

**Response to IRS LTR 86C 0 Dated Oct. 18, 2016 and  
DETERMINATION BY PROXY**

Elias Agredo Narvaez  
C/O ELIAS AGREDO-NARVAEZ  
1080 B East Veterans highway  
Jackson, New Jersey  
[08527-9998]

Response to **LTR 86C 0**  
Dated, Oct. 18, 2016  
201412 30

Tax periods: 2013, 2014, 2015

**Kathleen M. Woekel**  
Department 1, Manager  
IRS  
Fresno CA 93899-0025

**CERTIFIED MAIL#**

**7016 2070 0000 2480 6933**

**In Re:** Your LTR 86C 0 dated Oct.18, 2016

Dear Kathleen M. Woekel;  
Thank you for your correspondence of Oct.18, 2016. Copy enclosed.

In your correspondence you stated that you have decided to send my requests for refunds AKA Tax returns for the years 2013-2015 to a different location because you believe that they can better process them and answer my questions.

I believe that you are perpetuating a fraud by refusing to process said returns and by sending them to different location with the sole purpose of delaying even more my lawful requests, and in furthering such fraud you are fabricating or trying to fabricate justifications for not processing and delaying them by stating that they, in the other location, can better answer my questions. Let me state **"for the record"** that my tax returns are statements not questions.

In your pre-typed letter, you also mentioned something about a balance for which you and your agency have never provided any evidence, and claim that ELIAS AGREDO-NARVAEZ owes you the "ridiculous amount of \$55,653.31" on penalties? and that you will continue to charge interest and applicable? penalties.

But, here is what the **PRA of 1995** defines as "penalty"

(1) the term "penalty" includes the imposition by an agency or court of a fine or other punishment; a request for monetary damages or equitable relief; or the revocation, suspension, restriction, or denial of a license, privilege, right, duty, or benefit.

Honestly, I believe that you don't have a clue of what you intended to mean by **"penalty"** in this case.

In page 2 of your pre-typed letter, you also try to inform the fact that you at least have tried to give an explanation of your intended **"fraudulent charges" or "penalties"** by mentioning a section of the IRC that has applicability only to activities related to excise taxes for **"privileged or licensed activities"** which I have no idea how are you planning to justify or prove that one has ever engaged in, and (good luck with that one).

The section of the IRC that you intend to be using as authority to, and for the **"extortion of \$55,850.31"** is sec 6651. Now, let me enlighten you with what that section is intended to be use for under the law.

*(in order to better illustrate it for you, the red font is what the code says, and the black font between it is my own emphasis)*

#### **§ 6651 Failure To File Tax Return Or To Pay Tax**

Perhaps, you are trying to use the title of this section as an excuse for the "PENALTY"? Be reminded that I filed a tax return in the form of "request for refund" and that, they were requests for refunds, not assessment of taxes. You see? There cannot be anything owed when you are actually requesting a refund, request for refund means that your agency is in the illegal possession of illegally collected money that I am requesting refund of, do you understand that now?

**(a) Addition to the tax.** No way, you cannot use this part either, in order to be addition to the tax; there must be first tax assessed which I never assessed myself with.

in case of failure-

to file any return required under authority of subchapter A of chapter 51 (other than part III thereof), or, no, no, no, it says, other than part III thereof, and part "I" in information returns, and here is what information return means,

#### Information Return Law & Legal Definition.

Information return is a return that provides information to the tax collector **"but does not compute the tax liability."** It is a return required by tax law of an employer, bank, corporation, etc. of the amounts paid by way of wages, salaries, interest, dividends, etc. to employees, customers, stockholders, etc.

Only when an information return is filed with respect to oneself is the filer's identity entitled to the statutory protections. [Reid v. Bureau of Alcohol, Tobacco & Firearms, 715 F.2d 614 (D.C. Cir. 1983) ].

Oh my God!!!, and there is even a citing of case law where specifically includes authority of Alcohol, Tobacco & Firearms? And you guys are calling me "irrelevant"?

(1) . . . subchapter A of chapter 51 (relating to distilled spirits, wines, and beer), or of



subchapter A of chapter 52 (relating to tobacco, cigars, cigarettes, and cigarette papers and tubes), or of subchapter A of chapter 53 (relating to machine guns and certain other firearms), there you have it. You are trying to extort \$55,850.31 from me for not filing or timely paying taxes imposed for activities having to do with the manufacturing or dealing with tobacco, spirits, wine, fire arms? Do you have any proof whatsoever that I have ever engaged in any of the activities mentioned in the section you are trying to use? Do you really have any idea of what you intend to do? on the date prescribed therefore (determined with regard to any extension of time for filing), unless it is shown that such failure is due to reasonable cause and not due to willful neglect, then the I am added to the amount required to be shown to pay on such return 5 percent of the amount of such tax if the failure is for not more than 1 month, with an additional 1 percent for each additional month or fraction thereof during which such failure continues, and this is the part that you are using to justify the interest on the extension amount not exceeding 25 percent in the aggregate (emphasis mine)

Ok, now, we all know, or at least that's what I believe, that federal statute requires federal regulation in order for any to have the force of law, and that the one cannot stand without the other. So,

Federal statute	Federal regulation
IRC, sec 6651.....	CFR 27 Parts 24, 25, 70.

As anyone can read from the parallel table of authorities, your authority section 6651 has as enforcement regulation CFR 27 which is "intoxicating Liquors", so, yes, you could use that section 6651 to extort the amount that you want, but only if I was stupid enough as to believe your claims without exercising my right of inquiry and act like the gullible un-educated citizen I once was, and off course, your claim would stand valid if unchallenged, however, you will never get that chance with me. So, continuing, CFR 27 is Intoxicating Liquors, and the parts giving authority to your claims are: 24, 25, and 70 namely,

**Part 24 TITLE 27—Alcohol, Tobacco Products and Firearms**  
**CHAPTER I—ALCOHOL AND TOBACCO TAX AND TRADE BUREAU, DEPARTMENT OF THE TREASURY**  
**SUBCHAPTER A—ALCOHOL**  
**24**  
**24.1 to 24.323**  
**WINE.**

**Part 27—Alcohol, Tobacco Products and Firearms**  
**CHAPTER I—ALCOHOL AND TOBACCO TAX AND TRADE BUREAU, DEPARTMENT OF THE TREASURY**  
**SUBCHAPTER A—ALCOHOL**  
**25**  
**25.1 to 25.301**  
**BEER**

**Part 70 Title 27 → Chapter I → Subchapter B**



## 1 TITLE 27—Alcohol, Tobacco Products and Firearms

2 CHAPTER 1—ALCOHOL AND TOBACCO TAX AND TRADE BUREAU, DEPARTMENT OF THE  
3 TREASURY (CONTINUED)

## 4 SUBCHAPTER B—TOBACCO

## 5 70

## 6 70.1 to 70.803

## 7 PROCEDURE AND ADMINISTRATION.

8  
9 As you can see my dear Kathleen, there really is not lawful basis for your claims of frivolity.10 Furthermore; let me remind you that under the equal protection clause, I can also apply for, or request  
11 an addition of interest to all the amounts unlawfully retained by the IRS and for all the years so retained,  
12 If and when necessary to file civil suit for refund.13  
14 As per paragraph 4 of page 3 of your pre-typed letter in which you mention something that could  
15 happen if and when you issue a **NOTICE OF LEVY** and I fail to fulfill your demands, my response to that  
16 is:17  
18 **Sec. 6331. - Levy and distraint**19 **(a) Authority of Secretary** (Notice here that is not the commissioner of the IRS  
20 mentioned here, but the Secretary. Are you the secretary?)21 **If any person liable to pay any tax neglects or refuses to pay the same within 10 days after notice and**  
22 **demand,** (here, once again, you are trying to confuse me into thinking that you are talking about the  
23 right thing; by making statements that sound like the ones here, however if ever used, they too, will fail  
24 to have standing)**it shall be lawful for the Secretary to collect such tax (and such further sum as shall be**  
25 **sufficient to cover the expenses of the levy) by levy upon all property and rights to property (except**  
26 **such property as is exempt under section 6334) belonging to such person or on which there is a lien**  
27 **provided in this chapter for the payment of such tax. Levy may be made upon the accrued salary or**  
28 **wages of (And you should pay attention to what follows here) any officer, employee, or elected official,**  
29 **of the United States, the District of Columbia, or any agency or instrumentality of the United States or**  
30 **the District of Columbia, by serving a notice of levy on the employer (as defined in section 3401(d))**  
31 **who, or which is a "federal employer",** this clause clearly delineates exactly who is liable for "levy", and  
32 in absolutely no way does, or can apply to me. **of such officer, employee, or elected official. If the**  
33 **Secretary makes a finding that the collection of such tax is in jeopardy, notice and demand for**  
34 **immediate payment of such tax may be made by the Secretary and, upon failure or refusal to pay such**  
35 **tax, collection thereof by levy shall be lawful without regard to the 10-day period provided in this**  
36 **section,**37  
38 Really? Do you really believe that you can prevail with this scheme? In order for me to help you avoiding  
39 to embarrass yourself and your agency; I would suggest that in the event that you did, then, at the very  
40 least, make sure you include in the scheme, **a properly executed assessment pursuant to IRC 6203** and



in the meantime, I will request from the required agency and under 5 U.S.C Sec.552 an FOIA request to verify the accuracy of such levy and liens.

And good luck to you, with disproving the sworn statements included with my "educated Returns" on which I, under penalties of perjury certify the truth; that I am not an "employee" as the term is defined in the IRC and other relevant laws.

#### 26 U.S.C. §3401(c) Employee

For purposes of this chapter, the term "employee" includes [is limited to] an officer, employee, or elected official of the United States, a [federal] State, 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. (this is your federal statute)

26 CFR § 31.3401(c) 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.' (And this is the federal regulation that gives force and effect to your statute)

8 Federal Register, Tuesday, September 7, 1943, §404.104, pg. 12267

Employee: "The term employee specifically includes officers and employees whether elected or appointed, of the United States, a state, territory, or political subdivision thereof or the District of Columbia or any agency or instrumentality of any one or more of the foregoing."

Also, don't forget to include with that notice of levy, and under authority of IRC Sec. 7608 Signature of and name, and rank and title of the employee perpetrating the fraud (no rubber stamps signatures allowed, only wet ink signature in order to be valid under common, statutory, commercial, admiralty, etc)

Final proof that none of this applies to me. As Title 26, United States Code has not been enacted into positive law, implementing or enabling regulations are necessary to confer the force of law ("For federal tax purposes, federal regulations govern", Dodd v. U.S., 223 F Supp 785; Lyoth v. Hory, 305 US 188; Many of the IRC Sections are enacted into law through being implemented by the Code of Federal Regulations (CFR). The above named sections are ALL implemented by CFR Title 27 Part 70, as listed in the CFR Parallel Table of Authorities, CFR Index, which deals exclusively with taxation of alcohol,



1 **tobacco and firearms.** Those regulations define the scope and authority of the above IRC sections, and  
2 again put the NOTICE OF LEVY and all other collection activities outside the jurisdiction in which it is  
3 attempted to be employed in this case and outside of the jurisdiction of the federal government under  
4 40 U.S. C. §255 and Article 1, Section 8, Clause 17 of the U.S. Constitution.  
5

6 It is your responsibility to ascertain that you are within the law and not exposing yourself to liability, for  
7 CFR Title 26 Part 301.6332-1 (c) directs that

8 " ...any person who mistakenly surrenders to the United States property or rights to property not  
9 properly subject to levy is NOT relieved from liability to a third party who owns the property...".

10 **This concludes my response to your letter and,**

11  
12 Since neither your agency nor any of its employee has come forward to rebut my knowledge and  
13 understanding of the law as I have been forced to study it by way of threats, since all you do is making  
14 threats, after threats, after threats, and use them as authority, and never provide any proof to any of  
15 your claims, and since for almost 4 years now the IRS has unlawfully delayed my requests for refund in  
16 the forms of "educated returns" by causing them to be lost or destroyed, and since every new  
17 opportunity of communication with the IRS is met with arrogant agents, employees and even managers  
18 whom their only interest is to mislead the public, and to twist the meaning of the law for self-benefit,  
19 it has become necessary to write this answer and DETERMINATION BY PROXY.  
20

#### 21 22 DETERMINATION BY PROXY

23  
24  
25 After excessive number of communications by certified mail return receipts with the IRS and it's  
26 representatives while filing "educated tax returns" for the years 2012-2015, after infinite number of un-  
27 answered requests for validation of claims of "frivolous" penalties, after having contacted many, many  
28 different IRS employees, including also the "Commissioner" for such validation to no avail, it is now  
29 then, determined and agreed by the IRS that unless the requested validation is provided within 21 Days  
30 after receipt of this offering, that Elias Agredo-Narvaez will determine as follows infra, and that this  
31 determination by proxy will be honored by all IRS employees and the commissioner as well, and that  
32 such determination **Shall** be valid for all legal purposes, in any Court, for any and all proceedings under  
33 any law, administrative, Common, State, or statutory, and that the IRS will, after said 21 days refund to  
34 Elias Agredo-Narvaez the full amounts as shown on each of the "educated tax returns" plus the  
35 corresponding interest and without any more delays.  
36



1. It is determined that the IRS has not follow the required procedures under the law as written in regard the lawful application of each and every CIVIL PENALTY FOR FRIVOLOUS RETURNS and that such penalties are now been waived.
2. Because IRC section 6651 as in the case in controversy, and as shown in the parallel table of authorities, applies only to such activities of federal privilege and as excise tax, and because Elias Agredo-Narvaez has never engaged in such activities or accepted or requested any such privilege, Elias Agredo-Narvaez cannot, under the law be penalized with or under authority of such IRC section.
3. it is determined that Elias Agredo-Narvaez has repeated times, promised to pay any and all taxes that he is unequivocally made liable for, and that such promise is also hereby made once again, and that such promise is made in good faith.
4. It is determined that Elias Agredo-Narvaez has never been "FRIVOLOUS" by filing his educated tax returns, and that such claims of frivolity were made by unscrupulous employees, and that such is not the general view of the service and that such was/were an isolated case/s.
5. It is determined that as stated in his forms 4852, Elias Agredo-Narvaez has never received from any "employer" as that term is defined by the code and relevant law, any "wages or salaries" as those terms are defined by the code and relevant law, that he has never been an "employee" as that term is defined by the code and relevant law, **26U.S.C. §3401(c) Employee**  
  
For purposes of this chapter, the term "employee" includes [is limited to] an officer, employee, or elected official of the United States, a [federal] State, 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.
6. that the alleged "employers" were never required to report to the IRS his compensation for personal services as "salaries or wages paid for federally privileged activity" but did anyway, and that by doing so, they erroneously exposed his "private sector earnings" to taxation not possible otherwise, and that therefore Elias Agredo-Narvaez was never frivolous or took any frivolous positions as purported by some unscrupulous IRS employees.
7. It is determined that even if the IRS erroneously issue a notice of levy, such levy could not stand according to the law. 26 U.S.C. 6331(f)  
**(h) Continuing levy on certain payments**

1 (1) In general

2 If the Secretary approves a levy under this subsection, the effect of such levy on specified  
3 payments to or received by a taxpayer shall be continuous from the date such levy is first made  
4 until such levy is released. Notwithstanding section 6334, such continuous levy shall attach to up  
5 to 15 percent of any specified payment due to the taxpayer.

6 (2) Specified payment

7 For the purposes of paragraph (1), the term "specified payment" means—

8 (A) any Federal payment other than a payment for which eligibility is based on the income or  
9 assets (or both) of a payee,

10 (B) any payment described in paragraph (4), (7), (9), or (11) of section 6334(a), and

11 (C) any annuity or pension payment under the Railroad Retirement Act or benefit under the  
12 Railroad Unemployment Insurance Act.

13  
14 IRS so determines by its PROXY, Elias Agredo-Narvaez

15  
16 Without Prejudice

17 Elias Agredo-Narvaez

18  
19 [REDACTED]  
20 [REDACTED] DATED: NOV/1/2016  
21 PROXY FOR THE IRS

22  
23 Enclosures:

24  
25 Copy of this Letter

8 pages

26 Copy of your letter 86C 0

7 pages



ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934

#### OFFER IN COMPROMISE

An offer in compromise allows you to settle your tax debt for less than the full amount you owe. If we accept your offer, you can pay with either a lump sum cash payment plan or periodic payment plan. To see if you qualify, use the Offer in Compromise Pre-Qualifier tool on our website. For more information, visit [www.irs.gov/offers](http://www.irs.gov/offers).

#### ACCOUNT BALANCE AND PAYMENT HISTORY

For information on how to obtain your current account balance or payment history, go to [www.irs.gov/balancedue](http://www.irs.gov/balancedue).

If you mail a payment, make your check or money order payable to the United States Treasury and send it to the address at the top of this letter. Be sure you write on each payment your:

- Name
- Address
- Taxpayer identification number
- Daytime telephone number
- Tax period
- Tax form

We've provided a general explanation of the penalties and/or interest we may have included in the current balance due on your account. If you want a specific explanation of how we computed the balance on your account, call us at the toll-free number in this letter, and we will send you a detailed computation.

#### \*\* Filing and/or Paying Late -- IRC Section 6651 \*\*

We assess a 5% monthly penalty for filing your return late and a 1/2% monthly penalty for not paying the tax you owe by the due date. When both penalties apply for the same month, the amount of the penalty for filing late for that month is reduced by the amount of the penalty for paying late for that month.

The failure-to-file or failure-to-pay penalty may not apply where you've shown that the failure is due to reasonable cause and not willful neglect.

We base the monthly penalty for filing late on the tax required to be shown on the return that you didn't pay by the original return due date, without regard to extensions.

We base the monthly penalty for paying late on the net unpaid tax at the beginning of each penalty month following the payment due date for that tax.



Department of the Treasury  
Internal Revenue Service

IRS

FRESNO CA 93888-0025

In reply refer to: 0841769179

Oct. 18, 2016 LTR 86C 0

201412 30

00000302

BODC: WI

ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934



002334

Tax periods: Dec. 31, 2013 Dec. 31, 2014  
Dec. 31, 2015

Dear Taxpayer:

Thank you for your correspondence of Aug. 28, 2016.

We're sending your correspondence, dated Aug. 28, 2016, to the office at the address at the end of this letter because:

We believe that office can best process your request and answer your questions.

That office will contact you within 45 days.

Your total balance due for the tax periods listed at the top of this letter, which includes interest and applicable penalties computed to Nov. 07, 2016, is \$55,850.31. We will continue to charge interest and applicable penalties until you pay the amount you owe in full. You can pay online or use one of the other payment options listed below.

#### PAYMENT OPTIONS

##### PAY NOW ELECTRONICALLY

We offer free payment options to securely pay your tax bill directly from your checking or savings account. When you pay online or from your mobile device, you can:

- Receive instant confirmation of your payment
- Schedule payments in advance
- Modify or cancel a payment before the due date

You can also pay by debit or credit card for a small fee. To see all of our payment options, visit [www.irs.gov/payments](http://www.irs.gov/payments).

##### PAYMENT PLANS

If you can't pay the full amount you owe, pay as much as you can now and make arrangements to pay your remaining balance. Visit [www.irs.gov/paymentplan](http://www.irs.gov/paymentplan) for more information on installment agreements and online payment agreements. You can also call us at 800-829-0922 to discuss your options.



0841769179  
Oct. 18, 2016 LTR 86C 0  
[REDACTED] 201412 30  
00000305

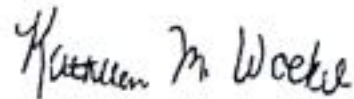
ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934

When you write, include a copy of this letter and provide in the spaces below your telephone number with the hours we can reach you. Keep a copy of this letter for your records.

Telephone number ( ) \_\_\_\_\_ Hours \_\_\_\_\_

Thank you for your cooperation.

Sincerely yours,



Kathleen M. Woekel  
Department Manager, Department 1

ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934



002334

We charge the penalties for each month or part of a month the return or payment is late; however, neither penalty can be more than 25% in total.

Income tax returns are subject to a minimum late filing penalty when filed more than 60 days after the due date, including extensions. The minimum penalty is \$205 (\$135 for returns due between 1/1/2009 and 12/31/2015, \$100 for returns due before 1/1/2009) or 100% of the tax required to be shown on the return that you didn't pay on time, whichever is less.

The penalty for paying late applies even if you filed the return on time. The due date for payment of the tax shown on the return generally is the return due date, without regard to extensions. You must pay increases in tax within 21 days of the date of our notice demanding payment (10 business days if the amount in the notice is \$100,000 or more).

If we issue a Notice of Intent to Levy and you don't pay the balance due within 10 days of the date of the notice, the penalty for paying late increases to 1% per month.

For individuals who filed on time, the penalty decreases to 1/4% per month while an approved installment agreement with the IRS is in effect for payment of that tax.

**\*\* Interest -- IRC Section 6601 \*\***

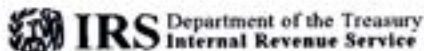
We are required by law to charge interest when you do not pay your liability on time. Generally, we calculate interest from the due date of your return (regardless of extensions) until you pay the amount you owe in full, including accrued interest and any penalty charges. Interest on some penalties accrues from the date we notify you of the penalty until it is paid in full. Interest on other penalties, such as failure to file a tax return, starts from the due date or extended due date of the return. Interest rates are variable and may change quarterly.

If you need forms, schedules, or publications, you can obtain them by visiting the IRS website at [www.irs.gov](http://www.irs.gov) or by calling toll-free at 1-800-TAX-FORM (1-800-829-3676).

If you have questions, you can call us at 1-800-829-0922.

If you prefer, you can write to us at the address at the top of the first page of this letter.





IRS  
FRESNO CA 93888-0025

002334.704471.518597.5504 1 AT 0.399 850



ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934

002334

CUT OUT AND RETURN THE VOUCHER IMMEDIATELY BELOW IF YOU ONLY HAVE AN INQUIRY.  
DO NOT USE IF YOU ARE MAKING A PAYMENT.

CUT OUT AND RETURN THE VOUCHER AT THE BOTTOM OF THIS PAGE IF YOU ARE MAKING A PAYMENT,  
EVEN IF YOU ALSO HAVE AN INQUIRY.

The IRS address must appear in the window.

0841769179

BODCD-WI

Use for inquiries only

Letter Number: LTR0086C  
Letter Date : 2016-10-18  
Tax Period : 201412

INTERNAL REVENUE SERVICE

IRS

FRESNO CA 93888-0025



\* [REDACTED]

ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934

[REDACTED] QP AGRE 30 0 201412 670 000000000000

The IRS address must appear in the window.

0841769179

BODCD-WI

Use for payments

Letter Number: LTR0086C  
Letter Date : 2016-10-18  
Tax Period : 201412

INTERNAL REVENUE SERVICE

FRESNO CA 93888-0010



\* [REDACTED]

ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934

[REDACTED] QP AGRE 30 0 201412 670 000000000000

0841769179

Oct. 18, 2016 LTR 86C 0

201412 30

00000306

ELIAS AGREDO-NARVAEZ  
1080B E VETERANS HWY  
JACKSON NJ 08527-2934



To: Internal Revenue Service  
OSC  
Ogden UT 84201

002334