

THE TAX ON FEDERAL INCOME

Presented on or around March, Year 14 AꞒC (2023).

**The "federal income tax"
is the tax on federal income;
it is not the Federal tax on income.**

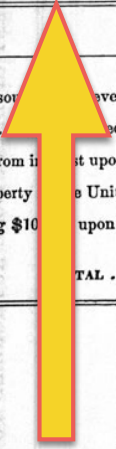
Clear & Convincing Evidence

Current and Historical Records

Original 1862 Tax Return

I hereby certify that the following is a true and faithful statement of the gains, profits, or income of _____ of the _____ of _____ in the County of _____, and State of _____, whether derived from any kind of property, rents, interest, dividends, salary, or from any profession, trade, employment, or vocation, or from any other source whatever, from the 1st day of January to the 31st day of December, 1862, both days inclusive, and subject to an Income Tax under the excise laws of the United States:

	RATE.	AMOUNT.	AMOUNT OF TAX.
Income from all sources, subject to	3 per cent.		
Do. do. exceeding \$10,000, subject to	5 per cent.		
Income derived from interest upon notes, bonds, or other securities of the United States, subject to	1½ per cent.		
Income from property in the United States owned by a citizen thereof residing abroad, subject to	5 per cent.		
Income exceeding \$10,000 upon a portion of which a tax of 3 per cent. has already been paid, subject to	2 per cent.		
TOTAL			



(Signed)

Dated at _____ this _____ day } Sworn and subscribed before me, this _____ day
of _____, 1863. } of _____, 1863

under the excise laws...

Assistant Assessor.

234/22 copy 2

IRS: 1863 Tax Return

<https://www.irs.gov/pub/irs-prior/f1040--1864.pdf>

Still an active link at time of recording!

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Income exceeding a portion of which a tax of 3 per cent has already been paid, subject to	per cent.				
T					

under the excise laws...

Dated at this day }
of , 1864.

(Signed)

Sworn and subscribed before me, this day
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Assistant Assessor.

Senate Congressional Records

gaged in the manufacture of galvanized sheet iron and sheet steel. I am receiving telegrams from those people to the effect that this rise in the cost of spelter, which has already occurred, increases very greatly the cost of galvanizing steel and iron sheets.

The average quantity of zinc used in galvanizing a ton of sheet steel or sheet iron is 325 pounds. This spelter has increased of late about \$10 a ton, which means an increase per ton of their material, as they estimate, of nearly \$2 a ton. There is a differential in paragraph 126 of this bill between ungalvanized and galvanized of two-tenths of a cent a pound. It was no doubt intended that a large share of that two-tenths of a cent would provide for additional labor; but if this duty is imposed the price of zinc will so increase that the actual difference in the material will be more than two-tenths of a cent a pound. So I must ask, if any duty is imposed, that the schedule with reference to galvanized iron shall be changed to meet the changed conditions.

Mr. President, the principle of protection does not demand that this duty be imposed. It is not a languishing industry; it is not an industry that requires a penny of duty to make it profitable and increasingly profitable in the years to come.

While its imposition will tend to destroy secondary industries which depend upon this for their raw material, the increase in price will also threaten not only a decrease in the quantity made, in the zinc that is smelted, and thus in the zinc ore which is taken from the mines, but the very decadence and almost destruction of the industry itself. I can hardly understand how those who are interested in zinc ore, who have certainly as profitable mining interests as any in the United States, the one that has shown the greatest increase in profits, should be coming here to Congress and asking for this absolutely unnecessary duty—a duty not only unnecessary to themselves, but hurtful to all the related industries. So I trust, Mr. President, that this paragraph will be stricken out of the bill, and that the law will be left as it is.

Mr. HEYBURN. Mr. President—

The PRESIDING OFFICER. The Chair lays before the Senate a message from the President of the United States, which will be read:

Mr. LODGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Aldrich	Clark, Wyo.	Gamble	Overman
Bacon	Clay	Gore	Page
Bailey	Crane	Gugensheim	Paynter
Bankhead	Crawford	Heyburn	Perkins
Borah	Culberson	Hughes	Piles
Bourne	Cullom	Johnson, N. Dak.	Rayner
Brandegee	Cummins	Johnson, Ala.	Root
Briggs	Curtis	Jones	Scott
Bristow	Daniel	Kean	Simmons
Brown	Davis	La Follette	Smith, Md.
Bulkeley	Dick	Lodge	Smith, S. C.
Burkett	Dillingham	McCumber	Smoot
Burnham	Dixon	McLaurin	Sutherland
Burrows	Dooliver	Martin	Taliferro
Burton	du Pont	Money	Tillman
Carter	Elkins	Nelson	Warner
Chamberlain	Flint	Newlands	Wetmore
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The PRESIDING OFFICER. Seventy-one Senators have answered to their names. A quorum of the Senate is present. The Secretary will read the message from the President of the United States.

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 effected. 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. Farmers' 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. 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.

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.

re-enacting 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, no 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 vesting the National Government with power to levy an income tax, and that they will secure the adoption of the amendment

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.

It is estimated 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.

U.S. Congress

3344

CONGRESSIONAL RECORD—SENATE.

JUNE 16,

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June 16, 1909, page 3344

U.S. Congress

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Brandegge	Cummins	Johnston, Ala.	Root
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Bristow	Daniel	Kean	Simmons
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Bulkeley	Dlek	Lodge	Smith, S. C.
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Burnham	Dixon	McLaurin	Sutherland
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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.

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Senate Congressional Record

June 16, 1909, page 3344

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- President William H. Taft.

House Congressional Records

withheld at the source entitles her to a 3-percent discount against the 1943 tax to which it is credited. Since she is paid twice a month, and receives \$62.50 each pay day, the amount withheld from her will be \$9.30, or a total of \$111.60 for the last 6 months of 1943, which is approximately one-half the 1943 liability. This would earn a 3-percent discount of \$3.35. By prepaying the other half June 15, this stenographer could earn a 6-percent discount on the \$108.25 of the 1943 liability which would remain, or \$6.50. Thus her total discount would be \$3.25 plus \$6.50, or \$9.75. And in order to earn this small discount, she would have to pay in 1 year, out of a \$1,500 income subject to other deductions—such as 5 percent for retirement, 10 percent for War bonds, and so forth—\$181 plus \$210.25, or a total of \$391.25.

Now, in comparison with the \$9.75 which this \$1,500 stenographer would get, let us see what the man with a million-dollar income would get. His 1942 tax would be \$854,616. His 1943 tax, including the net Victory tax liability, would be \$899,500. By paying his 1942 tax June 15, and by prepaying his 1943 tax on the same date, he would earn a discount of \$53,970.

The chairman of the Ways and Means Committee and other Members have inferred that there is no difference between the withholding provisions of my bill and of the committee bill. There is a vital difference in this respect: The withholding under the committee bill is applied in the first instance to the payment of the past year's liability. Under my bill, the amount withheld is credited in all instances to the current liability. There is just as much difference between the two as between black and white in this respect. The only similarity is in the mechanical details of the withholding. Where we differ is in regard to what the withholding is credited against. I hope that this difference is clear to the House.

I appreciate very much the opportunity to enter into this discussion on pay-as-you-go taxation. I do not believe anyone can approach this problem with an unbiased viewpoint without reaching the definite conclusion that our tax collections must be placed on a current basis. It is a fundamental change in our income-tax law and one that should be debated and discussed from every angle. The change is of vital importance to the Treasury, as well as the taxpayers. The issue is clearly drawn and I hope that after the debate is over and the vote is taken it can be said of the Members of the House of Representatives that they had the courage to approve a bill that would remove the tax debt that hangs over all taxpayers and make personal income tax payers current.

This personal income tax indebtedness if a threat to the solvency of our Federal Treasury and a millstone around the neck of the taxpayer.

Under our present law personal income tax payers are 1 year behind. That is, they must pay in 1943 a tax based on their 1942 income. If the taxpayer suffers a serious reduction in income, or loses his job, or dies, the tax debt for the prior year becomes a serious problem.

There are two, and only two, methods of getting the taxpayers immediately on a current basis. First, Congress can base this year's tax on this year's income. In other words, move the tax clock ahead 1 year. Second, Congress can try to collect 2 years taxes in 1 year; in other words, levy an impossible burden of double taxation. These are the only two alternatives. Proposals to collect the 1942 liability in whole or in part in addition to current taxes over a period of years also involve some degree of double taxation and also continue the objectionable overhanging income-tax debt.

For several months I have been studying this problem and am convinced that the only practical way to remove the personal income tax debt is to assess the personal income tax on current income and collect it out of current income. If the problem is as serious as I firmly believe it is, our Nation can well afford to pay whatever the cost may be, if any. This fundamental change in our income-tax law is proposed for all years in the future, and the benefits of the change would continue to accrue, both to taxpayers and the Treasury.

Many economists and tax authorities have offered various proposals to get our taxes on a current basis. One of the original sponsors of a pay-as-you-go tax plan and an outstanding tax authority in the United States, Mr. Beardsley Ruml, of New York City, has proposed the plan which has received Nation-wide approval. It is commonly referred to as the Ruml plan. Mr. Ruml is Chairman of the Federal Reserve Board of New York and treasurer of R. H. Macy & Co., Inc. He was first formerly associated with the administrative branch of the Federal Government in 1930 as a member of Col. Arthur Wood's committee on employment, and more recently as adviser of the National Resources Planning Board. He has also served as a member of the advisory committee of the Division of Cultural Relations of the Department of State, of the advisory committee of the Coordinator of Inter-American Affairs, and of the advisory council of the Department of Agriculture.

Mr. Chairman, before the end of the Seventy-seventh Congress I began studying the problems connected with getting our tax payments on a current basis. I approached this subject with an open mind and studied every plan I could secure. I can definitely state that, in my opinion, just criticism can be levied at any or all of them. It was after this study and research that I reached the conclusion that the Ruml plan offered the best solution to our problem of getting taxpayers current.

Either the tax clock must be advanced 1 year or there must be a collection of 2 years' taxes in 1 year. My knowledge of the economic problems of the American people convince me that our taxpayers cannot pay 2 years' taxes in 1. In my study of this problem I discovered many interesting things concerning our income-tax law. Historically, our Federal income-tax law goes back to a bill signed by President Lincoln on August 5, 1861. It was first announced as a war-revenue

measure and even at that early date one provision of the act provided for collections by withholding at the source. The act was carried on the statute books for several years. In its early stages it was definitely an excise tax or a duty and so construed by the courts. A most informative statement in regard to the early history of the income-tax law was recently written by Mr. F. Morse Hubbard, formerly of the legislative drafting research fund of Columbia University, and a former legislative draftsman in the Treasury Department. This compilation of information concerning our income-tax law is so well written that I am including it as a part of my statement and the record:

I. THE INCOME TAX IS AN EXCISE TAX, AND INCOME IS MERELY THE BASIS FOR DETERMINING ITS AMOUNT

The first Federal income tax law was announced by President Lincoln on August 5, 1861, a little less than 4 months after the bombardment of Fort Sumter and the President's call for 75,000 volunteers, and less than a month after the disaster at Bull Run. It was distinctly a war-revenue measure. The act of 1861 (12 Stat. 292) provided for a tax to be levied, assessed, and collected in the year 1862, the tax to be based on income for the "preceding" year, that is, the year 1861. This tax, which was due and payable on or before June 30, 1862, was levied only for that 1 year.

In 1862, in order to meet the need for continued war revenues, Congress passed the second income-tax law. This act took effect on July 1, 1862, the day after the tax under the act of 1861 expired. The act of 1862 (12 Stat. 432) which used the word "duty" instead of "tax," provided that this duty should be levied, collected, and paid in the year 1863 and in each year thereafter until and including the year 1866 "and no longer" (sec. 92). Like the act of 1861 it provided that the tax (or duty) collected in each year should be based on the income for the "preceding" year (sec. 91). At the same time it contained a provision for withholding at the source, which will be referred to later on.

The general pattern of the act of 1862 was followed in the subsequent income tax laws of this period, namely, the act of June 30, 1864 (13 Stat. 223), and its amendments, and the act of July 14, 1870 (16 Stat. 256). Under each of these acts the tax to be paid in any given year was based on the income for the preceding year, provision was made for withholding at the source, and the tax was to be in effect only for a limited period. Under the act of 1864 the tax terminated in 1870, and under the act of 1870 the tax terminated in 1872.

The income on which the tax was based was defined as income from all sources, "whether derived from any kind of property, rents, interests, dividends, salaries, or from any profession, trade, employment, or vocation" (act of 1864, sec. 116). Thus investment income, as well as other kinds of income, was included in the basis for measuring the tax.

In sustaining the Civil War income tax laws, the Supreme Court held that the tax based on income was not a direct tax but was an excise or duty and as such did not require apportionment among the States. *Springer v. United States* ((1830) 102 U. S. 586). This decision, rendered after the income tax had been thoroughly tested for a period of 10 years, represents a deliberate determination as to the fundamental nature of the tax.

The true character of the income tax was at the outset so firmly fixed in the minds of those charged with its administration that for 6 years the Treasury Department held that if a person died at any time between

U.S. Congress

House Congressional Record
March 27, 1943 page 2579,
Written by F. Morse Hubbard,
Treasury Department legislative
draftsman.

U.S. Congress

was an excise
1880

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U.S. Congress

2580

CONGRESSIONAL RECORD—HOUSE

MARCH 27

January 1 of one year and the date when his return was due in the following year the income for such period was not subject to tax, even though he may have made a return of income before his death in advance of the due date (T. D. June 9, 1865, 2 Internal Revenue Record 54). This rule was not changed until 1867, when it was held that such income was subject to the tax and should be returned by the executor or administrator (T. D. Apr. 6, 1867, 5 Internal Revenue Record 109; T. D. Jan. 1, 1869, 7 Internal Revenue Record 59). See also *Mandell v. Pierce* (C. C. D. Mass. 1868, 16 Fed. Cas. 576). The change was doubtless prompted by two important considerations; first, the taxes expired by definite limitation within a very few years; and, second, persons whose tax had been withheld at the source would already have paid their tax up to the date of death. At any rate, the change did not involve any modification in the concept of the income tax as an excise tax based on income.

After a lapse of about a quarter of a century Congress again passed an income-tax law. The act of 1894 (28 Stat. 509, 553; Aug. 27, 1894) provided for a tax to be levied, collected, and paid "from and after" January 1, 1895, "and until the 1st day of January 1900" (sec. 27). Like the Civil War acts it provided that the tax should be based on the "income received in the preceding calendar year." Although the Supreme Court held this portion of the act to be unconstitutional, it still recognized that the income tax was in essence an excise tax. The Court said that a tax on income from business, privileges, or employments, standing by itself, would be valid as an excise tax; but the tax on investment income was held to be invalid because the Court regarded a tax based on income from property as a tax on the property itself and therefore a direct tax which must be apportioned among the States

There are still those who think that in this case the Court went further than necessary in treating a tax based on income from property as a tax on property itself, and that in any event the excise-tax principle should have been applied to rents and other investment income, as was done under the Civil War acts. In other words, the making and holding of investments, while perhaps not technically a business, is, at least, a kind of activity or privilege which can properly be subjected to an excise tax measured by reference to the income derived therefrom.

That investment income may be included as a part of the basis for measuring an excise tax was recognized by Congress in the act of August 5, 1909 (36 Stat. 11, 112). This act provided "That every corporation * * * shall be subject to pay annually a special excise tax with respect to the carrying on or doing business by such corporation, * * * equivalent to 1 percent upon the entire net income over and above \$5,000 received by it from all sources during such year, exclusive of amounts received by it as dividends upon stock of other corporations * * * subject to the tax hereby imposed; * * *." Certain corporations, such as religious, charitable, and educational organizations, etc., were specifically exempted from the tax.

The tax imposed by this act was really an income tax in that it was based on net income, but was given the correct designation of "excise tax." It was imposed with respect to carrying on or doing business; and it should be noted that the basis was net income from all sources, except dividends from other corporations subject to the tax. Such dividends were excepted not because they constituted investment income but because they represented income which had already been taxed. The sole test of taxability under this act was whether a corporation was en-

amendment on February 25, 1913. (Secretary of State's Certificate of Adoption, 37 Stat. 1785).

The sixteenth amendment authorizes the taxation of income "from whatever source derived"—thus taking in investment income—"without apportionment among the several States." The Supreme Court has held that the sixteenth amendment did not extend the taxing power of the United States to new or excepted subjects but merely removed the necessity which might otherwise exist for an apportionment among the States of taxes laid on income whether it be derived from one source or another.³ So the amendment made it possible to bring investment income within the scope of a general income tax law, but did not change the character of the tax. It is still fundamentally an excise or duty with respect to the privilege of carrying on any activity or owning any property which produces income.

The income tax is, therefore, not a tax on income as such. It is an excise tax with respect to certain activities and privileges which is measured by reference to the income which they produce. The income is not the subject of the tax: it is the basis for determining the amount of tax.⁴

The purpose of the income tax is to raise revenue in the year of its levy. It is a method by which some of us make annual payments on account of the governmental expenses and the public debt of all of us—contributions to a common fund to preserve the blessings of liberty. The great French political philosopher and jurist, Montesquieu, stated the fundamental principles of taxation as follows:

"The revenues of the State are a portion that each subject gives of his property in order to secure, or to have the agreeable enjoyment of, the remainder." (Spirit of Laws, book XIII, chap. 1.)

House Congressional Record
March 27, 1943 pg. 2580, Written
by F. Morse Hubbard, Treasury
Department legislative draftsman.

U.S. Congress

In sustaining the Civil War income tax laws, the Supreme Court held that the tax based on income was not a direct tax but was an excise or duty and as such did not require apportionment among the States. *Springer v. United States* ((1880) 102 U. S. 586). This decision, rendered after the income tax had been thoroughly tested for a period of 10 years, represents a deliberate determination as to the fundamental nature of the tax.

The true character of the income tax was at the outset so firmly fixed in the minds of

p. 2579

income tax law, but did not change the character of the tax. It is still fundamentally an excise or duty with respect to the privilege of carrying on any activity or owning any property which produces income.

The income tax is, therefore, not a tax on income as such. It is an excise tax with respect to certain activities and privileges which is measured by reference to the income which they produce. The income is not the subject of the tax: it is the basis for determining the amount of tax.⁴

p. 2580

the fundamental nature of the tax ... was not a direct tax but WAS an excise or duty ... It IS STILL fundamentally an excise or duty with respect to the privileged activities which produce income. It is an **EXCISE TAX** ...

U.S. Supreme Court Decisions

U.S. Supreme Court

- Springer v. United States, 102 U.S. 586 (1880): "The duty which the internal revenue acts provided should be assessed, collected, and paid upon gains, profits, and incomes was an **excise** or duty, and not a direct tax, within the meaning of the Constitution."
- Pollock v. Farmers' Loan & Trust Co., 157 U.S. 429 (1895): "...a tax upon gains, profits, and income was an **excise** or duty, and not a direct tax, within the meaning of the constitution, and that its imposition was not, therefore, unconstitutional."
- Brushaber v. Union Pacific R. Co., 240 U.S. 1 (1916): "...taxation on income was in its nature an **excise**.." (read the cases!)

Excise = A Cut.

**The tax on federal
income = "a cut of
federal privilege."**

Statutory Proof

26 USC § 3401

(a) Wages "means all remuneration for **services** performed by an employee for his employer"

(c) Employee "includes an officer, employee, or elected official of the United States, [or] a State ... an officer of a corporation."

(d) Employer "means the person for whom an individual performs or performed any **service**...as the employee of such person..."

So "*wages*" =
government pay for
government *service*!

**If you consented to receiving
"wages," then you consented
to the federal income tax!**

Statutory Proof

26 USC §§ 1402, 7701, 61

26 U.S. Code § 1402 - Definitions: (a) The term "***net earnings from self-employment***" means the gross income derived ... from any trade or business...**and**

26 U.S. Code § 7701 - Definitions: (a)(26) The term "***trade or business***" includes the performance of the functions of a public office, **then what's NEFSE?**

Compound definition: The term *net earnings from self-employment* means the gross income derived from the performance of the functions of a public office.

**What income can one derive
from the performance of the
functions of a public office?!**

Government income!

So if you consented to deriving

"net earnings from self-employment," then you derived government income and you must pay the tax on federal income!

If "***net earnings from self-employment***" means the gross income derived from the performance of the functions of a public office, then what is ***gross income***?

income derived from a public office.

26 USC § 61 Gross Income

**gross income includes income
derived from a public office, which is
government income = federal income
= taxable income (§ 63).**

**If gross income = federal
income = taxable income,
then tax on gross income=?**

= the tax on federal income

NOT...

the Federal tax on income.

Proof by Elimination

United States v. Ballard

In United States v. Ballard, 8th Circuit Court of Appeals, 535 F.2d 400 (1976): "*The general term 'income' is not defined in the Internal Revenue Code. Section 61 of the Code, 26 U.S.C. § 61, defines 'gross income'... .."*

Eisner v. Macomber

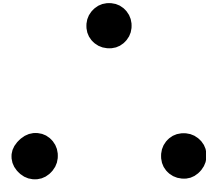
"...it becomes essential to distinguish between what is and what is not "income," ... Congress cannot by any definition it may adopt conclude the matter, since it cannot by legislation alter the Constitution, from which alone it derives its power to legislate..." Eisner v. Macomber, 252 U.S. 189 (1920)

If the term '*income*' is not and cannot be defined, then what is the subject of the tax?

"the law is the definition and limitation of power."
Yick Wo v. Hopkins, 118 U.S. 356, 370 (1886) and
"If the power is not in terms granted ... it does not exist." Juilliard v. Greenman, 110 U.S. 421, 469 (1884)

Federal ~~tax on~~ income

tax on federal income



The "federal income tax" is
the tax on federal income.

It is NOT the
"Federal tax" on **income!**

1040 - Instructions



Even if you do not otherwise have to file a return, you should file one to get a refund of any federal income tax withheld. You should also file if you are eligible for any of the following credits.

- Earned income credit.
- Additional child tax credit.
- American opportunity credit.
- Credit for federal tax on fuels.
- Premium tax credit.
- Health coverage tax credit.

1040 Instructions

Line 40

Itemized Deductions or Standard Deduction

In most cases, your federal income tax will be less if you take the larger of your itemized deductions or standard deduction.

Topic No.	Subject
857	Individual taxpayer identification number (ITIN)
858	Alien tax clearance
Tax Information for Residents of Puerto Rico	
901	Is a person with income from Puerto Rico required to file a U.S. federal income tax return?
902	Credits and deductions for taxpayers with Puerto Rican source income exempt from U.S. tax
903	U.S. employment tax in Puerto Rico
904	Tax assistance for residents of Puerto Rico

Tax Topic numbers are effective January 1, 2016.

Line 60a

Household Employment Taxes

Enter the household employment taxes you owe for having a household employee. If any of the following apply, see Schedule H and its instructions to find out if you owe these taxes.

1. You paid any one household employee (defined below) cash wages of \$1,900 or more in 2015. Cash wages include wages paid by check, money order, etc. But do not count amounts paid to an employee who was under age 18 at any time in 2015 and was a student.

2. You withheld federal income tax during 2015 at the request of any household employee.

3. You paid total cash wages of \$1,000 or more in any calendar quarter of 2014 or 2015 to household employees.

Line 64

Federal Income Tax Withheld

Add the amounts shown as federal income tax withheld on your Forms W-2, W-2G, and 1099-R. Enter the total on line 64. The amount withheld should be shown in box 2 of Form W-2 and in box 4 of Form W-2G or 1099-R. Attach your Form(s) W-2 to the front of your return. Attach Forms W-2G and 1099-R to the front of your return if federal income tax was withheld.

If you received a 2015 Form 1099 showing federal income tax withheld on dividends, taxable or tax-exempt interest income, unemployment compensation, social security benefits, railroad retirement benefits, or other income you received, include the amount withheld in the total on line 64. This should be shown in box 4 of Form 1099, box 6 of Form SSA-1099, or box 10 of Form RRB-1099.

Line 65

2015 Estimated Tax Payments

Enter any estimate federal income tax payments you made for 2015. Include any overpayment that you applied to your 2015 estimated tax from:

- Your 2014 return, or
- An amended return (Form 1040X).

"federal" is not capitalized

The word "federal" is an adjective, and describes the next word "tax;" it is not a possessive pronoun.

So following standard rules of English grammar, we can say that the federal income tax is the **tax on (federal income)**.

Counter Argument

**The Federal income tax is
Federal tax on income, like the
State income tax is the State's
tax on income!**

**So what is "income?"
Do you mean 16A income!?**

Okay fine...

**Then "federal income tax" is
Federal tax on 16A income!**

**Where 16A income is "the
Corporation Excise Tax Act
of 1909."**

16A income

Bowers v. Kerbaugh-Empire Co., 271 U.S. 170 (1926):

"**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. ...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, 231 U. S. 415; *Doyle v. Mitchell Brothers Co.*, 247 U. S. 179, 247 U. S. 185; *Eisner v. Macomber*, 252 U. S. 189, 252 U. S. 207. And that definition has been adhered to and applied repeatedly."

Flint v. Stone Tracy Co., 220 U.S. 107 (1911):

The **Corporation Tax**, as imposed by Congress in the **Tariff Act of 1909**, is **not a direct tax, but an excise**; ...it is an excise on the privilege of doing business in a corporate capacity, ... and all corporations ... carrying on any business, are subject to the provisions of the law. ... Excises are taxes laid ... upon corporate privileges; the requirement to pay such taxes involves the exercise of the privilege, and if business is not done in the manner described, **no tax is payable**.

C & C Evidence:

Current and 1862 historical documents

Senate Congressional Records (Pre-16A)

House Congressional Records (Post-16A)

Supreme Court Decisions

Title 26 US Code §§ 61, 1402, 3401, 7701

Proof by Elimination

1040 Instructions & English Grammar

The "federal income tax" is
the tax on federal income.

It is emphatically NOT the
"Federal tax" on income!

An **excise tax can be lawfully avoided, by abstaining from the benefit or avoiding the privilege on which the excise is imposed.**

If you wish to avoid the tax on federal income, then avoid federal income!

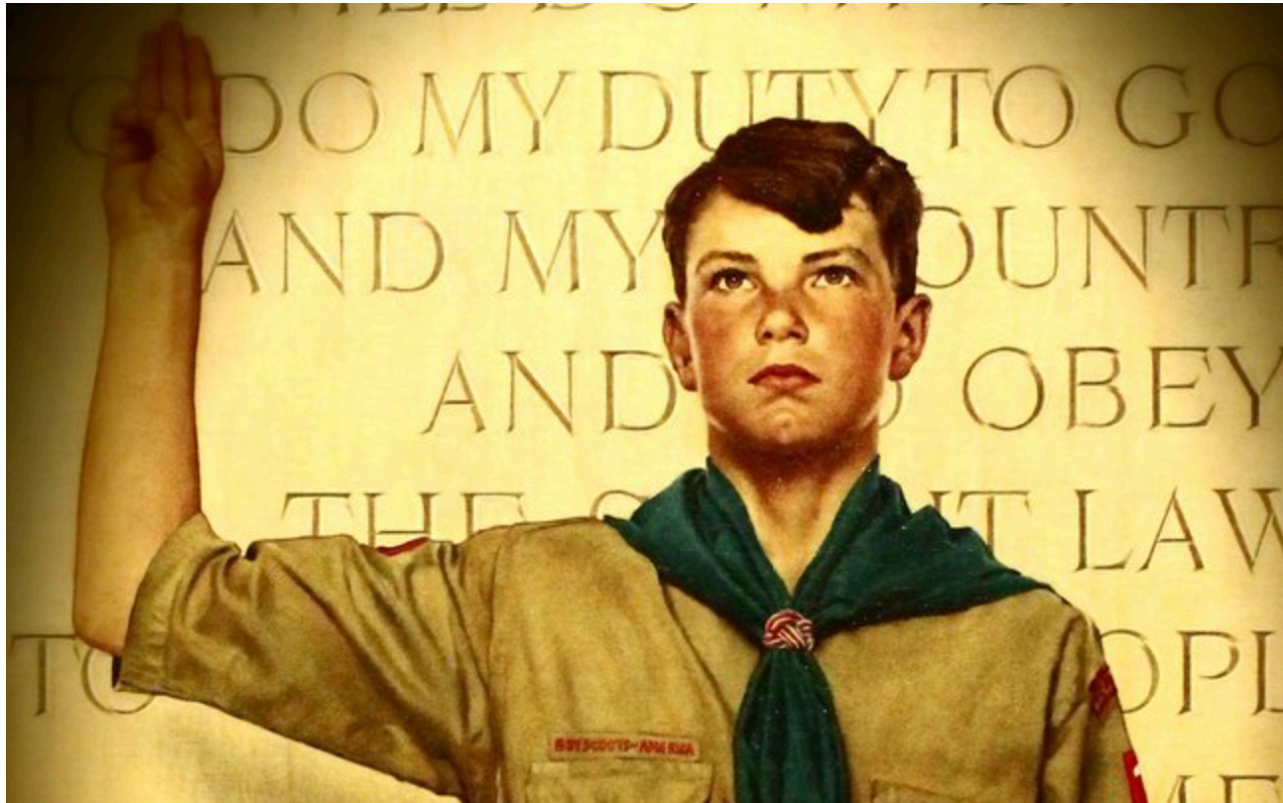
Lawful Avoidance

Don't consent to *gross income* or "*wages*," or "*net earnings from self-employment*."

Don't consent to exercise or participate in a federal privilege which would result in income, such as using *Property* (or rights) belonging to the government, or performing a *service*.

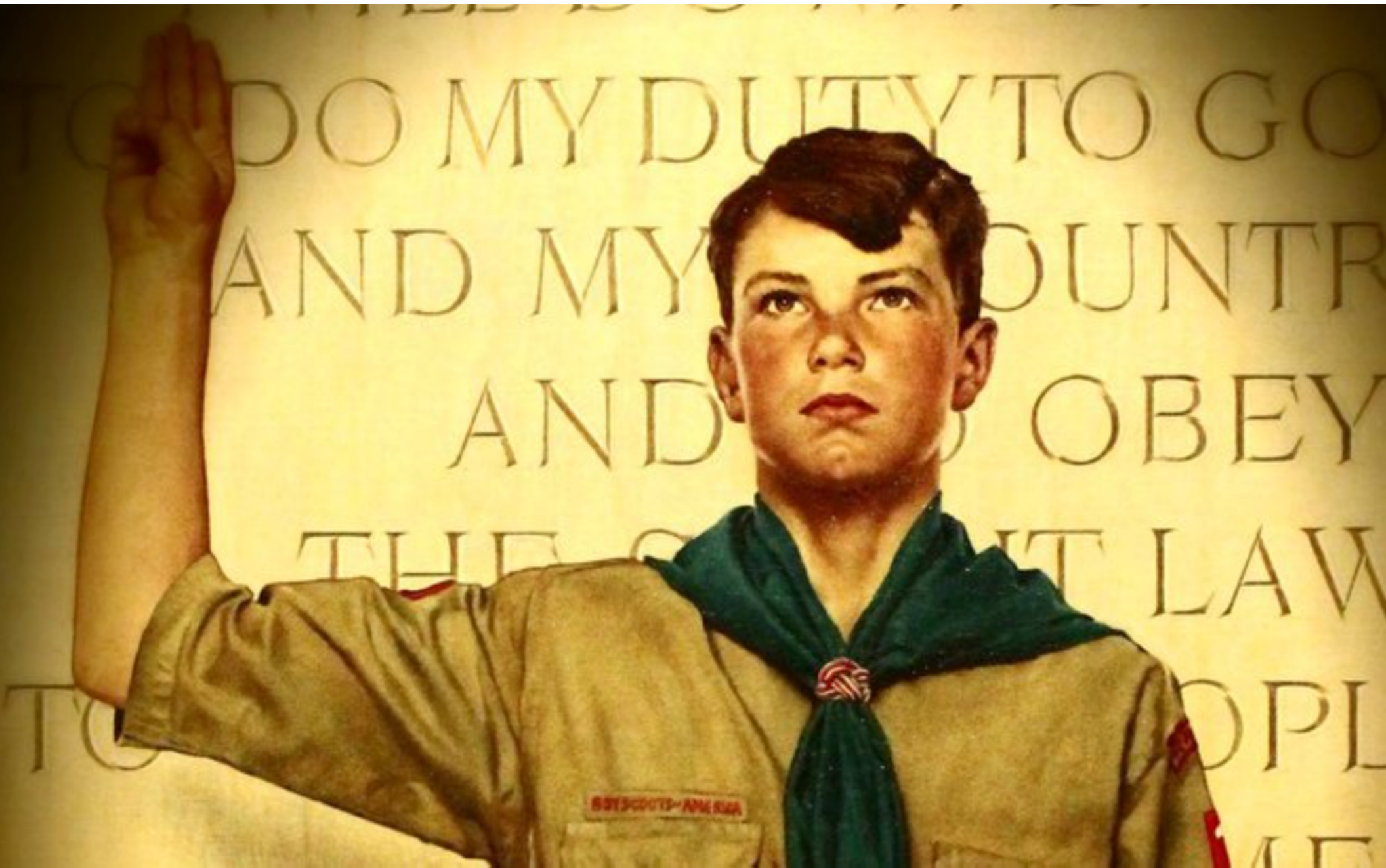
Don't claim *gross income*, if you didn't in fact receive any federal income.

Don't let anyone else claim *gross income* on your behalf, if you didn't in-fact receive any federal income.



Honest Tax Returns

Published December 2016.



THE TAX ON SERVICE & PROPERTY

Presented on or around March, Year 14 AꞤC (2023).

The "federal income tax" is
the tax on federal income.

It is emphatically NOT the
"Federal tax" on **income!**

**Control your words
to control your Life:**

"the tax on federal income,"

why not call it the *TOFI*?!

**If it's truly the tax on
federal income, then only
government property and
government service can
be taxed.**

Show:

Property = government

property,

&

Service = government

service.

"It is elementary law...

...that every statute is to be read in the light of the constitution. However broad and general its language, it cannot be interpreted as extending beyond those matters which it was within the constitutional power of the legislature to reach."

McCullough v. Comm. of Virginia, 172 U.S. 102 (1898).



Article VI, § 3, c. 2:

*"...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..."*

Amendment V:

*"No person shall be ... deprived of life, liberty, or **property**, without due process of law; nor shall **private property** be taken for public use, without just compensation..."*

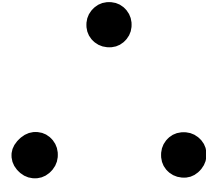
"In expounding the Constitution, *every word* must have its *due force* and appropriate *meaning*, and no word is to be regarded as unnecessarily used or needlessly added."
Williams v. United States, 289 U.S. 553 (1933).

"The Constitution is a written instrument. As such, its *meaning does not alter*. That which it meant when adopted, it means now." South Carolina v. United States, 199 U.S. 437 (1905)

"Words must be read with the gloss of the experience of those who framed them. Because the experience of the framers of the Bill of Rights was so vivid, they assumed that it would be carried down the stream of history and that their words would receive the significance of the experience to which they were addressed -- a *significance not to be found in the dictionary*." United States v. Rabinowitz, 339 U.S. 56 (1950).

"Congress *cannot* invoke the sovereignty of the people to *override* their will as declared in the Constitution." Perry v. United States, 294 U.S. 330 (1935). "Congress *cannot [redefine the terms in the Constitution]*, from which alone it derives its power to legislate..." Eisner v. Macomber, 252 U.S. 189 (1920).

Property can *only* mean "**Property**
belonging to the United States," because
it's the *only* **Property** that is "*within the
constitutional power of the legislature to
reach.*" See McCullough, *supra*.



Property =
government property.

What is Service?



A.Thank you for your labor.

B.Thank you for your *service*.

C.Thank you for your hard work.

D.Thank you for your protection.

What does the **light of the**
Constitution reveal about
the meaning of *service*?



Article I, § 6: "*The Senators and Representatives shall receive a Compensation for their **Services**...*"

Article II, § 1: "*The President shall...receive for his **Services**, a Compensation...*"

Article III, § 1: "*...The Judges...of the supreme and inferior Courts, shall ... receive for their **Services**, a Compensation...*"

Article I, § 8, cl. 16: "*...the Militia, ... may be employed in the **Service** of the United States...*"

Armed Service
Postal Service
Secret Service
U.S. Marshals Service
Rural Housing Services
National Ocean Service
Economic Research Service
Postal Inspection Service
Food and Nutrition Service
Federal Protective Service
National Park Service (NPS)
Indian Health Service (IHS)
Bureau of the Fiscal Service
Agricultural Research Service
National Weather Service (NWS)
Internal Revenue Service (IRS)
Selective Service System (SSS)
Congressional Research Service
Fish and Wildlife Service (FWS)
Health and Human Services (HHS)
National Marine Fisheries Service
Food Safety and Inspection Service
General Services Administration (GSA)
Immigration and Citizenship Services (INS)
Defense Finance and Accounting Service (DFAS)
Centers for Medicare & Medicaid Services (CMS)
Citizenship and Immigration Services (USCIS/INS)

Service =
Government
Service!

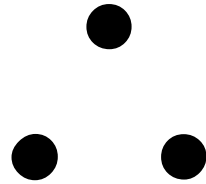
Statutory Evidence

W2 is authorized by 26 USC 3401: The term "wages" mean remuneration for *services*...

1099-misc is authorized by 26 USC 6041A: *Service-recipients* must report remuneration ... for *services* performed.

Service-recipient (a person) = "any governmental unit (and any agency or instrumentality thereof)" see 26 USC 6041A(d)(1).

Gross income (26 USC 61)(a)(1) = "Compensation for *services*..."



Service =

government service.

By a preponderance of the evidence:

Property = government

property,

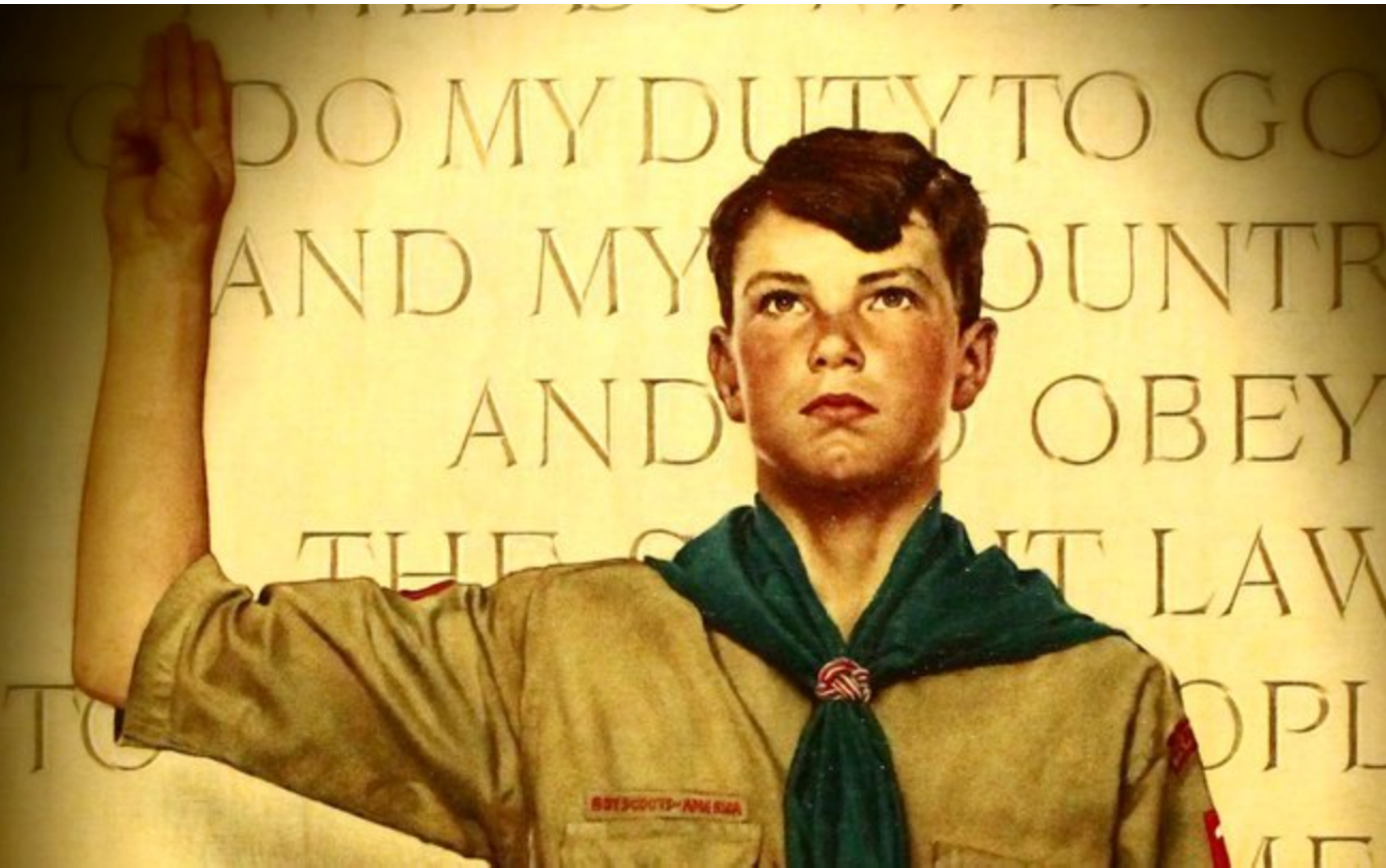
&

Service = government

service.

This evidence rebuts the presumption that property and service means *private property*, or non-privileged *labor*, and shifts the burden to the **IRS**, who must now show that Property is anything but government *property*, and Service is anything but government *service*.

See Fed.R.Evidence. Rule 301



THE TAX ON FALSE REPORTS

Presented on or around March, Year 14 AꞤC (2023).

Truth:

**The "federal income tax" is
the tax on federal income.**

or...

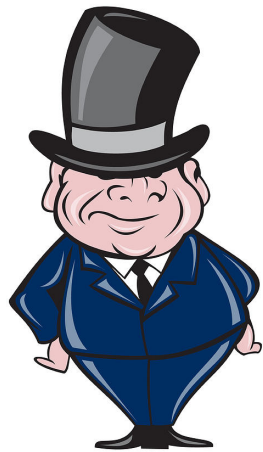
It's the tax on
falsely reported
federal income.

The choice is yours to
file an *Honest* Tax Return
or a *False* Tax Return.

It's your choice, except...

**"Thou shalt not bear false
witness against thy neighbor."**

Right of Exchange



Boss



Laborer

Exchange Labor for Pay

"In principle, there can be no difference between the case of selling *labor* and the case of selling *goods*."

Adkins v. Children's Hospital, 261 U.S. 525 (1923)

"Included in the right of personal liberty and the right of *private property*, partaking of the nature of each is the right to make contracts for the acquisition of property, chief among which is that of personal employment by which *labor* and other *services* are exchanged for money or other forms of property."

Coppage v. Kansas, 236 U.S. 1 (1915).

Labor

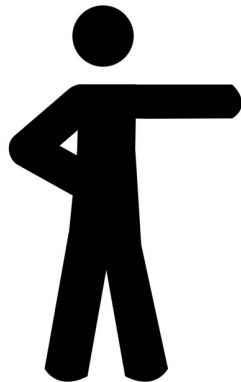
"the property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of the poor man lies in the strength and dexterity of his own hands, and to hinder his employing this strength and dexterity in what manner he thinks proper, without injury to his neighbor, is a plain violation of this most sacred property."

Butchers' Union Co. v. Crescent City Co., 111 U.S. 746 (1884)



IRS

§ 3401
Employer
~is one for
whom an
employee
performs
any **service**~



§ 3401 **Wages**
~are what an
employer pays
an **employee**
for **services**~



§ 3401 **Employee**
~officer, employee,
elected official of
the United States~

The **IRS** is merely the "bad cop,"
who awaits a false accusation!

*"Thou shall not bear
false witness against thy
neighbor!"*

*"Thou shall not allow
a false accusation to
go unchallenged!"*



**Man Who
Hires Laborers**

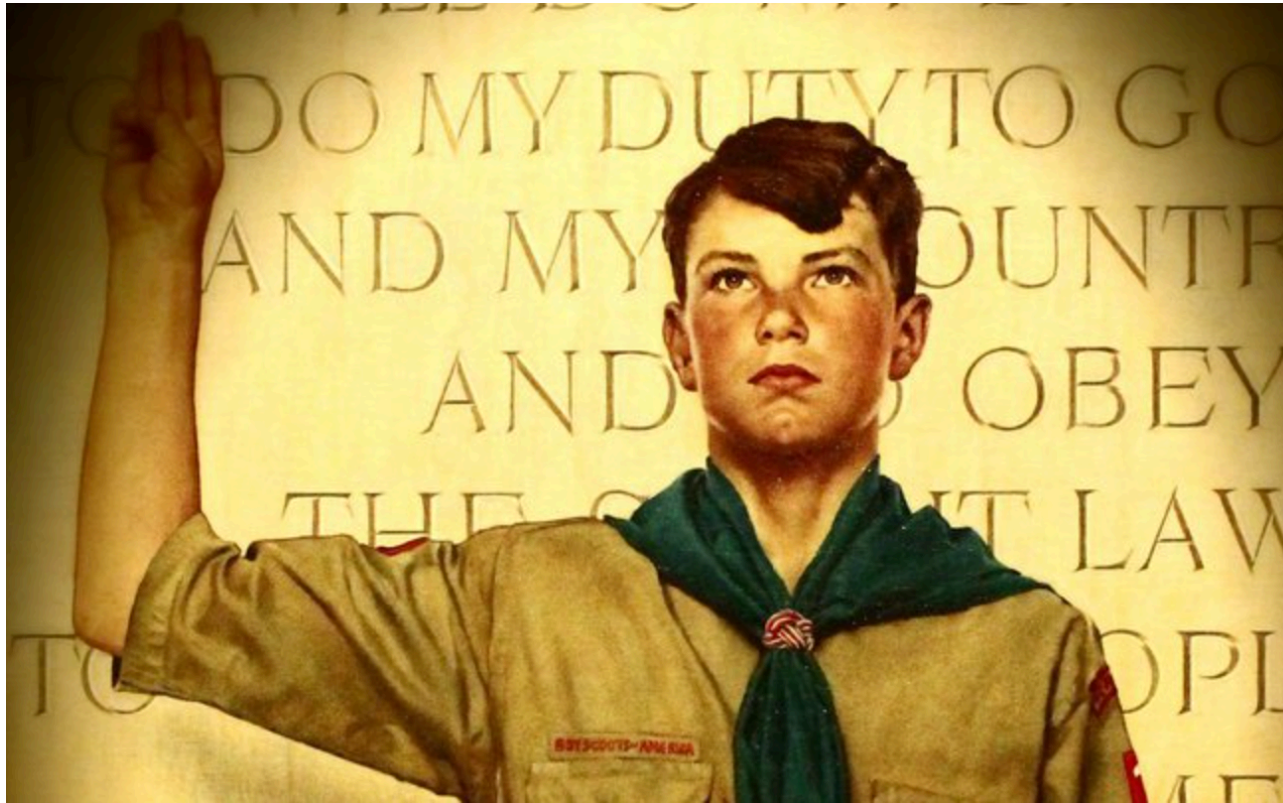


**Laborer Who
Labors for a Living**

Honesty is Not a Choice!

Form 1040 must be signed "*Under penalties of perjury ... as true, correct, and complete.*"

You have an affirmative **DUTY** to correct the record, so that it reflects the **TRUTH!**



Honest Tax Returns

Published in December 2016.

Form 1040

Form **1040**

Department of the Treasury—Internal Revenue Service (99)
U.S. Individual Income Tax Return

2021

OMB No. 1545-0074

IRS Use Only—Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)
Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent ▶

Your first name and middle initial Bear Arms	Last name Merika	Your social security number
If joint return, spouse's first name and middle initial	Last name	Spouse's social security number
Home address (number and street). If you have a P.O. box, see instructions. 762 Liberty Street		Apt. no.
City, town, or post office. If you have a foreign address, also complete spaces below. Intercourse		State without the United States
Foreign country name Commonwealth of Pennsylvania	Foreign province/state/county Lancaster County	Foreign postal code

Presidential Election Campaign
Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.
 You Spouse

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency? Yes No

Standard Deduction **Someone can claim:** You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness **You:** Were born before January 2, 1957 Are blind **Spouse:** Was born before January 2, 1957 Is blind

Standard Deduction

Someone can claim: You as a dependent Your spouse as a dependent
 Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness

You: Were born before January 2, 1957 Are blind Spouse: Was born before January 2, 1957 Is blind

Dependents

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

If more than four dependents, see instructions and check here

Attach Sch. B if required.

Standard Deduction for—

- Single or Married filing separately, \$12,550
- Married filing jointly or Qualifying widow(er), \$25,100
- Head of household, \$18,800
- If you checked any box under *Standard Deduction*, see instructions.

1	Wages, salaries, tips, etc. Attach Form(s) W-2		1	ZERO
2a	Tax-exempt interest	2a	2b	
3a	Qualified dividends	3a	3b	
4a	IRA distributions	4a	4b	
5a	Pensions and annuities	5a	5b	
6a	Social security benefits	6a	6b	
7	Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>		7	
8	Other income from Schedule 1, line 10		8	
9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income		9	
10	Adjustments to income from Schedule 1, line 26		10	
11	Subtract line 10 from line 9. This is your adjusted gross income		11	ZERO
12a	Standard deduction or itemized deductions (from Schedule A)	12a		
b	Charitable contributions if you take the standard deduction (see instructions)	12b		
c	Add lines 12a and 12b		12c	
13	Qualified business income deduction from Form 8995 or Form 8995-A		13	
14	Add lines 12c and 13		14	
15	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-		15	ZERO

16	Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> _____ . . .	16	ZERO
17	Amount from Schedule 2, line 3	17	
18	Add lines 16 and 17	18	
19	Nonrefundable child tax credit or credit for other dependents from Schedule 8812	19	
20	Amount from Schedule 3, line 8	20	
21	Add lines 19 and 20	21	
22	Subtract line 21 from line 18. If zero or less, enter -0-	22	
23	Other taxes, including self-employment tax, from Schedule 2, line 21	23	
24	Add lines 22 and 23. This is your total tax ▶	24	
25	Federal income tax withheld from:		
a	Form(s) W-2	25a	
b	Form(s) 1099	25b	
c	Other forms (see instructions)	25c	
d	Add lines 25a through 25c	25d	
26	2021 estimated tax payments and amount applied from 2020 return	26	
27a	Earned income credit (EIC)	27a	
	Check here if you were born after January 1, 1998, and before January 2, 2004, and you satisfy all the other requirements for taxpayers who are at least age 18, to claim the EIC. See instructions ▶ <input type="checkbox"/>		
b	Nontaxable combat pay election	27b	
c	Prior year (2019) earned income	27c	
28	Refundable child tax credit or additional child tax credit from Schedule 8812	28	
29	American opportunity credit from Form 8863, line 8	29	
30	Recovery rebate credit. See instructions	30	
31	Amount from Schedule 3, line 15	31	
32	Add lines 27a and 28 through 31. These are your total other payments and refundable credits ▶	32	
33	Add lines 25d, 26, and 32. These are your total payments ▶	33	ZERO
34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid	34	

If you have a qualifying child, attach Sch. EIC.

Refund

Refund Direct deposit? See instructions.	34	If line 33 is more than line 24, subtract line 24 from line 33. This is the amount you overpaid . . .	34	
	35a	Amount of line 34 you want refunded to you . If Form 8888 is attached, check here . . . <input type="checkbox"/>	35a	
	b	Routing number <input type="text"/>	c	Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings
	d	Account number <input type="text"/>		
	36	Amount of line 34 you want applied to your 2022 estimated tax . . . <input type="checkbox"/>	36	
Amount You Owe	37	Amount you owe. Subtract line 33 from line 24. For details on how to pay, see instructions . . . <input type="checkbox"/>	37	ZERO
	38	Estimated tax penalty (see instructions) <input type="checkbox"/>	38	

Third Party Designee Do you want to allow another person to discuss this return with the IRS? See instructions **Yes. Complete below.** **No**

Designee's name Phone no. Personal identification number (PIN)

Sign Here Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Joint return? See instructions. Keep a copy for your records.	Your signature <i>Bear Arms Merika!</i>	Date	Your occupation discharged from service	If the IRS sent you an Identity Protection PIN, enter it here (see inst.) <input type="text"/>
	Spouse's signature. If a joint return, both must sign.	Date	Spouse's occupation did not perform service	If the IRS sent your spouse an Identity Protection PIN, enter it here (see inst.) <input type="text"/>
	Phone no. <input type="text"/>	Email address <input type="text"/>		

Paid Preparer Use Only

Preparer's name <input type="text"/>	Preparer's signature <input type="text"/>	Date <input type="text"/>	PTIN <input type="text"/>	Check if: <input type="checkbox"/> Self-employed
Firm's name <input type="text"/>	Phone no. <input type="text"/>			
Firm's address <input type="text"/>	Firm's EIN <input type="text"/>			

Virtual Currency

At any time during 2021, did you receive, sell, exchange, or otherwise dispose of any financial interest in any virtual currency?

Section 4 of IRS Notice 2014-21 states: "virtual currency is treated as property."

According to the Supreme Court: "It is elementary law that every statute is to be read in the light of the constitution. However broad and general its language, it cannot be interpreted as extending beyond those matters which it was within the constitutional power of the legislature to reach." McCullough v. Com. of Virginia, 172 U.S. 102 (1898). And, "A statute will...be construed...to be confined in its operation and effect...and words of universal scope will be construed as meaning only those subject to the legislation." American Banana Co. v. United Fruit Co., 213 U.S. 347 (1909).

According to the light of the Constitution, there are two kinds of Property: "Property belonging to the United States," which is subject to the congressional "Power to dispose of and make all needful Rules and Regulations respecting" thereof (A4 S3 C2), and property described in the Fifth Amendment: "No person shall be...deprived of life, liberty, or property, without due process of law; nor shall private property be taken for public use, without just compensation."

I presume that the "property" described in IRS Notice 2014-21 can only mean "Property belonging to the United States," which is subject to the congressional "Power to dispose of and make all needful Rules and Regulations" therefor. Since at no time during 2020 did I receive, sell, send, exchange, or otherwise acquire any Property belonging to the United States, including virtual currency, my answer to the above relevant question must be "**NO.**"

However, if I am mistaken, please provide your official position and guidance to any published statute or definition in which the "property" described in IRS Notice 2014-21 may also include private property secured by the Fifth Amendment, and I shall reconsider my response.

Form 1040 - TY 2022

Digital Assets

At any time during 2022, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) Yes No

Digital Assets

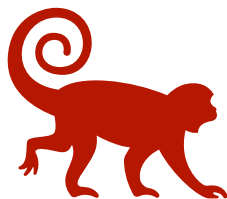
At any time during 2022, did you: (a) receive (as a reward, award, or payment *for property or services*); or (b) sell, exchange, gift, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.)

[Yes]

[No]

W2

		a Employee's social security number	OMB No. 1545-0008		This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.	
b Employer identification number (EIN)			1 Wages, tips, other compensation	2 Federal income tax withheld		
c Employer's name, address, and ZIP code			3 Social security wages	4 Social security tax withheld		
			5 Medicare wages and tips	6 Medicare tax withheld		
			7 Social security tips	8 Allocated tips		
d Control number			9	10 Dependent care benefits		
e Employee's first name and initial		Last name	Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code				13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b
				14 Other		12c
						12d
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name



This information is being furnished to the Internal Revenue Service. If you are required to file a tax return, a negligence penalty or other sanction may be imposed on you if this income is taxable and you fail to report it.

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

▶ Attach to Form 1040, 1040-SR, or 1040-X.
▶ Go to www.irs.gov/Form4852 for the latest information.

You must take the following steps before filing Form 4852

- Attempt to get your Form W-2, Form W-2c, or Form 1099-R (original or corrected) from your employer or payer before contacting the IRS or filing Form 4852.
- If you don't receive the missing or corrected form from your employer or payer by the end of February, you may call the IRS at 800-829-1040 for assistance. You must provide your name, address (including ZIP code), phone number, social security number, and dates of employment. You must also provide your employer's or payer's name, address (including ZIP code), and phone number. The IRS will contact your employer or payer and request the missing form. The IRS will also send you a Form 4852. If you don't receive the missing form in sufficient time to file your income tax return timely, you may use the Form 4852 that the IRS sent you to file with your return.

1 Name(s) shown on return	2 Your social security number
3 Address	
4 Enter year in space provided and check one box. For the tax year ending December 31, _____, I have been unable to obtain (or have received an incorrect) <input type="checkbox"/> Form W-2 OR <input type="checkbox"/> Form 1099-R. I have notified the IRS of this fact. The amounts shown on line 7 or line 8 are my best estimates for all wages or payments made to me and tax withheld by my employer or payer named on line 5.	
5 Employer's or payer's name, address, and ZIP code	6 Employer's or payer's TIN (if known)
7 Form W-2. Enter wages, tips, other compensation, and taxes withheld.	
a Wages, tips, and other compensation ZERO	f State income tax withheld _____
b Social security wages _____	(Name of state) _____
c Medicare wages and tips _____	g Local income tax withheld _____
d Social security tips _____	(Name of locality) _____
e Federal income tax withheld _____	h Social security tax withheld _____
	i Medicare tax withheld _____
8 Form 1099-R. Enter distributions from pensions, annuities, retirement or profit-sharing plans, IRAs, insurance contracts, etc.	
a Gross distribution _____	f Federal income tax withheld _____
b Taxable amount _____	g State income tax withheld _____
c Taxable amount not determined <input type="checkbox"/>	(Name of state) _____
d Total distribution <input type="checkbox"/>	h Local income tax withheld _____
e Capital gain (included on line 8b) _____	(Name of locality) _____
	i Employee contributions _____
	j Distribution codes _____
9 How did you determine the amounts on lines 7 and 8 above?	
See below.	
10 Explain your efforts to obtain Form W-2, Form 1099-R (original or corrected), or Form W-2c, Corrected Wage and Tax Statement.	

No statutory employer-employee transaction existed under §3401 or §3121 for which a Form W-2 applies.

Form 4852 - 9)

9 How did you determine the amounts on lines 7 and 8 above?

PLEASE SEE BELOW.

7a) I did not perform any services and I hereby deny and refute any allegation that an employer-employee transaction occurred. No payment was made nor received, which is within the meaning of remuneration for services or "wages," as defined in §3401 or §3121. Items **7e,f,h,i)** are correct and were obtained from form W2.

1099-MISC or NEC

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Rents	OMB No. 1545-0115	Miscellaneous Information
		\$ ZER	Form 1099-MISC	
		2 Royalties	(Rev. January 2022)	
		\$ ZER	For calendar year 20 <u> </u>	Copy B For Recipient
		3 Other income	4 Federal income tax withheld	
		\$ ZER	\$ <u> </u>	
PAYER'S TIN	RECIPIENT'S TIN	5 Fishing boat proceeds	6 Medical and health care payments	This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		\$ <u> </u>	\$ <u> </u>	
RECIPIENT'S name		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	8 Substitute payments in lieu of dividends or interest	
Street address (including apt. no.)		9 Crop insurance proceeds	10 Gross proceeds paid to an attorney	
City or town, state or province, country, and ZIP or foreign postal code		11 Fish purchased for resale	12 Section 409A deferrals	
		\$ <u> </u>	\$ <u> </u>	
		\$ <u> </u>	\$ <u> </u>	
		13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments	
		\$ <u> </u>	15 Nonqualified deferred compensation	
		\$ <u> </u>	\$ <u> </u>	
Account number (see instructions)		16 State tax withheld	17 State/Payer's state no.	18 State income
		\$ <u> </u>		\$ <u> </u>
		\$ <u> </u>		\$ <u> </u>

To Correct a 1099-misc, I used the following legal notice to the IRS:

No payment was made from the party identified above as the "PAYER" to the party identified above as "RECIPIENT," which was made from a 26 USC §6041A(a) "service-recipient," including "any governmental unit (and any agency or instrumentality thereof)," and subject to an Income Tax under the excise laws of the United States.

No payment was received by the party identified above as "RECIPIENT," which is within the meaning of the term "net earnings from self-employment" 26 USC §1402(a), defined as "the gross income derived by an individual from any trade or business;" that is, derived from "the performance of the functions of a public office" 26 USC 7701(a)(26), and subject to an Income Tax under the excise laws of the United States."

The facts of the information return made by the party identified above as "PAYER" are false, and hereby rebutted; and, where evidence is presented to rebut or meet each presumption, they shall have no further force or effect. The burden to prove each element, remains upon the above named "PAYER," upon whom it was originally cast. Please reference Federal Rules of Evidence, Article III Presumptions in Civil Cases.

I declare certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on _____ ;

**SIGNATURE HERE,
without the United States (28 USC 1746(1)).**

Under penalties of perjury...

Sign Here "Under penalties of perjury, I declare that I have examined this return... and to the best of my knowledge and belief, they are true, correct and accurately list all amounts and sources of income I received during that tax year..."

Bear Arms Merika

28 USC § 1746(1)
"without the United States"

W4 Exemption:

<https://www.irs.gov/pub/irs-pdf/fw4.pdf>

READ on Page 2 and Follow the Instructions, as it applies to you:

Exemption from withholding. You may claim exemption from withholding for 2022 if you meet both of the following conditions: you had no federal income tax liability in 2021 and you expect to have no federal income tax liability in 2022. You had no federal income tax liability in 2021 if (1) your total tax on line 24 on your 2021 Form 1040 or 1040-SR is zero (or less than the sum of lines 27a, 28, 29, and 30), or (2) you were not required to file a return because your income was below the filing threshold for your correct filing status. If you claim exemption, you will have no income tax withheld from your paycheck and may owe taxes and penalties when you file your 2022 tax return. To claim exemption from withholding, certify that you meet both of the conditions above by writing “Exempt” on Form W-4 in the space below Step 4(c). Then, complete Steps 1(a), 1(b), and 5. Do not complete any other steps. You will need to submit a new Form W-4 by February 15, 2023.