

*"The taxpayer-- that's someone who works for the federal government but doesn't have to take the civil service examination." -- President Ronald W. Reagan*

Department of the Treasury  
Internal Revenue Service  
Kansas City, MO 64999-0002

## ATTENTION

IRS Agents, Representatives, Commissioner, CEOs, Directors, any and/or all branches of the IRS any and/or all IRS employees and interested Parties including IRS CID, and including the U.S.

**NOTICE TO AGENTS IS NOTICE TO PRINCIPAL NOTICE TO PRINCIPAL IS NOTICE TO AGENTS.  
ALL ARE WITHOUT EXCUSE.**

I, the Subscriber, go by the name: <sup>TM</sup>Elias Agredo-Narvaez©, I am a Natural person, a self aware blood and flesh Living Soul, Concerned American national, a Heavenly Creation by the Almighty God, with God given Rights unalienable.

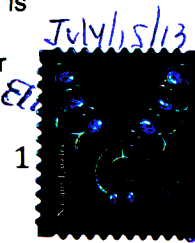
I, have a recorded full power of Attorney over the Government's creation and Legal Entity AKA <sup>TM</sup>ELIAS AGREDO-NARVAEZ©, Please see attached **EXHIBIT A**(10 pages) with corresponding UCC filling at the end of this Letter along with all other exhibits (attachments)

**EXHIBIT** an item of **Real evidence** which has been presented to the court. 5 Am. Jur. 2d Trials §553 et seq.[Baron's Law dictionary 1984]

The subscriber Continues to reserve any and all rights afforded to him as an American, and will never stipulate to a changing of venue out of common Law jurisdiction knowingly or unknowingly. The captions is at no time to be altered and or changed to introduce a fictitious person (name carried in all Caps) I' am writing this document in my Human/Native form and not in the Factious Corporation created by NAME SPELLED IN ALL CAPITAL LETTERS (ELIAS AGREDO-NARVAEZ) or that as taxpayer.

### THIS DOCUMENT WILL BE RECORDED WITH THE SECRETARY OF STATE

Under the rules caption may not be changed or altered from this original filing, in the/THIS original document subscriber's name is not in all capital letters, this American national realizes that the clerks and or the Government officers somehow, some times choose/s to change the caption without notice, which is a violation of rule, rights and law (tampering with court records). This not only changes and or alters jurisdiction, but violates the rights of the subscriber who filed this case reserving any and all rights under



the Uniform Commercial Code section 1-308 (may it be clear that at all times during any and all proceedings the subscriber's reserved any and all rights and maintains common law assertions in any all proceedings throughout the duration of this matter, that he at no time gives up and/or waives any of his rights at any time and or at any moment or during any proceeding). See **EXHIBIT C**(5 pages)

FOR REFERENCE: *Capitis Diminutio Maxima* (Name in ALL CAPITALS), *Capitis Diminutio Maxima* (Name in ALL CAPITALS)  
*diminution in value*

*n. in the event of a breach of contract, the decrease in value of...*

*For purposes of understanding one's legal or commercial status under the Admiralty system (the law system used in England, Canada and much of the US), it is necessary to examine the curious use of all CAPS -Capitis Diminutio Maxima- in legal and domestic income tax forms, credit cards & statements, loans, mortgages, speeding & parking tickets, car documents, road tax, court summons etc. While seemingly a trite concern, this apparently small detail has extremely deep significance for all of us!*

*Gage Canadian Dictionary 1983 Sec. 4 defines Capitalize adj. as "To take advantage of - To use to ones own advantage."*

*Blacks Law Dictionary - Revised 4th Edition 1968, provides a more comprehensive definition as follows ...*

***Capitis Diminutio** (meaning the diminishing of status through the use of capitalization) In Roman law. A diminishing or abridgment of personality; a loss or curtailment of a man's status or aggregate of legal attributes and qualifications.*

***Capitis Diminutio Minima** (meaning a minimum loss of status through the use of capitalization, e.g. John Doe) - The lowest or least comprehensive degree of loss of status. This occurred where a man's family relations alone were changed. It*

Dear:

IRS Representative

I, am currently employed by a private business AKA GOLDSTONE MANAGEMENT INC, located at the address AKA

525 East county Ln rd. Lakewood township, NJ 08701.

On or about January 3th 2013. The subscriber personally handed to my PRIVATE EMPLOYER, the IRS form W-8BEN with supporting Recorded Affidavit. Please see **EXHIBIT B**, (2 pages) which my employer dishonored and returned to me alleging that the IRS and/OR PAYROLL company will not honor such a form as been appropriated for the subscriber.

✎The subscriber then sent my private employer a Legal notice nullifying, cancelling, voiding and revoking any previous signature on any and all previous IRS forms and forbidding them to use or filling any IRS forms with the name ELIAS AGREDO-NARVAEZ, including any social security number and to stop collecting the alleged taxes from my paycheck, I advised them that doing so will expose them to possible **criminal charges** under Title 18 USC Please see **EXHIBIT D** [and use it as reference and some authorities for my demands] however they threatened me with firing me for refusal to comply with some alleged laws; so under duress and without any authorization from my part they are currently collecting the alleged taxes.

✎Let it be on the record and for the record that the IRS forms that my private employer GOLDSTONE MANAGEMENT INC and its payroll company CHECKPLUS SERVICES inc, are currently using for the year 2013 to illegally collect taxes from my paycheck ARE FRAUDULENT.

In several opportunities the subscriber has tried to stop this illegal collection of alleged taxes without success because my **private employer** invokes some type of Government's immunity and alleged authority from the IRS, and the threat to fire me if insisting on this matter; therefore I have no other choice but to seek Discovery directly with you, your agency, bureau, business, corporation or whatever the nature of your existence may be.

Please be advised that this **Private and Concerned American** and the contents of this documents are not intended to intimidate, threaten, harass or to hinder anyone, living man or any State or Federal Laws but instead, to correct a wrong and seek and find Justice. And all this writing is/are done in **Good Faith, Truth, the Whole truth and nothing but the truth, based only on information which the subscriber**



has personally studied, examined and Researched; including case law to ensure the Law of Precedent is being applied to the best of my OWN ability. [Judges and attorneys love to hear Case law] The submitter also relies in opinions of Certified CPA's, information from the Federal Register (Active Law), Attorney's letters, IRS's letters under FOIA, Public Record documents, Congress men, Ex IRS Special Agents who left the agency because they could not establish as a matter of Enacted Law any obligation on the American public to be enforced the non existing tax laws, etc, etc.

## NOTICE

This **private American** has always comply with the alleged and presumed tax laws, but after more than five years of studying and profound research and collecting information and documents I have come to the most sincere belief that the alleged tax laws the IRS are/is enforcing upon the American people simply do not apply to the subscriber and no one is punished for his thoughts.

The subscriber is not and has never been against taxes and/or taxation, but is now against the administrations of laws that go beyond allowable parameters.

*"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."*[**American Communications Association v. Douds**, 339 U.S. 382, 442. (1950) ]

*"...judges who become involved in enforcement of mere statutes (civil or criminal in nature and otherwise) , act as mere "clerks" of the involved agency..."* K.C. Davis, ADMIN. LAW, Ch. 1 (CTP.West's 1965 Ed.)

*"...their supposed 'court' becoming thus a court of limited jurisdiction' as a mere extension of the involved agency for mere superior reviewing purposes."* K.C. Davis, ADMIN. LAW, P. 95, (CTP, 6 Ed. West's 1977) *FRC v G.E.* 281 US 464; *Keller v PE*, 261 US 428.

*"It is basic in our law that an administrative agency may act only within the area of jurisdiction marked out for it by law. If an individual does not come within the coverage of the particular agency's enabling legislation the agency is without power to take any action which affects him."* *Endicott v Perkins*, 317 US 501

*Review of administrative proceedings by a court does not change an administrative proceeding to a civil proceeding. Porter v. Michigan State Bd. of State Examiners in Optometry (1972) 199 N.W.2d 666, 41 Mich.App. 150.*

**NOTICE ALSO** that I have lawfully reserved my Rights not to be compelled to act under any fraudulent alleged and or presumed contract see **EXHIBIT D** (10 pages)

This **Natural person, American national, Real party in interest**, and subscriber hereby invokes "the **Clean hands Doctrine**" and believes that:

- **A workman is worthy of his or her hire.** *Luke 10:7 And in the same house remain, eating and drinking such things as they give: for the labourer is worthy his hire. Go not from house to house.- King James Bible "Authorized Version", Cambridge Edition.*
- **All are equal under the law.**
- **" Indeed, no more than (affidavits) is necessary to make the prima facie Case.** *CerDenied*, 50 U.S.L.W2169; S.Ct. March 22,1982.
- **In commerce truth is Sovereign.**



- **An un rebutted affidavit stands as the truth in commerce.** "Uncontested affidavit" moved the court to hear the case. *United States v. Lopez*, No 07-3159 (10<sup>th</sup> Cir. 03/04/2008).
- **An un rebutted affidavit becomes the Judgment in commerce.**
- **All matters must be expressed to be resolved.**
- **Sacrifice is the measure of credibility( if there is no willingness to sacrifice, there is no liability, responsibility, authority, or measure of conviction).**

This documents are being sent to you under Notarial Seal and in Affidavit form for the purpose of certifying the admissions, confessions and stipulations of the parties, to create a public record thereof, via the issue and filling of an **Administrative Declaratory Judgment**, by Notarial protest.

*A notary public (sometimes called a notary) is a public official appointed under authority of law with power, among other things, to administer oaths, certify affidavits, take acknowledgments, take depositions, perpetuate testimony, and protect negotiable instruments. **Notaries are not appointed under federal law**; they are appointed under the authority of the various states, districts, territories, as in the case of the Virgin Islands, and the commonwealth, in the case of Puerto Rico. The statutes, which define the powers and duties of a notary public, frequently grant the notary the authority to do all acts justified by commercial usage and the "law merchant". [Anderson's Manual for Notaries Public, Ninth Edition, 2001, ISBN 1-58360-357-3]*

Said Administrative Declaratory Judgment is issued under statutory authority and under the authority of the Secretary of the State, acting as an agent of the Department of state, and carries the power and authority as if issued by the highest court on the land. Said Judgment constitutes res judicata, star decisis, collateral stoppel and Judgment by stoppel.

Please take note that this discovery process has been served under notarial seal and **valid subpoena** establishing your **mandatory obligation** to timely respond and/or rebut the following questions and points; point by point and line by line verified true, correct and complete, signed, sworn to and notarized in affidavit form and to provide certified copies of the requested information to support your alleged authority to demand the illegal and unlawful collection of taxes from this **Private American** or forever be **stopped** from continuing such **extortion**.

**EXTORTION** at common law, the corrupt collection by a public official under **color** of office of an excessive or unauthorized fee. It was punishable as a **misdemeanor**. Under modern statutes the offense is broaden to include the illegal taking of money by anyone who employs threats, or other illegal use of fear or coercion in order to obtain the money, and who's conduct falls short the threat or personal safety for **robbery**. Model penal code§223.4. see 148A. 2d 848, 850; 2 Mass. 522,523; 160 F. 2d 754, 756. Extortion is used in interchangeably with **black mail** and it is commonly punished as a felony. See General Perkins & Boyce Criminal Law 442-452 (3<sup>ded</sup>. 1982) Compare **bribery**. [Baron's law dictionary 1984]

This whole package of documents constitutes the **EXHAUSTION OF REMEDIES** this **Private American** is entitled to under the law, and the Uniform Commercial Code and is also proof of the Subscriber's bona fide/ good faith efforts to best educate him self in regard to the Laws and in order to form a solid knowledge of said laws.

**EXHASTION OF REMEDIES** a judicial policy or statutory requirement that certain administrative or non-federal judicial remedies be pursued by litigant before a state or federal court will consider the controversy. 228 N.W. 2d 640'642[Baron's Law dictionary 1984]

**MAXIS OF LAW**

Item# 12231972-EAN-DPD

REGISTERED MAIL# 7012 1640 0002 1363 9069





- a) A workman is worthy of his or her hire.
- b) All are equal under the law.
- c) In commerce truth is Sovereign.
- d) An un rebutted affidavit stands as the truth in commerce.
- e) An un rebutted affidavit becomes the Judgment in commerce.
- f) All matters must be expressed to be resolved.
- g) Sacrifice is the measure of credibility( if there is no willingness to sacrifice, there is no liability, responsibility, authority, or measure of conviction).
- h) Guaranteed- All men shall have a remedy by the due course of law. If a remedy does not exist, or if the existing remedy has been subverted, the one may create a remedy for themselves and endow it with credibility by expressing it in their affidavit.
- i) **It is a tax fraud to use courts to settle a dispute/controversy which could be settle peacefully outside of or without the court.**
- j) **No guilt attaches to him who is compelled to obey.**
- k) **Every consent involves a submission; but a mere submission does not necessary involve consent.**
- l) **A deceiver deals in generals.**
- m) **It is a fraud to conceal a fraud.**
- n) **What is first is truest; and what comes first in time is best in law.**
- o) **The government is to be subject to the law, for the law makes the government.**
- p) It is a miserable slavery where the law is vague or uncertain.
- q) The greatest enemies to peace are force and wrong.

## PURPOSE/SCOPE

The purpose of this section is to establish facts in support of the reasonable conclusion that:

1). Submitter is not engaged in a "trade or business" or any other taxable activity that might make him subject to the terms of the Internal Revenue Code.

2). Submitter is a "nonresident alien" Submitter is not a "citizen" or "resident" under the Internal Revenue Code

3) Submitter is a "nontaxpayer" who is not "liable" to pay any monies to either the state or federal government under the authority of Subtitle A of the Internal Revenue Code.

4). Submitter is not subject to the provisions of the Internal Revenue Code and "foreign" with respect to it. The Internal Revenue Code qualifies as "legislation".

5). Federal government has no legislative jurisdiction within states of the Union. States of the Union are "foreign" with respect to federal legislative jurisdiction.

6). ONLY "Gold and Silver Coins" are moneys of account of the United States, and that the Constitution is still the LAW today. "No state shall make any "THING" but Gold and Silver Coin a tender in payment of debts..."



**THIS IS A DISCOVERY PROCESS AND DEMAND**



*Whereas, Public record is the Highest form of evidence and testimony.*  
This is also a demand that the IRS make this document a permanent part on their individual file on the subscriber

**VERIFICATION**

As the Undersigned, I hereby verify, under penalty of perjury, under the laws of the **United States of America**, without the "United States" (federal government), that the above statement of facts and laws is true and correct, according to the best of My current information, knowledge, and belief, so help Me God

Dated: July 15<sup>th</sup> 2013

Printed: Elias Agredo-Narvaez

Signed:    
All Rights Explicitly Reserved Without any Recourse  
And without Prejudice, Status as Non-Resident Alien  
Without the U.S

**ACKNOWLEDGEMENT**

County of Ocean

) Scilicet

New Jersey State )

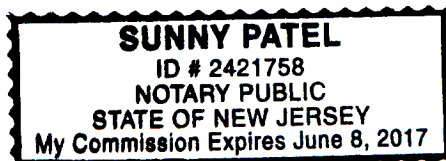
I, Sunny Patel, a Notary Public in and for said County and State, do hereby certify that the user of the name ELIAS AGREDO-NARVAEZ, personally known to me to be the same man who subscribed to the foregoing instrument, presented himself before me this day and acknowledged that he has read and signed said instrument and that the statements therein contained, and each thereof, are true.

SUBSCRIBED AND SWORN TO Before me this 15<sup>th</sup> Day of July A.D 2013

Sunny Patel Seal

My Commission Expires \_\_\_\_\_

Notary Public Signature



Attorney At Law  
28 East Savage Street  
Savage, Minnesota 55378  
December 27, 1968

Mr. Patrick Foley  
United States Attorney for Minnesota  
United States Court House Bldg.  
Minneapolis, Minnesota  
Re: First National Bank of Montgomery vs. Jerome Daly

Sir:

As you are on my mailing list, at your request, attached kindly find 2 copies of a decision rendered at Credit River Twp. Justice of the Peace court on December 9, 1968 by Justice Martin V. Mahoney, who by occupation is not dependent upon the fraudulent Federal Reserve Mob for his sustenance; thus he was able to view the whole fraud, which is Global in scope, with a mind in the settled calmness of impartiality, disinterestedness, and fairness, in keeping with his Oath and with a completely friendly feeling toward the Constitution of the United States of America.

In truth and in fact the Justice of the Peace Court is the highest Court in the land as it is the closest to the People. Every Judge who is dependent upon this fraudulent Federal Reserve, National and State Banking System for his sole support is DISQUALIFIED because of self interest and had no jurisdiction to sit in review of this Judgment. If any Appellate Court, including the Supreme Court of the United States, in review of this Judgment, perpetrates a fraud upon the People by defying the Constitutional Law of the United States, Mahoney has resolved that he will convene another Jury in Credit River Township to try the issue of the Fraud on the part of any State or Federal Judge, and in an action on my part to recover the possession if the Jury decides in my favor, the Constable and the Citizens Militia of Credit River Township will, pursuant to the Law, deliver me back into possession. So you see, this Justice of the Peace can keep the peace in Scott County, Minnesota, not with the help of these State and Federal Judges who have fled reality, but in spite of them. This Thomas Jefferson's prophesy with reference to Chattel Slavery once again rings true; "God's Justice will not sleep forever." (emphasis added - now you may understand one of the lawful purposes of the Militia!)

One wonders sometimes what the United States, and its leaders, including the Shylock usury element, did to bring on a Pearl Harbor Attack on December 7, 1941, with such suddenness and devastation. It could be the Judgment of a Just God giving vent to a stored wrath in retaliation to the money changers. It is ironic in deed that the Jury should return its verdict on the same day 27 years later and the National and International Banking and Oil Mob shudder in their back rooms where they have cornered the money of the World and where they sit pulling the strings; fostering, conniving and perpetrating War with profit to themselves paid for by the blood, sweat, tears and toil of the farmer, the mechanic, the laborer and the humbler members of society; and well they might tremble, for, as they listen they can hear, with every increasing distinctness, the sound of the waves at low tide as they wash across the lonely decks of the U.S.S. Arizona with over 2,500 men entombed in her hold, with oil still seeping therefrom to the surface.

It is better to be charitable than miserly, honest than dishonest, direct than indirect, upright than underhanded, intelligent than unintelligent, to have courage than be a coward, to be free than slave, in body and in mind.

I remain,

Quite Independently Yours,

/s/ Jerome Daly

P.S. Give my best wishes for a New Year to the Boys in the Back Room.  
J.D.



\*\*\*\*\*

PERMISSION TO REPOST GRANTED AS LONG AS THERE ARE NO CHANGES.

/s/ John R. Prukop

(Formatting & other minor changes done by Chrles Bruce, Stewart 9-21-99).

The IRS, allegedly a government agency, in this case, has the burden of proving the existence of jurisdiction and liability PRIOR to attempting any enforcement or further collection actions against the submitter/Subscriber.

In any event that the IRS, THE U.S, or it's delegates is/are unable to prove Jurisdiction and/or Lawful Authority to continue the enforcement of the collection of the alleged taxes then, the IRS Agrees to inform/demand that GOLDSTONE MANAGEMENT INC immediately cease and desist such a collection and that all funds collected since Jan/01/2013 be refunded to the Subscriber.

Partial answer is "ADMIT" acquiescence is "ADMIT" deny without supporting Law is "ADMIT"

*U.S. v Prudden, 424 F.2d. 1021; U.S. v. Tweel, 550 F.2d. 297,299,300(1997) Silence can only be equated with fraud when there is a legal and moral duty to speak or when an inquiry left unanswered would be intentionally misleading. We cannot condone this shocking conduct... if that is the case we hope our message is clear. This sort of deception will not be tolerated and if this is routine it should be corrected immediately.*

The questions are structured in such a way that the only answer that is consistent with the evidence and context of each question is "Admit".

To answer "Deny" is to argue against the supporting evidence provided for each question. The answer provided to each admission must be consistent with all the factual evidence provided and if it is not, the responding party must explain why the evidence provided in support of the question is incorrect or not trustworthy. At the end of the admissions, the recipient who completes these questions should sign under penalty of perjury, as required by **26 U.S.C. §6065**. Failure of the person completing the questions to sign the legal birth name under penalty of perjury shall constitute an "Admit" to every question.

If the recipient of these admissions is not authorized to answer them, then the submitter insists that:

1. They be provided to someone within the receiving organization who can respond to each question.
2. That a letter be sent to the person who sent them the questions providing contact information of the person who will be responding to the admissions.

**Please Note that this discovery process does not constitute:**





1). An attempt to impede the lawful administration of either state or federal revenue law. Instead, it is an attempt to ensure that the government respects and observes all of the Constitutional and lawful limits upon their authority to collect revenues and thereby fulfills its only function to protect and defend the Constitutional rights of all Americans.

*"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."* [American Communications Association v. Douds, 339 U.S. 382, 442. (1950) ]

2). An "argument" about anything, but simply a restatement of what the law and the courts say about a particular subject. **Consequently, it is absolutely pointless to accuse the submitter of being "frivolous".**

**FRIVOLOUS** clearly lacking in substance; clearly insufficient as a matter of law, 185 N.E 2d 583, 593; presenting no debatable question. 227 F. supp. 735, 740. For example, a **claim** is "frivolous" if it clearly appears either that it is insufficient because is not supported by the facts or that it is one for which the law recognizes no remedy. An appeal is frivolous if it presents no **justiciable** question or merit. "If a court of appeals shall determine that an appeal is frivolous, it may award....damages...Fed. App. R. 38.[Baron's law dictionary 1984]. To accuse the submitter of being frivolous would indirectly be an admission that the government is lying to the public, because all questions are backed by evidence derived directly from the government.

3). A request for legal advice. More than adequate evidence is provided in support of each admission to establish the answer to each question in a way that is completely consistent with prevailing law and judicial precedent.

Finally, if additional authorities are cited for a particular conclusion in response to each question, the person answering the questions *must* observe the same constraints as the IRS itself in regards to the authority of cases cited. The constraints it must operate under are as follows, from the Internal Revenue Manual off the IRS website:

*"Decisions made at various levels of the court system... may be used by either examiners or taxpayers to support a position... A case decided by the U.S. Supreme Court becomes the law of the land and takes precedence over decisions of lower courts... Decisions made by lower courts, such as Tax Court, 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."* [IRM, 4.10.7.2.9.8 (05/14/99)  
<http://www.irs.gov/irm/part4/ch10s11.html>]

If any question is left unanswered shall be deemed as "Admit" and constitute a default pursuant to Federal Rule of Civil Procedure Rule 8(b)(6). To wit:

### III. PLEADINGS AND MOTIONS > Rule 8. Rule 8. General Rules of Pleading

(b) Defenses; Admissions and Denials.

(6) Effect of Failing to Deny.

*An allegation — other than one relating to the amount of damages — is admitted if a responsive pleading is required and the allegation is not denied. If a responsive pleading is not required, an allegation is considered denied or avoided.*

If the whole questionnaire is left unanswered, then the answer to all questions by the recipient shall be deemed to be "Admit" and constitute a default under Fed.Rule.Civ.Proc. 8(b)(6). Sign and date the end using blue original ink.



Photocopy.

Retain the copy for yourself and send the original to the requester.

### Please Admit or Deny the Following:

#### Federal jurisdiction

- 1) Admit that the federal government has *no legislative jurisdiction* within states of the Union according to the U.S. Supreme Court.

*"It is no longer open to question that the general [federal] government, unlike the states, Hammer v. Dagenhart, 247 U.S. 251, 275, 38 S.Ct. 529, 3 A.L.R. 649, Ann.Cas.1918E 724, 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)]*

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*"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 [or taxation] 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)]*

\_\_\_Admit\_\_\_Deny

- 2) Admit that Subtitle A of the Internal Revenue Code qualifies as "legislation" with respect to the above court ruling(s). \_\_\_Admit\_\_\_Deny
- 3) Admit that because the Subtitle A of the Internal Revenue Code qualifies as "legislation", then its jurisdiction does not include areas internal to states of the Union, excepting possibly federal areas under the exclusive jurisdiction of the United States and coming under Article 1, Section 8, Clause 17 of the Constitution.

\_\_\_Admit\_\_\_Deny

- 4) Admit that the District of Columbia and the territories and possessions of the United States are outside of areas within the exclusive jurisdiction of states of the Union and outside the "United



States" as used in the Constitution

\_\_\_Admit\_\_\_Deny

**"As the only judicial power vested in Congress is to create courts whose judges shall hold their offices during good behavior, it necessarily follows that, if Congress authorizes the creation of courts and the appointment of judges for limited time, it must act independently of the Constitution upon territory which is not part of the United States within the meaning of the Constitution."**[O'Donohue v. United States, 289 U.S. 516, 53 S.Ct. 740 (1933)]

**"The earliest case is that of Hepburn v. Ellzey, 2 Cranch, 445, 2 L. ed. 332, in which this court held that, under that clause of the Constitution limiting the jurisdiction of the courts of the United States to controversies between citizens of different states, a citizen of the District of Columbia could not maintain an action in the circuit court of the United States. It was argued that the word 'state,' in that connection, was used simply to denote a distinct political society. 'But,' said the Chief Justice, 'as the act of Congress obviously used the word 'state' in reference to that term as used in the Constitution, it becomes necessary to inquire whether Columbia is a state in the sense of that instrument. The result of that examination is a conviction that the members of the American confederacy only are the states contemplated in the Constitution , . . and excludes from the term the signification attached to it by writers on the law of nations.' This case was followed in Barney v. Baltimore, 6 Wall. 280, 18 L. ed. 825, and quite recently in Hooe v. Jamieson, 166 U.S. 395 , 41 L. ed. 1049, 17 Sup. Ct. Rep. 596. The same rule was applied to citizens of territories in New Orleans v. Winter, 1 Wheat. 91, 4 L. ed. 44, in which an attempt was made to distinguish a territory from the District of Columbia. But it was said that 'neither of them is a state in the sense in which that term is used in the Constitution.' In Scott v. Jones, 5 How. 343, 12 L. ed. 181, and in Miners' Bank v. Iowa ex rel. District Prosecuting Attorney, 12 How. 1, 13 L. ed. 867, it was held that under the judiciary act, permitting writs of error to the supreme court of a state in cases where the validity of a state statute is drawn in question, an act of a territorial legislature was not within the contemplation of Congress."**[Downes v. Bidwell, 182 U.S. 244 (1901), emphasis added]

\_\_\_Admit\_\_\_Deny

- 5) Admit that the District of Columbia and territories and possessions of the United States are subject to the exclusive legislative jurisdiction of the federal government under Article 1, Section 8, Clause 17 of the Constitution.

United States Constitution, Article 1, Section 8, Clause 17

*To exercise exclusive Legislation in all Cases whatsoever, over such District (not exceeding ten Miles square) as may, by Cession of Particular States, and the Acceptance of Congress, become the Seat of the Government of the United States, and to exercise like Authority over all Places purchased by the Consent of the Legislature of the State in which the Same shall be, for the Erection of Forts, Magazines, Arsenals, dock-Yards and other needful Buildings....*

\_\_\_Admit\_\_\_Deny

- 6) Admit that the term "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) is the geographic region over which Subtitle A of the Internal Revenue Code is defined to apply.

TITLE 26 > Subtitle F > CHAPTER 79 > **Sec. 7701. [Internal Revenue Code]** Sec. 7701. - Definitions

(a)(9) United States



The term "United States" when used in a geographical sense includes only the States and the District of Columbia.

26 U.S.C. Sec. 7701(a)(10): State

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

\_\_\_Admit \_\_\_Deny

- 7) Admit that there is no other definition of "United States" applying to subtitle A of the Internal Revenue Code which might modify or enlarge the definition of "United States" found above.

\_\_\_Admit \_\_\_Deny

- 8) Admit the term "United States" as defined in the 50 titles of the U.S. Code is limited in the majority (greater than 50%) of cases to areas under exclusive federal jurisdiction and excludes areas under exclusive state legislative jurisdiction.

\_\_\_Admit \_\_\_Deny\_\_\_

- 9) Admit that the rules of statutory construction state the following:

*"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]

\_\_\_Admit \_\_\_Deny

- 10) Admit that the rules of statutory construction above apply to the interpretation of all statutes, including the Internal Revenue Code and all 50 titles of the U.S. Code.

\_\_\_Admit \_\_\_Deny

- 11) Admit that observing the rules of statutory construction above and the following Supreme Court rulings in the case of the definition of "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) results in excluding states of the Union from the definition of "United States".

*"It should never be held that Congress intends to supersede or by its legislation suspend the exercise of the police powers of the States, even when it may do so, unless its purpose to effect that result is clearly manifested."* [Reid v. Colorado, 187 U.S. 137, 148 (1902)]

*"The principle thus applicable has been frequently stated. It is that the Congress may circumscribe its regulation*





and occupy a limited field, and that the intention to supersede the exercise by the State of its authority as to matters not covered by the federal legislation is not to be implied unless the Act of Congress fairly interpreted is in conflict with the law of the State. See *Savage v. Jones*, 225 U.S. 501, 533 ."[*Atchison, T. & S. F. R. Co. v. Railroad Commission*, 283 U.S. 380, 392 –393 (1931)]

"If Congress is authorized to act in a field, it should manifest its intention clearly. It will not be presumed that a federal statute was intended to supersede the exercise of the power of the state unless there is a clear manifestation of intention to do so. The exercise of federal supremacy is not lightly to be presumed."[*Schwartz v. Texas*, 344 U.S. 199, 202-203 (1952)]

\_\_\_\_ Admit \_\_\_\_ Deny

### **Admissions Relating to Alleged Liability**

- 12) Admit that the term "United States" as used in the Constitution and "United States" and as used in 26 U.S.C. §7701(a)(9) and (a)(10) refer to two mutually exclusive geographical areas.

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

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

\_\_\_\_ Admit \_\_\_\_ Deny

- 13) Admit that IRS form 1040 (not 1040NR, but 1040) is intended to be submitted only by those who are "citizens or residents" of the "United States". 1040A 11327A Each U.S. Individual Income Tax Return

Annual income tax return **filed by citizens and residents of the United States**. There are separate instructions available for this item. The catalog number for the instructions is 12088U.

W:CAR:MP:FP:F:I Tax Form or Instructions [2003 IRS Published Products Catalog, p. F-15]

\_\_\_\_ Admit \_\_\_\_ Deny

- 14) Admit that those who do not maintain a "domicile" within the District of Columbia or the territories or possessions of the United States do not qualify as either "citizens" or "residents" of the "United States" as used above.

**domicile.** A person's legal home. That place where a man has his true, fixed, and permanent home and principal establishment, and to which whenever he is absent he has the intention of returning. *Smith v. Smith*, 206 Pa.Super. 310, 213 A.2d. 94. Generally, physical presence within a state and the intention to make it one's home are the requisites of establishing a "domicile" therein. The permanent residence of a person or the place to which he intends to return even though he may actually reside elsewhere. A person may have more than one residence but only one



*domicile. The legal domicile of a person is important since it, rather than the actual residence, often controls the jurisdiction of the taxing authorities and determines where a person may exercise the privilege of voting and other legal rights and privileges. The established, fixed, permanent, or ordinary dwelling place or place of residence of a person, as distinguished from his temporary and transient, though actual, place of residence. It is his legal residence, as distinguished from his temporary place of abode; or his home, as distinguished from a place to which business or pleasure may temporarily call him. See also Abode; Residence.*

*"Citizenship," "habitation," and "residence" are severally words which in particular cases may mean precisely the same as "domicile," while in other uses may have different meanings.*

*"Residence" signifies living in particular locality while "domicile" means living in that locality with intent to make it a fixed and permanent home. Schreiner v. Schreiner, Tex.Civ.App., 502 S.W.2d. 840, 843.*

*For purpose of federal diversity jurisdiction, "citizenship" and "domicile" are synonymous. Hendry v. Masonite Corp., C.A.Miss., 455 F.2d 955.[Black's Law Dictionary, Sixth Edition, p. 485]*

\_\_\_\_ Admit \_\_\_\_ Deny

- 15) Admit that according to the Internal Revenue Code at 26 U.S.C. §7214, IRS and U.S. government agents, revenue officers, and employees face severe penalties, including prison and fines, if they demand more tax than is authorized by law **or collect in a place not expressly authorized.** TITLE 26 > Subtitle F > CHAPTER 75 > Subchapter A > PART I > § 7214 § 7214. Offenses by officers and employees of the United States

**(a) Unlawful acts of revenue officers or agents**

*Any officer or employee of the United States acting in connection with any revenue law of the United States— (1) who is guilty of any extortion or willful oppression under color of law; or*

*(2) who knowingly demands other or greater sums than are authorized by law, or receives any fee, compensation, or reward, except as by law prescribed, for the performance of any duty; or*

*(3) who with intent to defeat the application of any provision of this title fails to perform any of the duties of his office or employment; or*

*(4) who conspires or colludes with any other person to defraud the United States; or*

*(5) who knowingly makes opportunity for any person to defraud the United States; or*

*(6) who does or omits to do any act with intent to enable any other person to defraud the United States; or*

*(7) who makes or signs any fraudulent entry in any book, or makes or signs any fraudulent certificate, return, or statement; or*

*(8) who, having knowledge or information of the violation of any revenue law by any person, or of fraud committed by any person against the United States under any revenue law, fails to report, in writing, such knowledge or information to the Secretary; or*

*(9) who demands, or accepts, or attempts to collect, directly or indirectly as payment or gift, or otherwise, any sum of money or other thing of value for the compromise, adjustment, or settlement of any charge or complaint for any violation or alleged violation of law, except as expressly authorized by law so to do;*

*shall be dismissed from office or discharged from employment and, upon conviction thereof, shall be fined not more*



than \$10,000, or imprisoned not more than 5 years, or both. The court may in its discretion award out of the fine so imposed an amount, not in excess of one-half thereof, for the use of the informer, if any, who shall be ascertained by the judgment of the court. The court also shall render judgment against the said officer or employee for the amount of damages sustained in favor of the party injured, to be collected by execution.

\_\_\_\_ Admit \_\_\_\_ Deny

## Who are "taxpayers"

- 16) Admit that there is such a thing as a "nontaxpayer", and that such a person is characterized by not coming within the jurisdiction of the Internal Revenue Code.

*"The revenue laws are a code or system in regulation of tax assessment and collection. They relate to taxpayers, and not to nontaxpayers. The latter are without their scope. No procedure is prescribed for nontaxpayers, and no attempt is made to annul any of their rights and remedies in due course of law. With them Congress does not assume to deal, and they are neither of the subject nor of the object of the revenue laws..."*

*"The distinction between persons and things within the scope of the revenue laws and those without is vital." [Long v. Rasmussen, 281 F. 236 @ 238(1922)]*

\_\_\_\_ Admit \_\_\_\_ Deny

- 17) Admit that a "resident" is defined in 26 U.S.C. §7701(b)(1)(B).

*26 U.S.C. §7701(b)(1)(A) Resident alien*

*(b) Definition of resident alien and nonresident alien (1) In general For purposes of this title (other than subtitle B) - (A) **Resident alien***

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

*(i) Lawfully admitted for permanent residence Such individual is a lawful permanent resident of the United States at any time during such calendar year. (ii) Substantial presence test Such individual meets the substantial presence test of paragraph (3). (iii) First year election Such individual makes the election provided in paragraph (4).*

\_\_\_\_ Admit \_\_\_\_ Deny

- 18) Admit that the only type of "resident" defined in the Internal Revenue Code are "aliens" as shown above.

## Title 26: Internal Revenue

*PART 1—INCOME TAXES nonresident alien individuals § 1.871-2 Determining residence of alien individuals.*

*(b) Residence defined.*



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

\_\_\_Admit \_\_\_Deny

- 19) Admit that there is no definition of "resident" anywhere in the I.R.C. or Treasury Regulations which would enlarge or expand upon the definition of "resident" above.

\_\_\_Admit \_\_\_Deny

- 20) Admit that a person cannot simultaneously be a "resident" and a "citizen" at the same time and that these are two mutually exclusive classes of persons.

26 CFR §1.1-1(c): Income Tax on individuals

(c) Who is a citizen.

Every person born or naturalized in the [federal] United States and subject to its [exclusive federal jurisdiction under Article 1, Section 8, Clause 17 of the Constitution] jurisdiction is a citizen. For other rules governing the acquisition of citizenship, see chapters 1 and 2 of title III of the Immigration and Nationality Act (8 U.S.C. 1401-1459). For rules governing loss of citizenship, see sections 349 to 357, inclusive, of such Act (8 U.S.C. 1481-1489), *Schneider v. Rusk*, (1964) 377 U.S. 163, and Rev. Rul. 70-506, C.B. 1970-2, 1. For rules pertaining to persons who are nationals but not citizens at birth, e.g., a person born in American Samoa, see section 308 of such Act (8 U.S.C. 1408). For special rules applicable to certain expatriates who have lost citizenship with a principal purpose of avoiding certain taxes, see section 877. A foreigner who has filed his declaration of intention of becoming a citizen but who has not yet been admitted to citizenship by a final order of a naturalization court is an alien.[26 CFR §1.1-1(c )]

\_\_\_Admit \_\_\_Deny

- 21) Admit that the document entitled "Law of Nations" defines "resident" as follows:

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





\_\_\_Admit \_\_\_Deny

- 22) Admit that American Citizens domiciled within states of the Union do not qualify as "residents" within the meaning of

26 U.S.C. §7701(b)(1)(B) unless they elect to do so under the provisions of 26 U.S.C. §6013(g). TITLE 26 > Subtitle F > CHAPTER 61 > Subchapter A > PART II > Subpart B > § 6013

§ 6013. Joint returns of income tax by husband and wife

(g) Election to treat nonresident alien individual as resident of the United States (1) In general

A nonresident alien individual with respect to whom this subsection is in effect for the taxable year shall be treated as a resident of the United States—

(A) for purposes of chapter 1 for all of such taxable year, and

(B) for purposes of chapter 24 (relating to wage withholding) for payments of wages made during such taxable year.

(2) Individuals with respect to whom this subsection is in effect

This subsection shall be in effect with respect to any individual who, at the close of the taxable year for which an election under this subsection was made, was a nonresident alien individual married to this subsection apply to them.

(3) Duration of election

An election under this subsection shall apply to the taxable year for which made and to all subsequent taxable years until terminated under paragraph (4) or (5); except that any such election shall not apply for any taxable year if neither spouse is a citizen or resident of the United States at any time during such year.

(4) Termination of electionAn election under this subsection shall terminate at the earliest of the following times:

(A) Revocation by taxpayers

✎ If either taxpayer revokes the election, as of the first taxable year for which the last day prescribed by law for filing the return of tax under chapter 1 has not yet occurred.

(B) Death

In the case of the death of either spouse, as of the beginning of the first taxable year of the spouse who survives following the taxable year in which such death occurred; except that if the spouse who survives is a citizen or resident of the United States who is a surviving spouse entitled to the benefits of section 2, the time provided by this subparagraph shall be as of the close of the last taxable year for which such individual is entitled to the benefits of section 2.

(C) Legal separation

In the case of the legal separation of the couple under a decree of divorce or of separate maintenance, as of the beginning of the taxable year in which such legal separation occurs.



\_\_\_Admit \_\_\_Deny

- 23) Admit that the term "continental United States", for the purposes of citizenship, is defined in 8 CFR §215.1 as follows:

*[Code of Federal Regulations][Title 8, Volume 1][Revised as of January 1, 2002]From the U.S. Government Printing Office via GPO Access [CITE: 8CFR215]*

*TITLE 8--ALIENS AND NATIONALITY CHAPTER I--IMMIGRATION AND NATURALIZATION SERVICE,  
DEPARTMENT OF JUSTICEPART 215--CONTROLS OF ALIENS DEPARTING FROM THE UNITED  
STATESSection 215.1: Definitions*

*(f) The term continental United States means the District of Columbia and the several **States**, except Alaska and Hawaii.*

\_\_\_Admit \_\_\_Deny

- 24) Admit that the term "State" within the context of federal citizenship is defined in 8 U.S.C. §1101(a)(36):

*8 U.S.C. Sec. 1101(a)(36): State [Aliens and Nationality]The term "State" includes the District of Columbia, Puerto Rico, Guam, and the Virgin Islands of the United States.*

\_\_\_Admit \_\_\_Deny

- 25) Admit that a person born in a state of the Union was not born in a "State" or within the "continental United States" within the meanings defined above.

\_\_\_Admit \_\_\_Deny

- 26) Admit that there is no other definition of "State" or "continental United States" anywhere in Title 8 of the U.S. Code that might modify or enlarge the meanings of "State" or "continental United States" within the context of citizenship under federal law.

\_\_\_Admit \_\_\_Deny

- 27) Admit that the term "individual" appearing in the upper left corner of the IRS Form 1040 is defined as follows:

*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).*



(ii) *Nonresident alien individual.*

*The term nonresident alien individual means a person described in section 7701(b)(1)(B), an alien individual who is a resident of a foreign country under the residence article of an income tax treaty and Sec. 301.7701(b)-7(a)(1) of this chapter, 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 Sec. 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*

\_\_\_ Admit \_\_\_ Deny

- 28) Admit that there are no other definitions or explanations of the term "individual" within the Internal Revenue Code that would modify or enlarge the definition of "individual" beyond what appears above.

\_\_\_ Admit \_\_\_ Deny

- 29) Admit that the only married and unmarried individuals mentioned within the Internal Revenue Code Section 1 are "aliens" and therefore "residents" who have income "effectively connected with a "trade or business".

#### *NORMAL TAXES AND SURTAXES*

#### *DETERMINATION OF TAX LIABILITY*

##### *Tax on Individuals*

##### *Sec. 1.1-1 Income tax on individuals.*

*(a)(2)(ii) For taxable years beginning after December 31, 1970, the tax imposed by section 1(d), as amended by the Tax Reform Act of 1969, shall apply to the income effectively connected with the conduct of a trade or business in the United States by a **married alien individual who is a nonresident of the United States for all or part of the taxable year or by a foreign estate or trust.** For such years the tax imposed by section 1(c), as amended by such Act, shall apply to the income effectively connected with the conduct of a trade or business in the United States by an **unmarried alien individual (other than a surviving spouse) who is a nonresident of the United States for all or part of the taxable year.** See paragraph (b)(2) of section 1.871-8." [26 CFR § 1.1-1(a)(2)(ii)]*

\_\_\_ Admit \_\_\_ Deny

- 30) Admit that "Individual Taxpayer Identification Numbers" may ONLY be issued to "aliens" under

26 CFR §301.6109-1(d)(3)

*(3) IRS individual taxpayer identification number -- (i) Definition. The term IRS individual taxpayer identification number means a taxpayer identifying number **issued to an alien individual** by the Internal Revenue Service, upon application, for use in connection with filing requirements under this title. **The term IRS individual taxpayer***



*identification number does not refer to a social security number or an account number for use in employment for wages. For purposes of this section, the term alien individual means an individual who is not a citizen or national of the United States.*

\_\_\_\_Admit \_\_\_\_Deny

- 31) Admit that SSN's may be used VOLUNTARILY under 26 U.S.C. §6109(d) as a substitute for a "Taxpayer Identification Number"

\_\_\_\_Admit \_\_\_\_Deny

- 32) Admit that Social Security participation is voluntary for those who are *not* engaged in a "trade or business".

\_\_\_\_Admit \_\_\_\_Deny

- 33) Admit that because Social Security participation is voluntary as described above, then the only people who can lawfully be "Taxpayers" are "aliens"

\_\_\_\_Admit \_\_\_\_Deny

- 34) Admit that a "U.S. citizen" defined in 8 U.S.C. §1401 and who is domiciled abroad in a foreign country is an "alien" with respect to a tax treaty with that foreign country.

\_\_\_\_Admit \_\_\_\_Deny

- 35) Admit that the estate of a "nonresident alien" who has no income "effectively connected with a trade or business" is called a "foreign estate".

*TITLE 26 > Subtitle F > CHAPTER 79 > § 7701 § 7701. Definitions*

*(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.*

\_\_\_\_Admit \_\_\_\_Deny

- 36) Admit that "foreign" in the above context means "not subject to the Internal Revenue Code".  
\_\_\_\_Admit \_\_\_\_Deny





- 37) Admit that persons who are not subject to the Internal Revenue Code are described as "nontaxpayers".

26 U.S.C. Sec. 7701(a)(14) Taxpayer The term "taxpayer" means any person subject to any internal revenue tax.

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

\_\_\_ Admit \_\_\_ Deny

### Taxable "activities" and "taxable income"

- 38) Admit that the term "trade or business" is defined in 26 U.S.C. §7701(a)(26). 26 U.S.C. Sec. 7701(a)(26)

*"The term 'trade or business' includes the performance of the functions [activities] of a public office."*

\_\_\_ Admit \_\_\_ Deny

- 39) Admit that there are no other definitions or references in I.R.C. Subtitle A relating to a "trade or business" which would change or expand the definition of "trade or business" above to include things other than a "public office".

\_\_\_ Admit \_\_\_ Deny

- 40) Admit that a "trade or business" is an "activity". ***"Trade or Business in the United States***

*Generally, you must be engaged in a trade or business during the tax year to be able to treat income received in that year as effectively connected with that trade or business. **Whether you are engaged in a trade or business in the United States depends on the nature of your activities.** The discussions that follow will help you determine whether you are engaged in a trade or business in the United States."* [IRS Publication 519, Year 2000, p. 15, emphasis added]

\_\_\_ Admit \_\_\_ Deny

- 41) Admit that all excise taxes are taxes on privileged or licensed "activities".

***"Excise tax.*** A tax imposed on the ***performance of an act***, the engaging in an occupation, or the enjoyment of a privilege. *Rapa v. Haines, Ohio Comm.Pl., 101 N.E.2d 733, 735.* A tax on the manufacture, sale, or use of goods or on the carrying on of an occupation or activity or tax on the transfer of property. "[Black's Law Dictionary, Sixth Edition, p. 563]



\_\_\_\_Admit \_\_\_\_Deny

- 42) Admit that holding "public office" in the United States government is an "activity".

\_\_\_\_Admit \_\_\_\_Deny

- 43) Admit that those holding "public office" are described as "employees" within 26 CFR §31.3401(c)-1.26 CFR §31.3401(c)-1 Employee:

*"...the term [employee] includes officers and employees, whether elected or appointed, of the United States, a [federal] State, Territory, Puerto Rico or any political subdivision, thereof, or the District of Columbia, or any agency or instrumentality of any one or more of the foregoing. The term 'employee' also includes an officer of a corporation."*

\_\_\_\_Admit \_\_\_\_Deny

- 44) Admit that one cannot be engaged in a "trade or business" WITHOUT ALSO being an "employee" as defined above.

\_\_\_\_Admit \_\_\_\_Deny

- 45) Admit that all revenues collected under the authority of I.R.C. Subtitle A in connection with a "trade or business" are upon the entity engaged in the "activity", who are identified in 26 U.S.C. §7701(a)(26) as those holding "public office".

\_\_\_\_Admit \_\_\_\_Deny

- 46) Admit that the decision to hold public office is a voluntary personal decision that cannot be coerced.

\_\_\_\_Admit \_\_\_\_Deny

- 47) Admit that because holding public office is "voluntary", then all taxes based upon this activity must also be voluntary and avoidable.

\_\_\_\_Admit \_\_\_\_Deny

- 48) Admit that the way to legally avoid taxes based on the activity of holding of a public office is to choose not to involve oneself in the activity.



\_\_\_Admit \_\_\_Deny

- 49) Admit that there are no taxable "activities" mentioned anywhere within Subtitle A of the Internal Revenue Code except that of a "trade or business" as defined within 26 U.S.C. §7701(a)(26).

\_\_\_Admit \_\_\_Deny

- 50) Admit that all taxes falling upon "public officers" are upon the office, and not upon the private person performing the functions of the public office during his off-duty time.

\_\_\_Admit \_\_\_Deny

- 51) Admit that a tax upon a "public office" rather than directly upon a natural person is an "indirect" rather than a "direct" tax within the meaning of the Constitution Of the United States.

*"Direct taxes bear immediately upon persons, upon the possession and enjoyment of rights; indirect taxes are levied upon the happening of an event as an exchange." [Knowlton v. Moore, 178 U.S. 41 (1900)]*

\_\_\_Admit \_\_\_Deny

- 52) Admit that *all* earnings originating within the "United States" defined in 26 U.S.C. §7701(a)(9) and (a)(10) fall within the classification of a "trade or business" under 26 U.S.C. §864(c)(3).

*TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864 §864. Definitions and special rules*

*(c) Effectively connected income, etc.*

*(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.*

### **Income Subject to Tax**

*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. The income is not taxable even if you earned it while you were a resident alien or if you became a resident alien or a U.S. citizen after receiving it and before the end of the year.[IRS Publication 519, Year 2000, p. 26]*

\_\_\_Admit \_\_\_Deny

- 53) Admit that the amount of "taxable income" defined in 26 U.S.C. §863 that a person must



include in "gross income" within the meaning of 26 U.S.C. §61 is determined by their earnings from a "trade or business" plus any earnings of "nonresident aliens" coming under 26 U.S.C. §871(a).

TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > Sec. 863. Sec. 863. - Special rules for determining source

(a) Allocation under regulations

*Items of gross income, expenses, losses, and deductions, other than those specified in sections 861(a) and 862(a), shall be allocated or apportioned to sources within or without the United States, under regulations prescribed by the Secretary. Where items of gross income are separately allocated to sources within the United States, there shall be deducted (for the purpose of computing the taxable income therefrom) the expenses, losses, and other deductions properly apportioned or allocated thereto and a ratable part of other expenses, losses, or other deductions which cannot definitely be allocated to some item or class of gross income. The remainder, if any, shall be included in full as taxable income from sources within the United States.*

\_\_\_Admit \_\_\_Deny

- 54) Admit that the phrase "from whatever source derived" found in the Sixteenth Amendment DOES NOT mean any source, but a SPECIFIC taxable activity within the jurisdiction of the United States.

*"The Court has hitherto consistently held that a literal reading of a provision of the Constitution which defeats a purpose evident when the instrument is read as a whole, is not to be favored... [and one of the examples they give is...]'From whatever source derived,' as it is written in the Sixteenth Amendment, does not mean from whatever source derived. Evans v. Gore, 253 U.S. 245 , 40 S.Ct. 550, 11 A.L.R. 519. See, also, Robertson v. Baldwin, 165 U.S. 275, 281 , 282 S., 17 S.Ct. 326; Gompers v. United States, 233 U.S. 604, 610 , 34 S.Ct. 693, Ann.Cas.1915D, 1044; Bain Peanut Co. v. Pinson, 282 U.S. 499, 501 , 51 S.Ct. 228, 229; United States v. Lefkowitz, 285 U.S. 452, 467 , 52 S.Ct. 420, 424, 82 A.L.R. 775." [Wright v. U.S., 302 U.S. 583 (1938)]*

\_\_\_Admit \_\_\_Deny

- 55) Admit that only earnings derived from a "trade or business" are includible in "gross income" for the purposes of "self employment":

TITLE 26 > Subtitle A > CHAPTER 2 > §1402

§1402: Definitions

(a) Net earnings from self-employment

*The term "net earnings from self-employment" means the gross income derived by an individual from any trade or business carried on by such individual, less the deductions allowed by this subtitle which are attributable to such trade or business, plus his distributive share (whether or not distributed) of income or loss described in section 702(a)(8) from any trade or business carried on by a partnership of which he is a member; ...*

\_\_\_Admit \_\_\_Deny



- 56) Admit that according to the Internal Revenue Code at 26 U.S.C. §864 (b)(1)(A), the statutory definition of the term "trade or business within the United States", excludes the performance of personal services for a nonresident alien, foreign partnership, or foreign corporation and that earning from any three of the foregoing, are excluded from the gross income of a nonresident alien."

*TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > §864 §864. Definitions and special rules*

*(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,*

☐ Admit ☐ Deny

- 57) Admit that private businesses in states of the Union that do not have Employer Identification Numbers and who do not do voluntary withholding on their workers qualify as "foreign employers" as described above.

*Internal Revenue Manual Section 5.14.10.2 (09-30-2004)*

*Payroll Deduction Agreements*

**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. [SOURCE: <http://www.irs.gov/irm/part5/ch13s10.html>]

☐ Admit ☐ Deny

- 58) Admit that the term "personal services" is limited exclusively to services performed in connection with a "trade or business".

*26 CFR Sec. 1.469-9 Rules for certain rental real estate activities.*

*(b)(4) PERSONAL SERVICES.*

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

*26 U.S.C. §861 Income from Sources Within the United States*





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

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

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

\_\_\_Admit \_\_\_Deny

- 59) Admit that there is no definition of "personal services" anywhere in the I.R.C. or the Treasury Regulations that would expand the definition of "personal services" beyond that appearing above.

\_\_\_Admit \_\_\_Deny

- 60) Admit that earnings of nonresident aliens for services performed for a nonresident alien individual, foreign partnership or foreign corporation are excluded from a "trade or business within the United States" and excludible from "gross income" for the purpose of Subtitle A of the Internal Revenue Code:

**TITLE 26 - INTERNAL REVENUE CHAPTER I - INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY SUBCHAPTER A - INCOME TAX PART 1 - INCOME TAXES 1.864 - 2 - Trade or business within the United States.**

(a) In general.

As used in part I (section 861 and following) and part II (section 871 and following), subchapter N, chapter 1 of the Code, and chapter 3 (section 1441 and following) of the Code, and the regulations thereunder, the term engaged in trade or business within the United States does not include the activities described in paragraphs (c) and (d) of this section, but includes the performance of personal services within the United States at any time within the taxable year except to the extent otherwise provided in this section.

(b) Performance of personal services for foreign employer (1) Excepted services.

For purposes of paragraph (a) of this section, the term engaged in trade or business within the United States does not include the performance of personal services

(i) For a nonresident alien individual, foreign partnership, or foreign corporation, not engaged in trade or business within the United States at any time during the taxable year, or. . " .

\_\_\_Admit \_\_\_Deny

- 61) Admit that the terms "foreign partnership" and "foreign corporation" as used in the previous question includes corporations incorporated under state and not federal law, as well as state partnerships and that the United States government is a "foreign corporation" with respect to a state of the Union.

"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]



Uniform Commercial Code (U.C.C.) § 9-307. LOCATION OF DEBTOR. (h) [Location of United States.]

✎ The United States is located in the **District of Columbia**.

[SOURCE:<http://www.law.cornell.edu/ucc/search/display.html?terms=district%20of%20columbia&url=/ucc/9/article9.htm#s9-307>]

\_\_\_\_ Admit \_\_\_\_ Deny

- 62) Admit that a nonresident alien with no earnings from a "trade or business" earns no "gross income" as defined in 26 U.S.C. §61.

§ 1.872-2 Exclusions from gross income of nonresident alien individuals.

(f) Other exclusions.

**Income which is from sources without[outside] the United States [District of Columbia, see 26 USC 7701(a)(9) and (a)(10)], as determined under the provisions of sections 861 through 863, and the regulations thereunder, is not included in the gross income of a nonresident alien individual unless such income is effectively connected for the taxable year with the conduct of a trade or business in the United States by that individual. To determine specific exclusions in the case of other items which are from sources within the United States, see the applicable sections of the Code. For special rules under a tax convention for determining the sources of income and for excluding, from gross income, income from sources without the United States which is effectively connected with the conduct of a trade or business in the United States, see the applicable tax convention. For determining which income from sources without the United States is effectively connected with the conduct of a trade or business in the United States, see section 864(c)(4) and §1.864-5.**

\_\_\_\_ Admit \_\_\_\_ Deny

- 63) Admit that the term "wages" includes only amounts earned in connection with employment under which a W-4 is in place.

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

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

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

\_\_\_\_ Admit \_\_\_\_ Deny



- 64) Admit that a person who never submitted a form W-4 in the context of their private employment cannot earn "wages" as defined above.

\_\_\_Admit \_\_\_Deny

- 65) Admit that a "voluntary withholding agreement" or "agreement" is a contract.

*"Agreement. A meeting of two or more minds; a coming together in opinion or determination; the coming together in accord of two minds on a given proposition. In law, a concord of understanding and intention between two or more parties with respect to the effect upon their relative rights and duties, of certain past or future facts or performances. The consent of two or more persons concurring respecting the transmission of some property, right, or benefits, with the view of contracting an obligation, a mutual obligation.*

*"A manifestation of mutual assent on the part of two or more persons as to the substance of a contract. Restatement, Second, Contracts, §3.*

*"The act of two or more persons, who unite in expressing a mutual and common purpose, with the view of altering their rights and obligations. The union of two or more minds in a thing done or to be done; a mutual assent to do a thing. A compact between parties are there are thereby subjected to the obligation or to whom the contemplated right is thereby secured. "[Black's Law Dictionary, Sixth Edition, p. 67]*

\_\_\_Admit \_\_\_Deny

- 66) Admit the IRS form W-4 is entitled "Employee Withholding Allowance Certificate" says NOTHING about the formation of a "contract" or "agreement" anywhere on the form.

\_\_\_Admit \_\_\_Deny

- 67) Admit that no federal legislative jurisdiction within states of the Union is required in order to enforce a private contract called a W-4 between a sovereign American and the federal government in a federal court.

*"Independent of these views, there are many considerations which lead to the conclusion that the power to impair contracts [either the Constitution or the Holy Bible], by direct action to that end, does not exist with the general [federal] government. In the first place, one of the objects of the Constitution, expressed in its preamble, was the establishment of justice, and what that meant in its relations to contracts is not left, as was justly said by the late Chief Justice, in Hepburn v. Griswold, to inference or conjecture. As he observes, at the time the Constitution was undergoing discussion in the convention, the Congress of the Confederation was engaged in framing the ordinance for the government of the Northwestern Territory, in which certain articles of compact were established between the people of the original States and the people of the Territory, for the purpose, as expressed in the instrument, of extending the fundamental principles of civil and religious liberty, upon which the States, their laws and constitutions, were erected. By that ordinance it was declared, that, in the just preservation of rights and property, 'no law ought ever to be made, or have force in the said Territory, that shall, in any manner, interfere with or affect private contracts or engagements bona fide and without fraud previously formed.' The same provision, adds the Chief Justice, found more condensed expression in the prohibition upon the States [in Article 1, Section 10 of the Constitution] against impairing the obligation of contracts, which has ever been recognized as an efficient safeguard against injustice; and though the prohibition is not applied in terms to the government of the United States, he expressed the opinion, speaking for himself and the majority of the court at the time, that it was clear 'that*



those who framed and those who adopted the Constitution intended that the spirit of this prohibition should pervade the entire body of legislation, and that the justice which the Constitution was ordained to establish was not thought by them to be compatible with legislation [or judicial precedent] of an opposite tendency.' 8 Wall. 623. [99 U.S. 700, 765] Similar views are found expressed in the opinions of other judges of this court." [Sinking Fund Cases, 99 U.S. 700 (1878

\_\_\_\_ Admit \_\_\_\_ Deny

- 68) Admit that consent to the constructive contract formed by signing and submitting the IRS form W-4 must be procured voluntarily and absent duress in order to be legally enforceable against the parties to it.

*"duress. Any unlawful threat or coercion used by a person to induce another to act (or to refrain from acting) in a manner he or she otherwise would not (or would). Subjecting person to improper pressure which overcomes his will and coerces him to comply with demand to which he would not yield if acting as free agent. Head v. Gadsden Civil Service Bd., Ala.Civ.App., 389 So.2d 516, 519. Application of such pressure or constraint as compels man to go against his will, and takes away his free agency, destroying power of refusing to comply with unjust demands of another. Haumont v. Security State Bank, 220 Neb. 809, 374 N.W.2d 2,6.*

✎ 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. Restatement, Second, Contracts §§174, 175.

As a defense to a civil action, it must be pleaded affirmatively. Fed.R.Civil P. 8(c )." [Black's Law Dictionary, Sixth Edition, p. 504]

\_\_\_\_ Admit \_\_\_\_ Deny

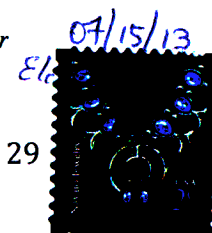
- 69) Admit that threats by a private employer against prospective or current private employees to the effect that refusal to sign or submit an form W-4 will result in termination of employment like in the case of the submitter or refusal to hire cannot be considered "voluntary" and must instead be considered to be instituted under duress.

✎ *"voluntary. Unconstrained by interference; unimpelled by another's influence; spontaneous; acting of oneself. Coker v. State, 199 Ga. 20, 33 S.E.2d 171, 174. Done by design or intention. Proceeding from the free and unrestrained will of the person. Produced in or by an act of choice. Resulting from free choice, without compulsion or solicitation. The word, especially in statutes, often implies knowledge of essential facts. Without valuable consideration; gratuitous, as a voluntary conveyance. Also, having a merely nominal consideration; as, a voluntary deed."* [Black's Law Dictionary, Sixth Edition, p. 1575]

\_\_\_\_ Admit \_\_\_\_ Deny

- 70) Admit that any contract obtained under duress is voidable and unenforceable against the party who was under the duress.

✎ *"An agreement [consent] obtained by duress, coercion, or intimidation is invalid, since the party coerced is not exercising his free will, and the test is not so much the means by which the party is compelled to execute the agreement as the state of mind induced."*<sup>1</sup> Duress, like fraud, rarely becomes material, except where a contract or



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

\_\_\_Admit \_\_\_Deny

- 71) Admit that acts accomplished or liabilities contracted under duress are legally treated as having been performed by or executed by the source of the duress, and not the person acting under the duress.

\_\_\_Admit \_\_\_Deny

- 72) Admit that federal officials, including employees of the IRS, who condone or tolerate the imposition of duress are parties to it, and under federal law, become "accessories after the fact", which is a criminal act.

*TITLE 18 > PART I > CHAPTER 1 > § 3 § 3. Accessory after the fact*

*Whoever, knowing that an offense against the United States has been committed, receives, relieves, comforts or assists the offender in order to hinder or prevent his apprehension, trial or punishment, is an accessory after the fact. Except as otherwise expressly provided by any Act of Congress, an accessory after the fact shall be imprisoned not more than one-half the maximum term of imprisonment or (notwithstanding section 3571) fined not more than one-half the maximum fine prescribed for the punishment of the principal, or both; or if the principal is punishable by life imprisonment or death, the accessory shall be imprisoned not more than 15 years.*

\_\_\_Admit \_\_\_Deny

- 73) Admit that the only type of earnings includible as "gross income" on a 1040 return are earnings in connection with a "trade or business". And that the submitter has not and has never have such thing as gross income

*TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART I > § 864 §864. Definitions and special rules*

*(c) Effectively connected income, etc. (3) Other income from sources within United States*

<sup>1</sup> Brown v Pierce, 74 U.S. 205, 7 Wall. 205, 19 L.Ed. 134

<sup>2</sup> Barnette v Wells Fargo Nevada Nat'l Bank, 270 U.S. 438, 70 L.Ed. 669, 46 S.Ct. 326 (holding that acts induced by duress which operate solely on the mind, and fall short of actual physical compulsion, are not void at law, but are voidable only, at the election of him whose acts were induced by it); Faske v Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Glenney v Crane (Tex Civ App Houston (1st Dist)), 352 S.W.2d. 773, writ ref n r e (May 16, 1962); Carroll v Fetty, 121 W Va 215, 2 SE2d 521, cert den 308 US 571, 84 L.Ed. 479, 60 S.Ct. 85.





<sup>3</sup> Faske v Gershman, 30 Misc.2d. 442, 215 N.Y.S.2d. 144; Heider v Unicume, 142 Or 416, 20 P2d 384; Glenney v Crane (Tex Civ App Houston (1st Dist)) 352 S.W.2d. 773, writ ref n r e (May 16, 1962)

<sup>4</sup> Restatement 2d, Contracts § 174, stating that if conduct that appears to be a manifestation of assent by a party who does not intend to engage in that conduct is physically compelled by duress, the conduct is not effective as a manifestation of assent.

*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.*

\_\_\_\_Admit \_\_\_\_Deny

- 74) Admit that there is no block on an IRS form 1040 where a person can write earnings that are not derived from a "trade or business"

\_\_\_\_Admit \_\_\_\_Deny

- 75) Admit that the only way to indicate earnings that are not connected with a "trade or business" is to submit an IRS form 1040NR.

\_\_\_\_Admit \_\_\_\_Deny

- 76) Admit that a person who has no earnings from a "trade or business" would have to file a "zero" for "gross income" on a 1040 return.

\_\_\_\_Admit \_\_\_\_Deny

- 77) Admit that a person who is a "nonresident alien" may NOT lawfully elect to declare themselves a "citizen" within the meaning of 8 U.S.C. §1401, because they were not born in the "continental United States" as established earlier

\_\_\_\_Admit \_\_\_\_Deny

- 78) Admit that a person born in a state of the Union on land not owned by or ceded to the federal government is not a "citizen", but a "national" under federal law, as described by 8 U.S.C. §1101(a)(21).

\_\_\_\_Admit \_\_\_\_Deny

- 79) Admit that 26 U.S.C. §6041 is the authority for filing Information Returns under the Internal Revenue Code, such as the W-2 and 1099 forms:



(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.**

\_\_\_Admit\_\_\_Deny

- 80) Admit that those who have no "trade or business" earnings under 26 U.S.C. §6041 above cannot lawfully have an Information Return filed against them. And remember that the submitter has not authorized my **Private employer GOLDSTONE MANAGEMENT Inc**, to file any IRS form for the current year(2013)

\_\_\_Admit\_\_\_Deny

- 81) Admit that an IRS form W-2 provided by a private employer on a W-2 creates at least a "presumption" of receipt of "wages" in block 1. This is because 26 CFR §31.3401(a)-3 says that a person can only receive "wages" if they submit a W-4 agreement to their private employer.

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

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

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

\_\_\_Admit\_\_\_Deny

- 82) Admit that a nonzero amount for "wages" in block 1 of a W-2 form creates a rebuttable "presumption" in the mind of the IRS that the subject of the W-2 completed and submitted an IRS



form W-4 to their private employer. See preceding questions, 26 CFR §31.3401(a)-3(a) .

\_\_\_\_Admit \_\_\_\_Deny

- 83) Admit that a person who never submitted an IRS form W-4 to their employer and thereby consented or "agreed" to participate in federal income taxes, should have a zero amount listed in block 1 of the W-2 filed by their private employer. Like in the case of the submitter See 26 CFR §31.3401(a)-3(a)

\_\_\_\_Admit \_\_\_\_Deny

- 84) Admit that the same result as the preceding question also applies in the case of an employee who submitted a W-4 under duress but who in fact did not wish to participate. To do otherwise would be to condone theft and robbery.

\_\_\_\_Admit \_\_\_\_Deny

- 85) Admit that the only method available for rebutting false presumptions about the receipt of "wages" is to complete, sign, and submit an IRS form 4852 or 4598 to the IRS and/or one's private employer.

\_\_\_\_Admit \_\_\_\_Deny

- 86) Admit that the IRS DOES NOT make the IRS Form 4598 entitled "Form W-2, 1099, 1098, or 1099 Not Received, Incorrect or Lost" available to the public on their website.

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

\_\_\_\_Admit \_\_\_\_Deny

- 87) Admit that *not* making the IRS form 4598 available on the IRS website has the effect of increasing IRS revenues derived from involuntarily withheld payroll taxes.

\_\_\_\_Admit \_\_\_\_Deny

- 88) Admit that when an IRS employee or IRS publication encourages private nonfederal employers to withhold earnings from their private employees against their will or without their informed voluntary consent constitutes involuntary servitude in violation of the Thirteenth Amendment to the U.S. Constitution, extortion under the color of office, and peonage.

*Thirteenth Amendment*

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



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

TITLE 42 > CHAPTER 21 > SUBCHAPTER I > Sec. 1994. Sec. 1994. - Peonage abolished

*The holding of any person to service or labor under the system known as peonage is abolished and forever prohibited in any Territory or State of the United States; and all acts, laws, resolutions, orders, regulations, or usages of any Territory or State, which have heretofore established, maintained, or enforced, or by virtue of which any attempt shall hereafter be made to establish, maintain, or enforce, directly or indirectly, the voluntary or involuntary service or labor of any persons as peons, in liquidation of any debt or obligation, or otherwise, are declared null and void*

*"extortion under the color of office. ...Unlawful taking by any officer by color of his office, of any money or thing of value, that is not due to him, or more than is due or before it is due." 4 Bla.Comm. 141; Com. v. Saulsbury, 152 Pa. 554, 25 A. 610; U.S. v. Denver, D.C.N.C. 14 F. 595; Bush v. State, 19 Ariz. 195, 168 P. 508, 509..."Obtaining property from another, induced by wrongful use of force or fear, OR under color of official right." See State v. Logan, 104 La. 760, 29 So. 336; In re Rempfer, 51 S.D. 393, 216 N.W. 355, 359, 55 A.L.R. 1346; Lee v. State, 16 Ariz. 291, 145 P. 244, 246, Ann.Cas. 1917B, 131." [Black's Law Dictionary, 4<sup>th</sup> Edition]*

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

\_\_\_Admit \_\_\_Deny

- 89) Admit that the "United States" is defined as a federal corporation in 28 U.S.C. §3002(15)(A).

United States Code 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.

\_\_\_Admit \_\_\_Deny

- 90) Admit that the "United States" is in fact a General corporation incorporated in the State of Delaware as "UNITED STATES OF AMERICA Inc" and that said corporation dated April of A.D 1989 is not longer in existence and in good standing under the laws of the State of Delaware having becoming **INOPERATIVE AND VOID** on March First A.D 1994 for non payment of Taxes. Please see EXHIBIT E(7 pages)

\_\_\_Admit \_\_\_Deny



- 91) Admit that a person holding a "public office" in the United States Government is an "officer of a corporation"

☐ Admit ☐ Deny

- 92) Admit that officers of federal corporations and partnerships are the only proper subject of penalties under 26 U.S.C. §6671(b)

*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.*

☐ Admit ☐ Deny

- 93) Admit that officers of federal corporations and partnerships are the only proper subject of the criminal provisions of the Internal Revenue Code under 26 U.S.C. §7343.

*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[NOTE: This is the "person" for the purposes of some of the miscellaneous penalties under the Internal Revenue Code]*

☐ Admit ☐ Deny

- 94) Admit that indicating "income" on a 1040 that is "effectively connected with a trade or business in the United States" or signing and submitting an IRS form W-4 creates a presumption with the IRS that the submitter is an officer of a federal corporation called the "United States Government".

☐ Admit ☐ Deny

- 95) Admit that the presumption that one is an "officer of a federal corporation" is the basis for why the IRS believes that they can institute penalties against natural persons under the provisions of the Internal Revenue Code.

☐ Admit ☐ Deny





- 96) Admit that only those with income “effectively connected with a trade or business” can claim deductions, apply a graduated rate of tax, or apply for earned income credit.

*TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter B Part VI-Itemized deductions for Individuals and Corporations Sec. 162. - Trade or business expenses*

*(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;*

*TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter N > PART II > Subpart A > § 871 § 871. Tax on nonresident alien individuals*

*(b) Income connected with United States business—graduated rate of tax*

*(1) Imposition of tax*

*A nonresident alien individual engaged in trade or business within the United States during the taxable year shall be taxable as provided in section 1 or 55 on his taxable income which is effectively connected with the conduct of a trade or business within the United States.*

*(2) Determination of taxable income*

*In determining taxable income for purposes of paragraph (1), gross income includes only gross income which is effectively connected with the conduct of a trade or business within the United States.*

*TITLE 26 > Subtitle A > CHAPTER 1 > Subchapter A > PART IV > Subpart C > § 32§32. Earned income*

*(c) Definitions and special rules For purposes of this section—*

*(1) Eligible individual*

*(E) Limitation on eligibility of nonresident aliens*

*The term "eligible individual" shall not include any individual who is a nonresident [of the United States/District of Columbia] alien individual for any portion of the taxable year unless such individual is treated for such taxable year as a resident of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.*

\_\_\_Admit \_\_\_Deny

- 97) Admit that at least a “perceived” financial benefit or “privilege” is accepted by availing oneself of any of the above three types of tax reductions.

\_\_\_Admit \_\_\_Deny

- 98) Admit that those who are “nontaxpayers” and who do not have any income derived from a “trade or business in the United States” do not need any deductions, earned income credits, or graduated rate of tax to reduce their liability under the I.R.C. to zero, because their taxable income is already “zero”.



\_\_\_\_Admit \_\_\_\_Deny

- 99) Admit that there is no legal requirement under federal law for financial institutions to prepare "Currency Transaction Reports" (CTRs) upon persons who are not in any way "effectively connected with a trade or business in the United States".

31 CFR 103.30(d)(2) General

(2) Receipt of currency not in the course of the recipient's **trade or business**. The receipt of currency in excess of \$10,000 by a person other than in the course of the person's **trade or business** is not reportable under 31 U.S.C. 5331. Title 31: Money and Finance: Treasury

PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS Subpart B—Reports Required To Be Made

§ 103.30 Reports relating to currency in excess of \$10,000 received in a trade or business. (11) **Trade or business**. The term trade or business has the same meaning as under section 162 of title 26, United States Code.

\_\_\_\_Admit \_\_\_\_Deny

- 100) Admit that employee- as defined in 26 U.S.C. §3401(c ) and 26 CFR § 31.3401(c ), an elected or appointed official of the U.S. government only.

\_\_\_\_Admit \_\_\_\_Deny

- 101) Admit that the IRS is not and has never been a Government's agency, or an agency within The U.S Treasury Department. Bureau, Office or any Part of the U.S. Government. At footnote 23 in the case of Chrysler Corp. v. Brown, 441 U.S. 281 (1979), the U.S. Supreme Court admitted that no organic Act for the IRS could be found, after they searched for such an Act all the way back to the Civil War, which ended in the year 1865 A.D. The Guarantee Clause in the U.S. Constitution guarantees the Rule of Law to all Americans (we are to be governed by Law and not by arbitrary bureaucrats). See Article IV, Section 4. Since there was no organic Act creating it, IRS is not a lawful organization. See also EXHIBIT F(8 pages).

\_\_\_\_Admit \_\_\_\_Deny

- 102) Admit that the IRS is a General for profit corporation incorporated in the State of Delaware and that is conducting business as a **Debt Collector**. See EXHIBIT G (8 pages)

\_\_\_\_Admit \_\_\_\_Deny

- 103) Admit that Since the IRS is a Debt collector Agency, is under the scope of **Title 15 U.S.C**



and Not under **Title 26 U.S.C** as erroneously believed by most people due to misrepresentations of the same agency.

\_\_\_Admit\_\_\_Deny.

- 104) Admit that **ONLY POSITIVE LAWS have general applicability to everyone in America.** All positive laws must appear in the Federal Register before it can be deemed that the general public has been placed on notice about the law, according to which they must control their conduct, and under which, they may be subsequently charged.

**44U.S.C § 1505. Documents to be published in the federal Register**

- (a) *Proclamations and Executive orders; Documents having General applicability and legal effect; Documents Required to be published by Congress. There should be publish 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 publish by act of Congress. For the purpose of this chapter every document or order which prescribes a penalty has a general applicability and legal effect. ( emphasis added)*

\_\_\_Admit\_\_\_Deny.

- 105) Admit that **Title 26 U.S.C** is not and has never been positive law therefore it cannot lawfully be applied to the general American public, only to government officials of which the submitter is none. See **EXHIBIT H**(21 pages)

\_\_\_Admit\_\_\_Deny

- 106) Admit that "positive law" are considered binding upon all persons within the jurisdiction of the law. **The legislative notes under 1 U.S.C. §204 indicate that the Internal Revenue Code is not "positive law"**, and therefore it can only be described as "special law" or "private international law" (contractual law) applying to specific persons. Subtitle A of the I.R.C., in fact, is limited mainly to those engaged in a "trade or business" and who work for the U.S. government as Trustees. The Internal Revenue Code cannot be described either as "law" or "positive law" unless and until: The IRC is first enacted into "positive law" by a majority of the representatives of the sovereign People. This provides evidence that they voluntarily consented to enforcement actions required to implement the law. Without such consent, no enforcement actions may be attempted, because according to the Declaration of Independence, all just powers of government derive from the consent of the governed.

Regulations must be written by the Treasury for the enforcement provisions of the enacted positive law, and these regulations must be published in the Federal Register. This puts the public on notice of the enforcement actions that will be attempted against them in enforcing the law, as required by the Fifth Amendment due process clauses. The enforcement regulations are then incorporated into the Code of Federal Regulations, Title 26. Delegation of authority orders are written for all the enforcement agents within the Internal Revenue Service authorizing them to conduct enforcement actions.



The enforcement agents must be designated as enforcement agents by receiving a black enforcement Pocket Commission and being specially trained and commissioned as "public trust" employees.

Unless and until all of the above have occurred, the Internal Revenue Code, according to 1 U.S.C. §204 can not be described as "law" and can only be described as "prima facie evidence of law", which is simply "presumptive" evidence of law. That means that it may be rebutted. Since "presumption" causes prejudice and prejudice is anathema to any legal proceeding and violates due process of law, then the Internal Revenue Code is not admissible as evidence of "law", which means that it does not furnish any evidence that the people ever consented to its enforcement against them. Consequently, it is unenforceable. Until it becomes "positive law", it can only be described as a "code", or a "statute", but not as "law".

\_\_\_\_Admit\_\_\_\_Deny

- 107) Admit that the monies paid to any State under the authority of state revenue codes are *not* "taxes", as legally defined, because they do not pay only for the government as required by law. Instead, they are used for wealth transfer to other constituents and for private purposes, which amounts to legalized plunder and socialism. Consequently, it amounts to constructive fraud to call the monies you are collecting from me "taxes" as that word is properly or legally defined. Your attempted abuse of your taxing powers represents the antithesis of the Republican Form of government mandated by Article 4, Section 4 of the Constitution of the United States, and amounts to treason against the legislative intent of the founding fathers clearly manifested within the Constitution of the United States. The Supreme Court precisely defined the meaning of the word "tax" below, and note that it does *not* include any kind of wealth transfer or legalized plunder.

*"The power to tax is, therefore, the strongest, the most pervading of all powers of government, reaching directly or indirectly to all classes of the people. It was said by Chief Justice Marshall, in the case of McCulloch v. Md., 4 Wheat. 431, that the power to tax is the power to destroy. A striking instance of the truth of the proposition is seen in the fact that the existing tax of ten per cent, imposed by the United States on the circulation of all other banks than the National Banks, drove out of existence every \*state bank of circulation within a year or two after its passage. This power can be readily employed against one class of individuals and in favor of another, so as to ruin the one class and give unlimited wealth and prosperity to the other, if there is no implied limitation of the uses for which the power may be exercised.*

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

*Nor is it taxation. 'A tax,' says Webster's Dictionary, 'is a rate or sum of money assessed on the person or property of a citizen by government for the use of the nation or State.' 'Taxes are burdens or charges imposed by the Legislature upon persons or property to raise money for public purposes.' Cooley, Const. Lim., 479.*

\_\_\_\_Admit\_\_\_\_Deny



- 108) Admit that the IRS is a collection agency working for foreign banks and operates out of Puerto Rico under color of the Federal Alcohol Administration("FAA"). But the FAA was declared unconstitutional inside the 50 States by the U.S. Supreme Court in the case of U.S. v. Constantine, 296 U.S.287 (1935); because prohibition had already been repealed

\_\_\_\_Admit\_\_\_\_Deny

- 109) Admit that in 1998, the United States Court of Appeals for the first Circuit identified a second " Secretary of the Treasury" as a man by the name Manuel Diaz-Saldana. *See the definitions of " Secretary" and " secretary or his Delegate" at 27 CFR 26.11 ( formerly 27 CFR 250.11) and the published decision in Used tire International, inc. v. Manuel Diaz-Saldana, Court docket Number 97-2347, September 11, 1998.* Both definitions mention Puerto Rico.

\_\_\_\_Admit\_\_\_\_Deny

- 110) Admit that when all the above evidence is examined objectively, IRS appears to be a money Laundry, Extortion Racket, and conspiracy to engage in a pattern of racketeering activity, in violation of 18 U.S.C. 1951 and 1961.

\_\_\_\_Admit\_\_\_\_Deny

- 111) Admit that **15 U.S.C. § 17-** Antitrust laws are not applicable to labor organizations. *Current through Pub. L. 112-238. ( public laws for the current Congress) The labor of a human being is not a commodity or article of commerce.....*

\_\_\_\_Admit\_\_\_\_Deny

- 112) Admit that 15 USC § 1692a definitions, reads  
(6) The term " Debt Collector" means any person who uses any instrumentality of interstate commerce or the mails in any business the principal purpose of which is the collection of any debts, or who regularly collects or attempt to collect, directly or indirectly, debts owed or due or asserted to be owed or due another.

\_\_\_\_Admit\_\_\_\_Deny

- 113) Admit that the IRS has been collecting unlawful taxes from the submitter/Subscriber without first obtaining an assessment and or Validation of the alleged debts in violation of **15USC 1692g(b)** for which the submitter may at his own discretion File Criminal charges against the agency if he Demands Refund of any and all Worthless Federal reserve Notes, and gets no results.

\_\_\_\_Admit\_\_\_\_Deny





- 114) Admit that the Treasury Department and the IRS are two different Entities governed each by different laws, Just to say; **Title 26USC** Governs how the **IR**; **not the IRS** calculate the alleged taxes by those **Required to file**, and **Title 15USC** governs how collection agencies are required to follow procedures.

\_\_\_\_Admit\_\_\_\_Deny

- 115) Admit that **4.10.7.2.8 (01-01-2006) IRS Publications it self states:**  
IRS Publications explain the law in plain language for taxpayers and their advisors. They typically highlight changes in the law, provide examples illustrating Service positions, and include worksheets. Publications are nonbinding on the Service and do not necessarily cover all positions for a given issue. **While a good source of general information, publications should not be cited to sustain a position.**

\_\_\_\_Admit\_\_\_\_Deny.

- 116) Admit that the IRS manual defines all W2, W4, 1099, 1098, etc forms as a CLAS 5 TAX and that same manual defines a CLASS 5 TAX as Gift & Estate Tax! See **EXHIBIT I**(8 Pages)

\_\_\_\_Admit\_\_\_\_Deny

And Finally:

- 117) Admit that the contents of this whole package of documents are nonbinding on the subscriber just in the same way as the IRS publications are nonbinding on the service and that since **title 26USC is not POSITIVE LAW** meaning that it is not binding on the general American people, then the subscriber is on his given Right of Presumption that such law does not apply to him and that such **law cannot and does not exist.**

\_\_\_\_Admit\_\_\_\_Deny.

- 118) Admit that everything in America is about CONTRACTS and it is our burden as Americans to make government perform honorably; to be specific and too prohibit them from changing the meaning of common words, which is referred to in their circle of friends as: "legalese!"

\_\_\_\_Admit\_\_\_\_Deny.

- 119) Admit that the Brushaber court ruled that the 16<sup>th</sup> Amendment separated the source (capital) from the income (profit) permitting the collection of an indirect (excise) tax on income, but living the source(wages, salary, compensation, fees for service, first time commissions and capital) untouched and free of tax. If these things were to be taxed, it could only be construed as a direct tax, unquestionably in violation of the constitution, making the entire tax on income void.



\_\_\_\_Admit\_\_\_\_Deny.

- 120) Admit that the document title **IRS Pink Pages** it self [not for public consumption] in the **Defense outline Summary**: page 3 states some of this points:
  1. income is not specifically defined in our manuals nor is defined in I.R.S. code. Congress did not define it.
  2. Income has always been defined by the courts as to exclude wages. See **EXHIBIT J** (14 Pages)

\_\_\_\_Admit\_\_\_\_Deny.

- 121) Admit that footnote 23 in the case of Chrysler Corp. v. Brown, 441 U.S. 281 (1979), the U.S. Supreme Court admitted that no organic Act for the IRS could be found, after they searched for such an Act all the way back to the Civil War, which ended in the year 1865 A.D. The Guarantee Clause in the U.S. Constitution guarantees the Rule of Law to all Americans (we are to be governed by Law and not by arbitrary bureaucrats). See Article IV, Section 4. Since there was no organic Act creating it, IRS is not a lawful organization.

\_\_\_\_Admit\_\_\_\_Deny

- 122) Admit that there is no known Act of Congress, nor any Executive Order, giving IRS lawful jurisdiction to operate within *any* of the 50 States of the Union.

\_\_\_\_Admit\_\_\_\_Deny

- 123) Admit that Federal laws prohibit the use of United States Mail for fraudulent purposes. Every piece of U.S. Mail sent from IRS with "Department of the Treasury" in the return address, is one count of mail fraud. See also 31 U.S.C. 333.

\_\_\_\_Admit\_\_\_\_Deny

- 124) Admit that the U.S. Department of Justice does not have power of attorney to represent the IRS in federal court.

*Although the U.S. Department of Justice ("DOJ") does have power of attorney to represent federal agencies before federal courts, the IRS is not an "agency" as that term is legally defined in the Freedom of Information Act or in the Administrative Procedures Act. The governments of all federal Territories are expressly excluded from the definition of federal "agency" by Act of Congress. See 5 U.S.C. 551(1)(C).*

*Since IRS is domiciled in Puerto Rico (RICO?) it is thereby excluded from the definition of federal agencies which can be represented by the DOJ. The IRS Chief Counsel, appointed by the President under authority of 31 U.S.C. 301(f)(2), can appear, or appoint a delegate to appear in federal court on behalf of IRS and IRS employees. Again. As far as powers of attorney are concerned, the chain of command begins with Congress, flows to the President, and then to the IRS Chief Counsel, and NOT to the U.S. Department of Justice.*



\_\_\_Admit\_\_\_Deny

- 125) Admit that the so-called 14<sup>th</sup> and 16<sup>th</sup> amendments were never properly ratified.  
*In the case of People v. Boxer (December 1992), docket number #S-030016, U.S. Senator Barbara Boxer fell totally silent in the face of an Application to the California Supreme Court by the People of California, for an ORDER compelling Senator Boxer to witness the material evidence against the so-called 16<sup>th</sup> amendment.*

*That so-called "amendment" allegedly authorized federal income taxation, even though it contains no provision expressly repealing two Constitutional Clauses mandating that direct taxes must be apportioned. The Ninth Circuit Court of Appeals and the U.S. Supreme Court have both ruled that repeals by implication are not favored. See Crawford Fitting Co. et al. v. J.T. Gibbons, Inc., 482 U.S. 437, 442 (1987). The material evidence in question was summarized in AFFIDAVIT's that were properly executed and filed in that case. Boxer fell totally silent, thus rendering those affidavits the "truth of the case." The so-called 16<sup>th</sup> amendment has now been correctly identified as a major fraud upon the American People and the United States. Major fraud against the United States is a serious federal offense. See 18 U.S.C. 1031.*

\_\_\_Admit\_\_\_Deny

- 126) Admit that If an Act of Congress fails to create a specific liability for any tax imposed by that Act, then there is no liability for that tax. Executive agencies have no authority to cure any such omission by using regulations to create a liability .  
*"[A]n administrative agency may not create a criminal offense or any liability not sanctioned by the lawmaking authority, especially a liability for a tax or inspection fee." See Commissioner of Internal Revenue v. Acker, 361 U.S. 87, 4 L.Ed.2d 127, 80 S.Ct. 144 (1959), and Independent Petroleum Corp. v. Fly, 141 F.2d 189 (5<sup>th</sup> Cir. 1944) as cited at 2 Am Jur 2d, p. 129, footnote 2 (1962 edition) [**bold emphasis added**]. However, this cite from American Jurisprudence has been removed from the 1994 edition of that legal encyclopedia.*

\_\_\_Admit\_\_\_Deny

- 127) Admit that one be a State Citizen, without also being a federal citizen.  
*The 1866 Civil Rights Act was municipal law, confined to the District of Columbia and other limited areas where Congress is the "state" government with exclusive legislative jurisdiction there. These areas are now identified as "the federal zone." (Think of it as the blue field on the American flag; the stars on the flag are the 50 States.) As such, the 1866 Civil Rights Act had no effect whatsoever upon the lawful status of State Citizens, then or now.*  
*Several courts have already recognized our Right to be State Citizens without also becoming federal citizens. For excellent examples, see State v. Fowler, 41 La. Ann. 380, 6 S. 602 (1889) and Gardina v. Board of Registrars, 160 Ala. 155, 48 S. 788, 791 (1909). The Maine Supreme Court also clarified the issue by explaining our "Right of Election" or "freedom of choice," namely, our freedom to choose between two different forms of government. See 44 Maine 518 (1859), Hathaway, J. dissenting.*  
*Since the Guarantee Clause does not require the federal government to guarantee a Republican Form of Government to the federal zone, Congress is free to create a different form of government there, and so it has. In his dissenting opinion in Downes v. Bidwell, 182 U.S. 244 at 380 (1901), Supreme Court Justice Harlan called it an absolute legislative democracy.*



*But, State Citizens are under no legal obligation to join or pledge any allegiance to that legislative democracy; their allegiance is to one or more of the several States of the Union (i.e. the white stars on the American flag, not the blue field).*

\_\_\_Admit\_\_\_Deny

- 128) Admit that: Frank Brushaber was the Plaintiff in the case of Brushaber v. Union Pacific Railroad Company, 240 U.S. 1 (1916), the first U.S. Supreme Court case to consider the so-called 16<sup>th</sup> amendment. Brushaber identified himself as a Citizen of New York State and a resident of the Borough of Brooklyn, in the city of New York, and nobody challenged that claim.

The Union Pacific Railroad Company was a federal corporation created by Act of Congress to build a railroad through Utah (from the Union to the Pacific), at a time when Utah was a federal Territory, *i.e.* inside the federal zone.

Brushaber's attorney committed an error by arguing that the company had been chartered by the State of Utah, but Utah was not a State of the Union when Congress first created that corporation.

Brushaber had purchased stock issued by the company. He then sued the company to recover taxes that Congress had imposed upon the dividends paid to its stockholders. The U.S. Supreme Court ruled against Frank Brushaber, and upheld the tax as a lawful excise, or *indirect* tax.

The most interesting result of the Court's ruling was a Treasury Decision ("T.D.") that the U.S. Department of the Treasury later issued as a direct consequence of the high Court's opinion. In T.D. 2313, the U.S. Treasury Department expressly cited the Brushaber decision, and it identified Frank Brushaber as a "nonresident alien" and the Union Pacific Railroad Company as a "domestic corporation". This Treasury Decision has never been modified or repealed.

T.D. 2313 is crucial evidence proving that the income tax provisions of the IRC are municipal law, with no territorial jurisdiction inside the 50 States of the Union. The U.S. Secretary of the Treasury who approved T.D. 2313 had no authority to extend the holding in the Brushaber case to anyone or anything not a proper Party to that court action.

Thus, there is no escaping the conclusion that Frank Brushaber was the nonresident alien to which that Treasury Decision refers. Accordingly, all State Citizens are nonresident aliens with respect to the municipal jurisdiction of Congress, *i.e.* the federal zone.

\_\_\_Admit\_\_\_Deny.

- 129) Admit that The term "Withholding agent" is legally defined at IRC section 7701(a)(16). It is further defined by the statutes itemized in that section, *e.g.* IRC 1461 where liability for funds withheld is clearly assigned. In plain English, a "withholding agent" is a person who is responsible for withholding taxes from a worker's paycheck, and then paying those taxes into the Treasury of the United States, typically on a quarterly basis. See IRC section 7809.

One cannot become a withholding agent unless workers first authorize taxes to be withheld from their paychecks. This authorization is typically done when workers opt to execute a valid W-4 "Employee's Withholding Allowance Certificate." In plain English, by signing a W-4 workers designate themselves as "employees" and certify they are *allowing* withholding to occur.

If workers do not execute a valid W-4 form, a company's payroll officer is not authorized to withhold any federal income taxes from their paychecks. In other words, the payroll officer does



not have "permission" or "power of attorney" to withhold taxes, until and unless workers authorize or "allow" that withholding -- by signing Form W-4 knowingly, intentionally *and* voluntarily. Pay particular attention to the term "Employee" in the title of this form. A properly executed Form W-4 creates the presumption that the workers wish to be treated as *if* they were "employees" of the federal government. Obviously, for people who do not work for the federal government, such a presumption is a legal fiction, at best.

\_\_\_Admit\_\_\_Deny

130) Admit A "Withholding Exemption Certificate" is an alternative to Form W-4, authorized by IRC section 3402(n) and executed *in lieu of* Form W-4. Although section 3402(n) does authorize this Certificate, the IRS has never added a corresponding form to its forms catalog (see the IRS "Printed Products Catalog").

In the absence of an official IRS form, workers can use the *language* of section 3402(n) to create their own Certificates. In simple language, the worker certifies that s/he had no federal income tax liability last year, and anticipates no federal income tax liability during the current calendar year. Because there are no liability statutes for workers in the private sector, this certification is easy to justify.

Many public and private institutions have created their own form for the Withholding Exemption Certificate, e.g. California Franchise Tax Board, and Johns Hopkins University in Baltimore, Maryland. This fact can be confirmed by using any search engine, e.g. [google.com](http://google.com), to locate occurrences of the term "withholding exemption certificate" on the Internet. This term occurs several times in IRC section 3402.

\_\_\_Admit\_\_\_Deny

- 131) Admit that "Tax evasion" is the crime of evading a lawful tax. In the context of federal income taxes, this crime can only be committed by persons who have a legal liability to pay, *i.e.* the withholding agent. If one is not employed by the federal government, one is not subject to the Public Salary Tax Act unless one chooses to be treated "as if" one is a federal government "employee." This is typically done by executing a valid Form W-4.

\_\_\_Admit\_\_\_Deny

- 132) Admit that the IRS Form 1040 does not require a Notary Public to notarize a taxpayer's signature because this is one of the fastest ways to unravel the fraudulent nature of federal income taxes. At 28 U.S.C. section 1746, Congress authorized written verifications to be executed under penalty of perjury *without* the need for a Notary Public, *i.e.* to witness one's signature. This statute identifies two different formats for such written verifications: (1) those executed outside the "United States" and (2) those executed inside the "United States". These two formats correspond to sections 1746(1) and 1746(2), respectively.

What is extremely revealing in this statute is the format for verifications executed "*outside* the United States". In this latter format, the statute adds the qualifying phrase "under the laws of the United States of America".

Clearly, the terms "**United States**" and "**United States of America**" are both used in this same statute. They are not one and the same. The former refers to the federal government --





the U.S. Constitution and throughout most federal statutes. The latter refers to the 50 States that are united by, and under, the U.S. Constitution. 28 U.S.C. 1746 is the *only* federal statute in all of Title 28 of the United States Code that utilizes the term "United States of America", as such.

It is painfully if not immediately obvious, then, that verifications made under penalty of perjury are *outside* the "**United States**" (read "the federal zone") if and when they are executed *inside* the 50 States of the Union (read "the State zone").

Likewise, verifications made under penalty of perjury are *outside* the 50 States of the Union, if and when they are executed *inside* the "**United States**".

The format for signatures on Form 1040 is the one for verifications made *inside* the **United States** (federal zone) and *outside* the **United States of America** (State zone).

\_\_\_\_Admit\_\_\_\_Deny

- 133) Admit if the term "income" is defined in the IRC and, if not, where is it defined?

Answer: The Eighth Circuit Court of Appeals has already ruled that the term "income" is not defined *anywhere* in the IRC: "The general term 'income' is not defined in the Internal Revenue Code." U.S. v. Ballard, 535 F.2d 400, 404 (8th Circuit, 1976).

Moreover, in Mark Eisner v. Myrtle H. Macomber, 252 U.S. 189 (1920), the high Court told Congress it could not legislate any definition of "income" because that term was believed to be in the U.S. Constitution. The Eisner case was predicated on the ratification of the 16<sup>th</sup> amendment, which would have introduced the term "income" into the U.S. Constitution for the very first time (but only if that amendment had been properly ratified).

In Merchant's Loan & Trust Co. v. Smietanka, 255 U.S. 509 (1921), the high Court defined "income" to mean the profit or gain derived from corporate activities. In that instance, the tax is a lawful excise tax imposed upon the corporate privilege of limited liability, *i.e.* the liabilities of a corporation do not reach its officers, employees, directors or stockholders.

\_\_\_\_Admit\_\_\_\_Deny

- 134) Admit that the IRC's income tax provisions are municipal law.

The IRC's income tax provisions are municipal law. Municipal law is law that is enacted to govern the *internal* affairs of a sovereign State; in legal circles, it is also known as Private International Law. Under American Law, it has a much *wider* meaning than the ordinances enacted by the governing body of a municipality, *i.e.* city council or county board of supervisors. In fact, American legal encyclopedias define "municipal" to mean "internal", and for this reason alone, the *Internal* Revenue Code is really a *Municipal* Revenue Code.

A mountain of additional evidence has now been assembled and published in the book "The Federal Zone" to prove that the IRC's income tax provisions are *municipal* law.

One of the most famous pieces of evidence is a letter from a Connecticut Congresswoman, summarizing the advice of legal experts employed by the Congressional Research Service and the Legislative Counsel. Their advice confirmed that the meaning of "State" at IRC section 3121(e) is *restricted* to the named territories and possessions of D.C., Guam, Virgin Islands, American Samoa, and Puerto Rico. In other words, the term "State" in that statute, and in



all similar federal statutes, includes ONLY the places expressly named, and no more. See EXHIBIT K(1PAGE)

\_\_\_\_Admit\_\_\_\_Deny

- 135) Admit that if my State is not mentioned in *any* of the federal income tax statutes, The general rule is that federal government powers must be expressed and enumerated. For example, the U.S. Constitution is a grant of *enumerated* powers. If a power is not enumerated in the U.S. Constitution, then Congress does not have any authority to exercise that power. This rule is tersely expressed in the Ninth Amendment, in the Bill of Rights.

If New Jersey is not mentioned in *any* of the federal income tax statutes, then those statutes have no force or effect within that State. This is also true of all 50 States.

Strictly speaking, the omission or exclusion of anyone or any thing from a federal statute can be used to infer that the omission or exclusion was *intentional* by Congress. In Latin, this is tersely stated as follows: *Inclusio unius est exclusio alterius*. In English, this phrase is literally translated: Inclusion of one thing is the exclusion of all other things [that are *not* mentioned]. This phrase can be found in any edition of Black's Law Dictionary; it is a maxim of statutory construction.

The many *different* definitions of the term "State" that are found in federal laws are intentionally written to appear as *if* they include the 50 States PLUS the other places mentioned. As the legal experts in Congress have now confirmed, this is NOT the correct way to interpret, or to construct, these statutes.

If a place is not mentioned, every American may correctly infer that the omission of that place from a federal statute was an intentional act of Congress. Whenever it wants to do so, Congress knows how to define the term "United States" to mean the 50 States of the Union. See IRC section 4612(a)(4)(A).

\_\_\_\_Admit\_\_\_\_Deny

- 136) Admit that there are numerous other ways in which the IRC is deliberately vague. The absence of *any* legal definition for the term "income" is a classic deception. The IRS enforces the Code as a tax on everything that "comes in," but nothing could be further from the truth. "Income" is decidedly NOT everything that "comes in." More importantly, the fact that this vagueness is *deliberate* is sufficient grounds for concluding that the entire Code is null, void and unconstitutional, for violating our fundamental Right to know the nature and cause of any accusation, as guaranteed by the Sixth Amendment in the Bill of Rights.

Whether the vagueness is deliberate or not, *any* statute is unconstitutionally void if it is vague. If a statute is void for vagueness, the situation is the same as if it had *never* been enacted at all, and for this reason it can be ignored entirely.

\_\_\_\_Admit\_\_\_\_Deny

137) Admit that the IRS agents routinely tamper with federal grand juries, most often by misrepresenting themselves, under oath, as lawful employees and "Special Agents" of the federal



government, and by misrepresenting the provisions of subtitle F as having any legal force or effect. Such false representations of fact violate Section 43(a) of the Lanham Act, uncodified at 15 U.S.C. 1125(a). (Title 15 of the United States Code has not been enacted into positive law either.) They tamper with grand juries by acting as if "income" is everything that "comes in", when there is no such definition *anywhere* in the IRC. Such false descriptions of fact also violate Section 43(a) of the Lanham Act.

They tamper with grand juries by presenting documentary evidence which they had no authority to acquire, in the first instance, such as bank records. Bank signature cards do not constitute competent waivers of their customers' fundamental Rights to privacy, as secured by the Fourth Amendment. The high standard for waivers of fundamental Rights was established by the U.S. Supreme Court in Brady v. U.S., 397 U.S. 742, 748 (1970). IRS agents tamper with grand juries by creating and maintaining the false and fraudulent pretenses that the IRC is not vague, or that the income tax provisions have any legal force or effect inside the 50 States of the Union, when those provisions do not.

These are all forms of perjury, as well, and possibly also misprision of perjury by omission, *i.e.* serious federal offenses.

Finally, there is ample evidence that IRS agents bribe U.S. Attorneys, federal judges, and even the Office of the President with huge kickbacks, every time a criminal indictment is issued by a federal grand jury against an illegal tax protester. These kick-backs range from \$25,000 to \$35,000 in CASH! They also violate the Anti-Kickback Act of 1986, which penalizes the payment of kickbacks from federal government subcontractors. See 41 U.S.C. 51 et seq.

As a trust domiciled in Puerto Rico, the IRS is, without a doubt, a federal government subcontractor that is subject to this Act. See 31 U.S.C. 1321(a)(62). The systematic and premeditated pattern of racketeering by IRS employees also establishes probable cause to dismantle the IRS permanently for violating the Sherman Antitrust Act, first enacted in the year 1890 A.D. See 26 Stat. 209 (1890) (uncodified at 15 U.S.C. 1 et seq.)

➤ Admit Deny. End of Questions

UNTIL ALL THIS QUESTIONS HAVE BEEN ANSWERED WITH SUPPORTING ENACTED LAW I WILL PRESUM THAT YOUR ALEDGED LAWS CANNOT LAWFULLY APPLY TO ME AND ANY IRS FORM I AM FORCED TO FILL UP WILL READ" **NOT LIABLE**".

**Black's Law Dictionary, 6<sup>th</sup> Edition, page 1457**

*"Tax: A charge by the government on the income of an individual, corporation, or trust, as well as the value of an estate or gift. The objective in assessing the tax is to generate revenue to be used for the needs of the public.*

*A pecuniary [relating to money] burden laid upon individuals or property to support the government, and is a payment exacted by legislative authority. In re Mytinger, D.C.Tex. 31 F.Supp. 977,978,979. Essential characteristics of a tax are that it is NOT A VOLUNTARY PAYMENT OR DONATION, BUT AN ENFORCED CONTRIBUTION, EXACTED PURSUANT TO LEGISLATIVE AUTHORITY. Michigan Employment Sec. Commission v. Patt, 4 Mich.App. 228, 144 N.W.2d 663, 665. ..."*



➤ **Cong. Rec. House June 7, 1932 Page 12238**

Mr. Tilson: "... It is not a proper function of government to support its citizens or furnish them with employment. The Government has no funds of its own and no means of collecting funds except by the strong arm of taxation, from the pockets of its citizens. It cannot properly take more than is necessary to economically carry on the Government. It has no moral or constitutional right to take more than this from its citizens. Anything taken beyond this is an abuse of the taxing power. . . ."

[Cong. Rec. House June 7, 1932 Page 12238]

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➤ **Bouvier's Law Dictionary, 1856, Sixth Edition:**

**TAXES.** *This term in its most extended sense includes all contributions imposed by the government upon individuals for the service of the state, by whatever name they are called or known, whether by the name of tribute, tithe, talliage, impost, duty, gabel, custom, subsidy, aid, supply, excise, or other name.*

2. *The 8th section of art. I, Const. U. S. provides, that "congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay," &c. "But all duties, imposts and excises shall be uniform throughout the United States."*

3. *In the sense above mentioned, taxes are usually divided into two great classes, those which are direct, and those which are indirect. Under the former denomination are included taxes on land or real property, and under the latter taxes on articles of consumption. 5 Wheat. R. 317.*

4. *Congress have plenary power over every species of taxable property, except exports. But there are two rules prescribed for their government, the rule of uniformity and the rule of apportionment. Three kinds of taxes, namely, duties, imposts and excises are to be laid by the first rule; and capitation and other direct taxes, by the second rule. Should there be any other species of taxes, not direct, and not included within the words duties, imposts or customs, they might be laid by the rule of uniformity or not, as congress should think proper and reasonable. Id.*

5. *The word taxes is, in a more confined sense, sometimes applied in contradistinction to duties, imposts and excises. Vide, generally, Story on the Const. c. 14; 1 Kent, Com. 254; 8 Dall. 171; 1 Tuck. Black. App. 232; 1 Black. Com. 308; The Federalist, No. 21, 36; Woodf. Landl. and Ten. 197, 254.*

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➤ **U.S. v. Butler, 297 U.S. 1 (1936):**

"... A tax, in the general understanding of the term and as used in the constitution, signifies an exaction for the support of the government. The word has never thought to connote the expropriation of money from one group for the benefit of another. . . ."





[U.S. v. Butler, 297 U.S. 1 (1936)]

➤ **Bible, Proverbs 12:24, NKJV**

"The hand of the diligent will rule, but the lazy man will be put to forced labor."

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➤ **Ashton v. Cameron County Water Improvement District No. 1, 298 U.S. 513; 56 S.Ct. 892 (1936):**

"Like any sovereignty, a state may voluntarily consent to be sued; may permit actions against her political subdivisions to enforce their obligations. Such proceedings against these subdivisions have often been entertained in federal courts. **But nothing in this tends to support the view that the federal government, acting under the bankruptcy clause, may impose its will and impair state powers-pass laws inconsistent with the idea of sovereignty.**"

"The power to regulate commerce is necessarily exclusive in certain fields and, to be successful, must prevail [298 U.S. 513, 532] over obstructive regulations by the state. But, as pointed out in *Houston, etc., Ry. Co. v. United States*, 234 U.S. 342, 353, 34 S.Ct. 833, 837, 'this is not to say that Congress possesses the authority to regulate the internal commerce of a state, as such, but that it does possess the power to foster and protect interstate commerce.' **No similar situation is before us.**"

"**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.** The same basic reasoning which leads to that conclusion, we think, requires like limitation upon the power which springs from the bankruptcy clause. *United States v. Butler*, *supra*."

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➤ **Welch v. Henry, 305 U.S. 134, 146 (1938)**

We think that the selection of such income for taxation at rates and with deductions not shown to be unrelated to an equitable distribution of the tax burden is not a denial of the equal protection commanded by the Fourteenth Amendment, U.S.C.A.Const. Amend. 14. It cannot be doubted that the receipt of dividends from a corporation is an event which may constitutionally be taxed either with or without deductions, *Lynch v. Hornby*, 247 U.S. 339, 38 S.Ct. 543; see *Helvering v. Independence Life Ins. Co.*, 292 U.S. 371, 381, 54 S.Ct. 758, 760, even though the corporate income which is their source has also been taxed. See *Tennessee v. Whitworth*, 117 U.S. 129, 136, 6 S.Ct. 645, 647; *Klein v. Board of Tax Supervisors*, 282 U.S. 19, 23, 51 S.Ct. 15, 73 A.L.R. 679; *Colgate v. Harvey*, 296 U.S. 404, 420, 56 S.Ct. 252, 254, 102 A.L.R. 54. The fact that the dividends of corporations which have to some extent borne the burden of state taxation constitute a distinct class for purposes of tax exemption, *Colgate v. Harvey*, *supra*; compare *Travelers' Insurance Company v. Connecticut*, 185 U.S. 364, 367, 22 S.Ct. 673, 674; *Kidd v. Alabama*, 188 U.S. 730, 23 S.Ct. 401; *Darnell v. Indiana*, 226 U.S. 390, 398, 33 S.Ct. 120, and that in consequence such dividends have borne no tax burden, is equally a basis for their selection for taxation. *Watson v. State Comptroller*, 254 U.S. 122, 124, 125 S., 41 S.Ct. 43, 44; *Klein v. Board of Tax Supervisors*, *supra*. Any classification of taxation is permissible which has reasonable relation to a legitimate end of governmental action. **Taxation is but the means by which government distributes the burdens of its cost among those who enjoy its benefits. And the distribution of a tax burden by placing it in part on a special class which by reason of the**





taxing policy of the State has escaped all tax during the taxable period is not a denial of equal protection. See *Watson v. Comptroller*, supra, page 125, 41 S.Ct. page 44. Nor is the tax any more a denial of equal protection because retroactive. If the 1933 dividends differed sufficiently from other classes of income to admit of the taxation, in that year, of one without the other, lapse of time did not remove that difference so as to compel equality of treatment when the income was taxed at a later date. Selection then of the dividends for the new taxation can hardly be thought to be hostile or invidious when the basis of selection is the fact that the taxed income is of the class which has borne no tax burden. The equal protection clause does not preclude the legislature from changing its mind in making an otherwise permissible choice of subjects of taxation. The very fact that [305 U.S. 134, 145] the dividends were relieved of tax, when the need for revenue was less, is basis for the legislative judgment that they should bear some of the added burden when the need is greater.

Numerous retroactive revisions of the federal and Wisconsin revenue laws, presently to be discussed, have imposed taxes on subjects previously untaxed and shifted the burden of old taxes by changes in rates, exemptions and deductions. It has never been thought that such changes involve a denial of equal protection if the new taxes could have been included in the earlier act when adopted. If some retroactive alteration in the scheme of a tax act is permissible, as is conceded, it seems plain that validity, so far as equal protection is concerned must be determined, as in the case of any other tax, by ascertaining whether the thing taxed falls within a distinct class which may rationally be treated differently from other classes. If such changes are forbidden in the name of equal protection, legislatures in laying new taxes would be left powerless to rectify to any extent a previous distribution of tax burdens which experience had shown to be inequitable, even though constitutional.

The bare fact that the present tax is imposed at different rates and with different deductions from those applied to other types of income does not establish unconstitutionality. It is a commonplace that the equal protection clause does not require a state to maintain rigid rules of equal taxation, to resort to close distinctions, or to maintain a precise scientific uniformity. Possible differences in tax burdens, not shown to be substantial, or which are based on discrimination not shown to be arbitrary or capricious, do not fall within the constitutional prohibition. *Lawrence v. State Tax Commission*, 286 U.S. 276, 284, 285 S., 52 S.Ct. 556, 558, 559, 87 A.L.R. 374, and cases cited.

Just what the differences are in the tax burdens cast upon the two types of income by the divergence in rates [305 U.S. 134, 146] and deductions applied to them does not appear. The burden placed on dividends by the taxing act might have been greater if they had been included in gross income and taxed on the same basis as other income since, in that case, the resulting increase in net income would be taxed at the rates applicable to the higher brackets. When the challenged statute was enacted there were available to the legislature the returns for the taxable year showing the different classes of income, the application to them of the existing law, and the effect of existing rates and deductions. There were also data to be derived from the corporation tax returns showing what part of the exempted dividends had their source in corporate income which had been taxed to the corporation and what part was attributable to corporate income not similarly taxed. The legislature was free to take into account all these factors in prescribing rates and deductions to be applied to the newly taxed dividends so as to arrive at an equitable distribution of the added tax burden. In the absence of any facts tending to show that the taxing act, in its purpose or effect, is a hostile or oppressive discrimination against the recipients of dividends who have been hitherto fortunate enough to escape all taxation we cannot say the taxing statute denies equal protection.

Second. The objection chiefly urged to the taxing statute is that it is a denial of due process of law because in 1935 it imposed a tax on income received in 1933. But a tax is not necessarily unconstitutional because retroactive. *Milliken v. United States*, 283 U.S. 15, 21, 51 S.Ct. 324, 326, and cases cited. Taxation is neither a penalty imposed on the taxpayer nor a liability which he assumes by contract. It is but a way of apportioning the cost of government among those who in some measure are privileged to enjoy its benefits and must bear its burdens. [305 U.S. 134, 147] Since no citizen enjoys immunity from that burden, its retroactive imposition does not necessarily infringe due process, and to challenge the present tax it is not enough to point out that the taxable event, the receipt of income, antedated the statute.

In the cases in which this Court has held invalid the taxation of gifts made and completely vested before the enactment of the taxing statute, decision was rested on the ground that the nature or amount of the tax could not reasonably have been anticipated by the taxpayer at the time of the particular voluntary act which the statute later made the taxable event. *Nichols v. Coolidge*, 274 U.S. 531, 542, 47 S.Ct. 710, 713, 52 A.L.R. 1081; *Untermeyer v.*



Anderson, 276 U.S. 440, 445, 48 S.Ct. 353, 354 (citing Blodgett v. Holden, 275 U.S. 142, 147, 48 S.Ct. 105, 106); Coolidge v. Long, 282 U.S. 582, 51 S.Ct. 306. Since, in each of these cases, the donor might freely have chosen to give or not to give, the taxation, after the choice was made, of a gift which he might well have refrained from making had he anticipated the tax, was thought to be so arbitrary and oppressive as to be a denial of due process. But there are other forms of taxation whose retroactive imposition cannot be said to be similarly offensive, because their incidence is not on the voluntary act of the taxpayer. And even a retroactive gift tax has been held valid where the donor was forewarned by the statute books of the possibility of such a levy, Milliken v. United States, *supra*. In each case it is necessary to consider the nature of the tax and the circumstances in which it is laid before it can be said that its retroactive application is so harsh and oppressive as to transgress the constitutional limitation.

[Welch v. Henry, 305 U.S. 134, 146 (1938)]

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➤ **Milwaukee v. White, 296 U.S. 268 (1935)**

*“Even if the judgment is deemed to be colored by the nature of the obligation whose validity it establishes, and we are free to re-examine it, and, if we find it to be based on an obligation penal in character, to refuse to enforce it outside the state where rendered, see Wisconsin v. Pelican Insurance Co., 127 U.S. 265, 292, et seq. 8 S.Ct. 1370, compare Fauntleroy v. Lum, 210 U.S. 230, 28 S.Ct. 641, **still the obligation to pay taxes is not penal. It is a statutory liability, quasi contractual in nature, enforceable, if there is no exclusive statutory remedy, in the civil courts by the common-law action of debt or indebitatus assumpsit.** United States v. Chamberlin, 219 U.S. 250, 31 S.Ct. 155; Price v. United States, 269 U.S. 492, 46 S.Ct. 180; Dollar Savings Bank v. United States, 19 Wall. 227; and see Stockwell v. United States, 13 Wall. 531, 542; Meredith v. United States, 13 Pet. 486, 493. This was the rule established in the English courts before the Declaration of Independence. Attorney General v. Weeks, Bunbury's Exch. Rep. 223; Attorney General v. Jewers and Batty, Bunbury's Exch. Rep. 225; Attorney General v. Hatton, Bunbury's Exch. Rep. [296 U.S. 268, 272] 262; Attorney General v. —, 2 Ans.Rep. 558; see Comyn's Digest (Title 'Dett,' A, 9); 1 Chitty on Pleading, 123; cf. Attorney General v. Sewell, 4 M.&W. 77. “*

[Milwaukee v. White, 296 U.S. 268 (1935)]

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➤ **The Federalist Papers, No 45 (Jan. 1788):**

*It is true, that the Confederacy is to possess, and may exercise, the power of collecting internal as well as external taxes throughout the States; but it is probable that this power will not be resorted to, except for supplemental purposes of revenue; that an option will then be given to the States to supply their quotas by previous collections of their own; and that the eventual collection, under the immediate authority of the Union, will generally be made by the officers, and according to the rules, appointed by the several States. Indeed it is extremely probable, that in other instances, particularly in the organization of the judicial power, the officers of the States will be clothed with the correspondent authority of the Union.*

*Should it happen, however, that separate collectors of internal revenue should be appointed under the federal government, the influence of the whole number would not bear a comparison with that of the multitude of State officers in the opposite scale.*

*Within every district to which a federal collector would be allotted, there would not be less than thirty or forty, or even more, officers of different descriptions, and many of them persons of character and weight, whose influence would lie on the side of the State. The powers delegated by the proposed Constitution to the federal government are few and defined. Those which are to remain in the State governments are numerous and indefinite. The former will be exercised*



*principally on external objects, as war, peace, negotiation, and foreign commerce; with which last the power of taxation will, for the most part, be connected. The powers reserved to the several States will extend to all the objects which, in the ordinary course of affairs, concern the lives, liberties, and properties of the people, and the internal order, improvement, and prosperity of the State. The operations of the federal government will be most extensive and important in times of war and danger; those of the State governments, in times of peace and security. As the former periods will probably bear a small proportion to the latter, the State governments will here enjoy another advantage over the federal government. The more adequate, indeed, the federal powers may be rendered to the national defense, the less frequent will be those scenes of danger which might favor their ascendancy over the governments of the particular States. If the new Constitution be examined with accuracy and candor, it will be found that the change which it proposes consists much less in the addition of NEW POWERS to the Union, than in the invigoration of its ORIGINAL POWERS. The regulation of commerce, it is true, is a new power; but that seems to be an addition which few oppose, and from which no apprehensions are entertained. The powers relating to war and peace, armies and fleets, treaties and finance, with the other more considerable powers, are all vested in the existing Congress by the articles of Confederation. The proposed change does not enlarge these powers; it only substitutes a more effectual mode of administering them. The change relating to taxation may be regarded as the most important; and yet the present Congress have as complete authority to REQUIRE of the States indefinite supplies of money for the common defense and general welfare, as the future Congress will have to require them of individual citizens; and the latter will be no more bound than the States themselves have been, to pay the quotas respectively taxed on them. Had the States complied punctually with the articles of Confederation, or could their compliance have been enforced by as peaceable means as may be used with success towards single persons, our past experience is very far from countenancing an opinion, that the State governments would have lost their constitutional powers, and have gradually undergone an entire consolidation. To maintain that such an event would have ensued, would be to say at once, that the existence of the State governments is incompatible with any system whatever that accomplishes the essential purposes of the Union.[The Federalist Papers, No 45 (Jan. 1788)].*

➤ **Westfall vs. Braley, 10 Ohio 188, 75 Am. Dec. 509;**

Bank notes are the representative of money, and circulate as such, only by the general consent and usage of the community. But this consent and usage are based upon the convertibility of such notes into coin, at the pleasure of the holder, upon their presentation to the bank for redemption. This is the vital principle which sustains their character as money. So long as they are in fact what they purport to be, payable on demand, common consent gives them the ordinary attributes of money. But upon failure of the bank by which they are issued, when its doors are closed, and its inability to redeem its bills is openly avowed [See Letter, Oct. 26, 1989, Dept. of Treasury, Russell Munk, Asst. Gen. Council, (International Affairs) as recorded in the Office of the Clerk & Recorder, Baca County, Colorado, admitting the notes are worthless and not redeemable at par.], they instantly lose the character of money, their circulation as currency ceases with the usage and consent upon which it rested, and the notes become the mere dishonored and depreciated evidences of debt . . . It is only upon this idea that they can honestly be tendered as money, and when accepted as such, under the same supposition, the mutual mistake of facts should no more be permitted to benefit one party, or prejudice the other, than if the notes had been spurious, or payment had been made in base or adulterated coin."

TITLE 31 > SUBTITLE IV > CHAPTER 51 > SUBCHAPTER II >

Sec. 5119.

Sec. 5119. - redemption and cancellation of currency

(a) Except to the extent authorized in regulations the Secretary of the Treasury prescribes with the approval of the President, the Secretary may not redeem United States currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) in gold. However, the





Secretary shall redeem gold certificates owned by the Federal reserve banks at times and in amounts the Secretary decides are necessary to maintain the equal purchasing power of each kind of United States currency. When redemption in gold is authorized, the redemption may be made only in gold bullion bearing the stamp of a United States mint or assay office in an amount equal at the time of redemption to the currency presented for redemption.

(b) (1) Except as provided in subsection (c)(1) of this section, the following are public debts bearing no interest:

(A) gold certificates issued before January 30, 1934.

(B) silver certificates.

(C) notes issued under the Act of July 14, 1890 (ch. 708, 26 Stat. 289).

(D) Federal Reserve notes for which payment was made under section 4 of the Old Series Currency Adjustment Act.

## AFFIRMATION

I declare under penalty of perjury as required under 26 U.S.C. §6065 that the answers provided by me to the foregoing questions are true, correct, and complete to the best of my knowledge and ability, so help me God. I also declare that these answers are completely consistent with each other and with my understanding of both the Constitution of the United States, *Admissions Relating to Alleged Liability*

Internal Revenue Code, Treasury Regulations, the Internal Revenue Manual, and the rulings of the Supreme Court but not necessarily lower federal courts.

Name (print): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Witness name (print): \_\_\_\_\_

Witness Signature: \_\_\_\_\_

Witness Date: \_\_\_\_\_



Item# 12231972-EAN-DPD

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| Restricted Delivery Fee<br>(Endorsement Required) | \$0.00   |                  |
| Total Postage & Fees                              | \$ 15.15 | 07/15/2013       |

Sent to Department of the Treasury  
Internal revenue service X  
Street, Apt. No.,  
or PO Box No.

City, State, ZIP+4<sup>®</sup>  
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PS Form 3800, August 2006 See Reverse for Instructions

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- Certified Mail is *not* available for any class of international mail.
- NO INSURANCE COVERAGE IS PROVIDED with Certified Mail. For valuables, please consider Insured or Registered Mail.
- For an additional fee, a *Return Receipt* may be requested to provide proof of delivery. To obtain Return Receipt service, please complete and attach a Return Receipt (PS Form 3811) to the article and add applicable postage to cover the fee. Endorse mailpiece "Return Receipt Requested". To receive a fee waiver for a duplicate return receipt, a USPS® postmark on your Certified Mail receipt is required.
- For an additional fee, delivery may be restricted to the addressee or addressee's authorized agent. Advise the clerk or mark the mailpiece with the endorsement "Restricted Delivery".
- If a postmark on the Certified Mail receipt is desired, please present the article at the post office for postmarking. If a postmark on the Certified Mail receipt is not needed, detach and affix label with postage and mail.

**IMPORTANT: Save this receipt and present it when making an inquiry.**

PS Form 3800, August 2006 (Reverse) PSN 7530-02-000-9047

## SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Department of the treasury  
Internal Revenue Service.

Kansas City, MO

64999-0002

2. Article Number

(Transfer from)

7012 1640 0002 1363 9069

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

## COMPLETE THIS SECTION ON DELIVERY

A. Signature

☐ Agent  
☐ Addressee

B. Received by (Printed Name)

KANSAS CITY, MO: 64999-0002

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

JUL 23 2013

☐ Yes  
☐ No

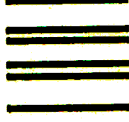
3. Service Type

☐ Certified Mail ☐ Express Mail  
☒ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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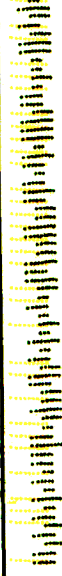
• Sender: Please print your name, address, and ZIP+4 in this box •

Elias Agredo-Narvaez

c/o 1080-B. East veterans highway

Jackson, New Jersey

[08527-9998]



SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Department of the treasury  
internal revenue Service.  
Kansas City, MO  
64999-0002

COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒ Agent  
☐ Addressee

B. Received by (Printed Name)  
KANSAS CITY, MO. 64999-0002

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below: ☐ Yes ☐ No

JUL 23 2013

3. Service Type

☐ Certified Mail ☐ Express Mail  
☒ Registered ☒ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number

(Transfer from 7012 1640 0002 1363 9069

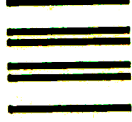
PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540



UNITED STATES POSTAL SERVICE



First-Class Mail  
Postage & Fees Paid  
USPS  
Permit No. G-10

7012 1640 0002 1363 9669

• Sender: Please print your name, address, and ZIP+4 in this box •

Elias Agredo - Narvaez

c/o 1080-B. East veterans highway

Jackson, New Jersey

[08527-9998]

