. United States*, 98 U.S. 145,154, 25 L.Ed. 244; *The City of Panama*, 101 U.S. 453, 460, 25 L.Ed. 1061; *In re Mills*, 135 U.S. 263, 268,10 S.Ct. 762, 34 L.Ed. 107; *McAllister v. United States*, 141 U.S. 174,182,183,11 S.Ct. 949,35 L.Ed. 693; *Stephens v. Cherokee Nation*, 174 U.S. 445, 476, 477, 19 S.Ct. 722, 43 L.Ed. 1041; *Summers v. United States*, 231 U.S. 92, 101, 102, 34 S.Ct. 38, 58 L.Ed. 137; *United States v. Burroughs*, 289 U.S. 159,163, 53 S.Ct. 574, 77 L.Ed. 1096.

In other words, Article I courts only have jurisdiction within territory which is not part of the United States within the meaning of the Constitution. **This omits jurisdiction within the 50 State Republics.** This is extremely important because it was further established by the Supreme Court that congress, therefore the federal Article I courts are not subject to the same constitutional limitations as when they are legislating for the United States:

In exercising this power, **Congress is not subject to the same constitutional limitations, as when it is legislating for the United States.** See *Downes v. Bidwell*, supra; *Territory of Hawaii v. Mankichi*, 190 U.S. 197,23 S.Ct. 787; *Dorr v. United States*, supra; *Dowdell v. United States*, 221 U.S. 325, 332 31 S.Ct. 590, 593; *Ocampo v. United States*, 234 U.S. 91, 98 , 34 S.Ct. 712, 715; *Public Utility Commissioners v. Ynchausti & Co.*, supra, 251 U.S. 406, 407 , 40 S.Ct. 279; *Balzac v. Porto Rico*, supra. And in general **the guaranties of the Constitution, save as they are limitations upon the exercise of executive and legislative power when exerted for or over our insular possessions, extend to them only as Congress, in the exercise of its legislative power over territory belonging to the United States, has made those guaranties applicable.** See *Balzac v. Porto Rico*, supra.

The term jurisdiction pertains to two types, jurisdiction in regards to the subject, and the other of the parties:

"Jurisdiction' is of two kinds--one of the subject, the other of the parties--and both must exist in order to authorize the court to try and determine the cause. Unless the law gives the court jurisdiction of the subject, jurisdiction cannot be acquired by the consent of the parties; but, if the law gives jurisdiction of the subject, the court may acquire jurisdiction of the parties by their consent... **But if B., without challenging the jurisdiction of the court, should file his answer pleading to the merits, neither party could afterwards question the jurisdiction of the court because by their actions they are**



## EXHIBIT 62

### IMPLEMENTING REGULATIONS—(Citations)— Cont.

“Courts must defer to Treasury’s interpretive regulations if they implement congressional mandate in some reasonable manner”

“in determining whether *Treasury* Regulation is consistent with congressional mandate, court looks to see whether regulation harmonizes with plain language of the statute, its origin and its purpose.”

Pacific First Fed. Sav. Bank v. C.I.R., 961 F2d 800, 9th Cir., 1992  
National Muffler Dealers Assoc. v. United States, 440 U.S. at 477

“Currency Reporting Act is not self-executing and imposes no reporting duties with respect to currency transactions until implementing regulations have been promulgated”

“Individual cannot be prosecuted for violating Currency Reporting Act unless he violates implementing regulation”  
United States v. Murphy, 809 F2d 1427, 9th Cir, 1987

“Under the Act, the Secretary of the Treasury is authorized to prescribe by regulation certain recordkeeping and reporting requirements for banks and other financial institutions in this country. Because it has a bearing on our treatment of some of the issues raised by the parties, we think it important to note that the Act’s civil and criminal penalties attach only upon violation of regulations promulgated by the secretary; if the Secretary were to do nothing, the Act itself would impose no penalties on anyone

California Bankers Assn. v. Shultz, 416 U.S. 21, 1974

“Given the scope of the information which Customs Form 4790 requires a traveler to furnish, as well as the Form’s role as an implementing mechanism for the reporting regulations, Form 4790 is a substantive and implementing rule which falls within none of the acceptable exemptions under APA and should have been published in the Federal Register.” (emphasis added).

In United States v. Two Hundred Thousand Dollars (\$200,000) In United States Currency, 590 F. Supp. 866 (1984).



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

Internal Revenue Service  
C: I 4:E&G: T5: 4  
801 Civic Center Drive West  
Santa Ana, California 92701

May 6, 2003

Enclosed find your receipt, which I signed, showing I received your letter. As I told you by phone, I will answer questions about the report I issued in March.

I have forwarded the information about your case on for the preparation of a Statutory Notice of Deficiency. In doing so, I wrote up a summary of this case with a more detailed analysis of my basis for the deficiency. Enclosed find a copy of Form 886-A Explanation of Items. I hope that will answer most of your questions about the adjustments.

I address the Statute of Limitations issue on the second page. Normally the Statute of Limitations does expire three years from the date the return was tiled or due, whichever is later. However, in this case the Statute was extended 6 weeks because you were within the class of 'John Does' with offshore credit cards. So the Statute of Limitations was extended under internal Revenue Code Section 7609(e)(2).

A legal analysis of the circumstances under which the Statute of Limitations can be extended is beyond what I can provide for you. You may want to research the issue at your local law library.

Also as explained on the enclosed Form 886-A, I was unable to tell if you were an employee or an independent contractor for Oaxaca Management International, Inc. But either way I came to the same conclusion because you did not show,

- (1) that the charges on the credit card were paid or incurred while performing Services for Oaxaca,

- (2) that you accounted to Oaxaca for the expenses, and
- (3) that you were required to return any excess reimbursement.

I understand it's your position these are corporate expenses paid directly by the corporation, however, you refused to tell me what kind of business Oaxaca was in, or what you did for the company, and most of the charges were for cash advances. Also, I am hard pressed to accept charges such as those made at Allen Family Shoes, Ralph's Grocery Stores, Pharaoh's Lost Kingdom or Hilmers Luggage as ordinary corporate business expenses without further documentation.

You indicated that Oaxaca is a company outside the jurisdiction of the IRS, but you are a **United States citizen** and required to report all your income, regardless of whether you received anything showing the amount of the income.

I have now been told that the document titled Offshore Credit Card Project was prepared by the IRS from information provided by MasterCard. We cannot provide you with the original information received from MasterCard because that includes information about other taxpayers. If your purpose in asking for that information is to show that the card was owned by Oaxaca, I'm not contesting that. I prepared the report on the assumption that Oaxaca was using that card to reimburse you for your expenses.

I do not have any information about you directly from Leadenhall Bank & Trust. What I was trying to explain is that MasterCard does not issue credit cards itself. They are issued by a bank, in this case Leadenhall. Any information MasterCard has about the cardholder comes from the issuing bank.

I have submitted a request to see if there is a way I can get a copy of the original John Doe Summons issued to MasterCard. I will let you know what I find out about that. Copies of the Summons issued to you two and Bank of America are kept at our District Office. It will take a little longer to get those copies, but I will provide them when I receive them. However, the adjustments to your 1999 tax return were based solely on the information from the original John Doe Summons to MasterCard and your oral testimony.

I am also requesting that you provide me with your completed income tax returns for the years 2000 and 2001. If you are unable to do so, you may provide me with copies of all the information regarding income and deductions for those years and I will issue a report showing the corrected tax due. Please provide me with that information no later than June 6, 2003.

Sincerely,



Brenda K. Popma  
Revenue Agent 33-07106

[Code of Federal Regulations]  
[Title 1, Volume 1]  
[Revised as of January 1, 2002]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 1CFR21.21]

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TITLE 1--GENERAL PROVISIONS

CHAPTER 1--ADMINISTRATIVE COMMITTEE OF THE FEDERAL REGISTER

PART 21---PREPARATION OF DOCUMENTS SUBJECT TO CODIFICATION--Table of Contents

Subpart A-- -General

Sec. 21.21 General requirements: References.

(a) Each reference to the Code of Federal Regulations shall be in terms of the specific titles, chapters, parts, sections, and paragraphs involved. Ambiguous references such as ``herein" , ``above" , ``below", and similar expressions may not be used.

(b) Each document that contains a reference to material published in the Code shall include the Code citation as a part of the reference.

(c) Each agency shall publish its own regulations in full text. Cross--references to the regulations of another agency may not be used as a substitute for publication in full text, unless the Office of the Federal Register finds that the regulation meets any of the following exceptions:

(1) The reference is required by court order, statute, Executive order or reorganization plan.

(2) The reference is to regulations promulgated by an agency with the exclusive legal authority to regulate in a subject matter area, but the referencing agency needs to apply those regulations in its own programs

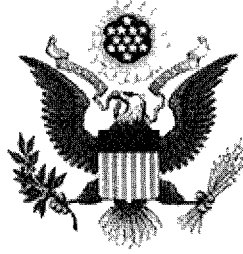
(3) The reference is informational or improves clarity rather than being regulatory.

(4) The reference is to test methods or consensus standards produced by a Federal agency that have replaced or preempted private or voluntary test methods or consensus standards in a subject matter area.

(5) The reference is to the Department level from a subagency.

(37 FR 23611, Nov. 4, 1972, as amended at 50 FR 12468, Mar. 28, 1985]

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**Congress of the United States**  
**House of Representatives**  
**Washington, DC 20515**

December 30, 1985

Regarding your recent contact with my office on the difficulties you are experiencing with the Internal Revenue Service, it is the policy of our office not to give legal advice and suggest that you seek counsel with tax expertise.

We can address your specific question relative to IRS Form 668-W, Notice of Levy on Wages...Section 6331 IRC entitled "Levy and Distraint" and Section 6331 (a) IRC entitled "Authority of Secretary", "...Levy may be made upon the accrued salary or wages of any officer, employee or elected official of the United States, District of Columbia, or any agency or instrumentality of the United States or the District of Columbia, by serving notice of levy on the employee of such officer, employee or elected official...", does not provide authority to levy wages of private citizens in the private sector.

The omission of this section from IRS form 668-W may be misleading to some employers, as you have suggested.

I hope that you will find this information useful and regret that I am unable to provide you with more assistance.

Please feel free to contact me again if you have questions or comments regarding your federal government.

Sincerely,

A handwritten signature in cursive script that reads "Dennis M. Hertel".

DENNIS M. HERTEL

Member of Congress

DMH/hjf



## Part 5. Collecting Process

### Chapter 14. Installment Agreements

#### Section 10. Payroll Deduction Agreements and Direct Debit Installment Agreements

##### 5.14.10 Payroll Deduction Agreements and Direct Debit Installment Agreements

- 5.14.10.1 Overview
- 5.14.10.2 Payroll Deduction Agreements
- 5.14.10.3 Preparation and Distribution of Form 2159, Payroll Deduction Agreement
- 5.14.10.4 Direct Debit Installment Agreements
- 5.14.10.5 Credit (and Debit) Card Payments by Individual Taxpayers
- Exhibit 5.14.10-1 Discontinue/Adjust Payroll Deduction
- Exhibit 5.14.10-2 Payroll Deduction Letter

##### 5.14.10.1 (09-30-2004)

###### Overview

1. *This chapter provides procedures for processing Payroll Deduction agreements and Direct Debit installment agreements. Payroll deduction agreements are those agreements where employers deduct payments from taxpayer's wages, and mail them to the Internal Revenue Service. Direct Debit Agreements allow the Service to debit taxpayer's bank accounts. Payroll Deduction agreements and Direct Debit installment agreements benefit the taxpayer by reducing the likelihood of default and lessening taxpayer burden.*

##### 5.14.10.2 (09-30-2004)

###### Payroll Deduction Agreements

1. The use of Form 2159, Payroll Deduction Agreement, must be strongly encouraged when the taxpayer is a wage earner, particularly if the taxpayer defaulted on a previous installment agreement.
2. Private employers, states, and political subdivisions are not required to enter into payroll deduction agreements. Taxpayers should determine whether their employers will accept and process executed agreements before agreements are submitted for approval or finalized.
3. Comptroller General decision B-45105 (signed in 1955) requires Federal Agencies to deduct and pay over the amount shown on payroll deduction agreements.
4. Allow a reasonable period for the employer to complete the necessary bookkeeping and submit the first payment.
5. On balance due and ACS accounts, encourage taxpayers to hand deliver agreements to employers; otherwise mail agreements to employers. If taxpayers prefer the Service initiate this contact, it may be made if the taxpayer received Letter 3164 A at least 10 days prior to mailing Form 2159 to the employer. Ensure Form 12175 is completed and forwarded to the Third Party Contact Coordinator in the area or center initiating the contact. Letter 3164 A must have been mailed for each module included in the installment agreement. If Letter 3164 A has not been mailed, the taxpayer may authorize a specific third party contact if the revenue officer or other contact employee completes Form 12180 and has it signed by the taxpayer(s). This form should be kept with the case file and the case file history should be documented to reflect the date that the taxpayer provided the authorization. In processing Payroll Deduction Agreements ensure that all Third Party Contact guidelines have been observed. See IRM 5.1.17.
6. The employer and the taxpayer should sign Form 2159 before submission to the manager for approval.
7. On ACS accounts, direct employers responses to ACS call sites, document case files and forward them to call sites after completing telephone contact.
8. Ensure TC 971 AC 043 is input on all modules within 24 hours of the taxpayer's request for a payroll deduction agreement.



# Tax Treatment of Thrift Savings Plan Payments to Nonresident Aliens and Their Beneficiaries

Except as noted below for uniformed services accounts, this notice summarizes tax rules that apply to Thrift Savings Plan (TSP) payments made to nonresident aliens and beneficiaries of nonresident aliens.

A **nonresident alien** is an individual who is neither a U.S. citizen nor a resident of the United States.<sup>1</sup> A **resident alien** is an individual who is or was a lawful permanent resident of the United States during any part of a calendar year. An alien may also be considered a U.S. resident if the individual meets the Internal Revenue Service (IRS) "substantial presence" test for a calendar year.<sup>2</sup> For information on residency status and the tests for residency, you may obtain IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*, or IRS Publication 519, *U.S. Tax Guide for Aliens*.

We are required by law to provide you with this notice; however, because tax rules are complex, you may wish to consult a tax advisor before you make any decision that might be affected by them.

For purposes of this notice, the following additional definitions may be helpful:

- A **participant** is a Federal employee or a member of the uniformed services (or a former Federal employee or member of the uniformed services) who has an account in the TSP.
- A **beneficiary** is a person entitled to the TSP account of a deceased participant.
- A **current or former spouse** is an individual who is (or was) a spouse of a participant and who receives a payment under a qualifying order.
- **Taxable income** means an amount of money received from the TSP by a participant or beneficiary which is subject to U.S. income tax.
- **Tax withholding** is money that is withheld from a TSP distribution and paid to the IRS as a credit towards U.S. income tax.

- An **eligible rollover distribution**<sup>3</sup> is a distribution from the TSP to a participant, or to a participant's spouse or former spouse, which is **not** (1) a monthly payment that is calculated based on life expectancy, (2) a monthly payment made over a period of at least 10 years, (3) an IRS required minimum distribution, or (4) a financial hardship withdrawal.
- A **traditional IRA** is an individual retirement account described in § 408(a) of the Internal Revenue Code (I.R.C.) or an individual retirement annuity described in I.R.C. § 408(b). (It does not include a Roth IRA, a SIMPLE IRA, or a Coverdell Education Savings Account (formerly known as an education IRA).)
- An **eligible employer plan** includes a plan qualified under I.R.C. § 401(a), including a § 401(k) plan, profit-sharing plan, defined benefit plan, stock bonus plan, and money purchase plan; an I.R.C. § 403(a) annuity plan; an I.R.C. § 403(b) tax-sheltered annuity; and an eligible I.R.C. § 457(b) plan maintained by a governmental employer.
- A **transfer** occurs when you instruct the TSP to send all or part of a payment directly to a traditional IRA or an eligible employer plan, instead of issuing it directly to you.
- A **rollover** occurs when the TSP makes a distribution to you (which includes the amount of the check you receive plus the amount withheld) and you deposit any part of that distribution into a traditional IRA or eligible employer plan within 60 days of the date you receive it.

## ***Special Note for the Rollover or Transfer of Uniformed Services Accounts***

Tax-exempt balances (i.e., contributions from combat zone pay) may be transferred or rolled over into

<sup>1</sup> The "United States" includes the 50 states and the District of Columbia.

<sup>2</sup> This is commonly referred to as the "green card" test.

<sup>3</sup> Any payments that are not eligible rollover distributions are either "periodic" or "non-periodic" payments for tax withholding purposes. If you make a financial hardship in-service withdrawal, take minimum distribution payments, or take monthly payments that will last 10 years or more or that will be computed according to the IRS life expectancy table, see the TSP tax notice "Important Tax Information About Payments From Your TSP Account" for detailed information.

a traditional IRA or transferred into certain eligible employer plans, but only if the IRA or plan accepts tax-exempt balances. Although an eligible rollover distribution will be distributed to you based on the proportion of taxable and tax-exempt balances in your account, if you choose to transfer a portion of the distribution the taxable balance will be transferred to your IRA or plan first. Tax-exempt money will be transferred only if the taxable portion of your distribution does not satisfy the percentage that you elect to transfer to your IRA or plan. Any tax-exempt money in your withdrawal that cannot be transferred will be paid directly to you (or to your checking or savings account, if you so elect).

You may only transfer (not roll over) a tax-exempt balance to an eligible employer plan. The only types of eligible employer plans that can accept a transfer of tax-exempt balances from the TSP are plans qualified under I.R.C. § 401(a) and I.R.C. § 403(a) annuity plans; however, a plan is not legally required to accept such a transfer.

You cannot first transfer or roll over a tax-exempt balance into a traditional IRA and later transfer or roll over that amount into an employer plan. If you transfer or roll over a tax-exempt balance into a traditional IRA, it is your responsibility to keep track of the amount of these contributions and report that amount to the IRS on the appropriate form so that the nontaxable amount of any future distribution(s) can be determined.

Tax-exempt balances in a uniformed services TSP account may not be transferred into a civilian TSP account.

## Tax Treatment of TSP Payments

The tax treatment of TSP payments is explained in the following questions and answers.

### 1. Do I owe U.S. taxes on a payment from the TSP?

A payment made by the TSP is taxable income for U.S. Federal income tax purposes in the year in which the payment is made. The Federal income tax treatment of payments from the TSP depends on two factors: the residency status of the participant when he or she was employed as a Federal employee and the residency status of the participant or beneficiary when he or she receives the payment(s) from the TSP. The Internal Revenue Code governs your tax liability and withholding responsibilities.

In general, the following rules apply:

- A **resident alien participant** will be liable for U.S. income tax.
- A **nonresident alien participant** who worked for the U.S. Government in the United States may be liable for U.S. income tax. See IRS Publication 721, *U.S. Guide to Civil Service Benefits*.
- A **nonresident alien participant** who never worked for the U.S. Government in the United States will not be liable for U.S. income tax.
- A **U.S. citizen beneficiary** of a resident or nonresident alien participant will be liable for U.S. income tax.
- A **resident alien beneficiary** of a U.S. citizen participant or resident or nonresident alien participant will be liable for U.S. income tax.
- A **nonresident alien beneficiary** of a U.S. citizen participant or a resident alien participant will be liable for U.S. income tax.
- A **nonresident alien beneficiary** of a nonresident alien participant will not be liable for U.S. income tax if the participant never worked for the U.S. Government in the United States.
- An **Individual Taxpayer Identification Number (ITIN)** is required when a payee is not eligible to obtain a Social Security number (SSN). To obtain an ITIN, the payee must complete IRS Form W-7, Application For IRS Individual Taxpayer Identification Number, and submit the form with certain documentation to the IRS.

### 2. Will the TSP withhold U.S. taxes from my payments?

This depends on whether the payment you receive is subject to U.S. income tax. If the money you receive is subject to U.S. income tax, then it is subject to withholding. In general, the only persons who do not owe U.S. taxes are nonresident alien participants and nonresident alien beneficiaries of nonresident alien participants. The TSP will not withhold any U.S. taxes if you fit into either category and you submit the certification described below. However, if you do not submit the certification to the TSP, the TSP must withhold 30% of your payment for Federal income taxes.