

Tax & IRS-Related Table of Authorities

Original: July 15, 1999

Introduction & Purpose

This table of authorities lists resource material that supports separate memoranda relating to so-called income tax, the Internal Revenue Service, and as the resource is expanded, state tax authority and agencies. The documents will eventually be scanned into electronic memory. Printed photocopies of the documents are available as a package. The authorities package, and memoranda relating to the material, constitutes an in-process enterprise so will occasionally be updated and enlarged.

The table lists documents by standard reference, and incorporates notes to demonstrate relation to other authorities or explain significance of the authority listed. The table includes cites of key sections of the United States Code and the Statutes at Large, parts in the Code of Federal Regulations, and other such matter.

Certain abbreviations and legal signs are used: U.S.C. = United States Code; U.S.C.A. = United States Code Annotated; "Stat." = Statutes at Large. Where sets of legal resources are cited, the volume or book number will precede the identification abbreviation, then section, part or page numbers follow. The "§" sign, when used in conjunction with constitutions, state and Federal codes, and the like, means "section", and where used in conjunction with the Code of Federal Regulations, it means "part". For example, 26 U.S.C. § 7621 means section 7621 of Title 26 of the United States Code, where 26 CFR § 301.7621-1 means part 301.7621-1 of Title 26 of the Code of Federal Regulations. The abbreviation "1 Stat. 10" means page 10 of the Statutes at Large, volume 1. The "¶" sign means "paragraph". The term "supra" means "previously" or "above". "Infra" means "later in text" or "to follow". Other than using these few standard signs, abbreviations, and terms, the table is written in common contemporary English, without resort to legalese "terms of art" meanings except where specifically stipulated.

The table is organized in numerical sequence except for miscellaneous material and court decisions. As applicable, document cites are arranged alphabetically. Table of Authorities numbering is not being put on documents. Each document must be located by category and original identification.

Dan Meador, Ponca City, Oklahoma

United States Code

1. [3 U.S.C. § 301](#), specifies that the President may delegate authority vested in him via Executive Order properly published in the Federal Register. Includes E.O. #10289, which delegates authority for the Secretary of the Treasury to establish revenue districts under authority of 26 U.S.C. § 7621. The Secretary has exercised this authority only to establish customs offices under jurisdiction of the United States Customs Service in the Union of Several States, the

regulation being 19 CFR § 101. See Parallel Table of Authorities and Rules from the Index volume of the Code of Federal Regulations for 26 U.S.C. § 7621 and E.O. #10289 (referenced in this table). Several important executive orders follow the section.

2. [3 U.S.C. § 302](#), "Scope of delegation of functions." Section particularizes Presidential delegation of authority.
3. [3 U.S.C. § 303](#), "Definitions". Definitions relating to Presidential delegation of authority.
4. [4 U.S.C. § 71](#), "Permanent seat of Government". Establishes current borders of the District of Columbia.
5. [4 U.S.C. § 72](#), "Public offices; at seat of Government." This section specifies that no department of government will operate beyond borders of the District of Columbia without specific statutory authority.
6. [4 U.S.C. § 110](#), "Definitions". These definitions apply to the Buck Act (4 U.S.C. §§ 105-109). Of particular note, "The term 'State' includes any Territory or possession of the United States." In other words, Buck Act application is exclusively to territory and insular possessions of the United States, exclusive of the Union of several States. Nearly all state taxes are predicated on Buck Act authority. The Buck Act is a key element in state and Federal tax fraud.
7. [5 U.S.C. § 5512](#), "Withholding pay; individuals in arrears." This section prescribes the manner in which litigation against Federal employees for collection of debt must proceed. It is pivotal so far as the "normal tax" is concerned. Notes following provide important historical information. What is now the Director of the General Accounting Office must make a determination of liability, then based on his determination of liability, the Attorney General, in his capacity as Solicitor of the Treasury, must initiate or authorize litigation. These provisions are preserved in 26 U.S.C. § 7621. The Internal Revenue Service does not have authority to initiate litigation for collection of debt, nor does a United States Attorney.
8. Table of Contents for Subtitle A of Title 26, the Internal Revenue Code. **This table verifies that what most people know as "income tax" is actually "normal tax". Income tax is a broad classification of excise taxes.** The "normal tax", resurrected from the Civil War period tax on Federal officers and employees, was resurrected in 1918. It is a "privilege" excise tax where the wage of the Federal employee is the measure, not the object of the tax. It made its way through the Public Salary Tax of 1939, then was eventually classified in Subtitle A of the Internal Revenue Code of 1954, as amended.
9. [26 U.S.C. § 7323](#), "Judicial action to enforce forfeiture." Note that all forfeiture sections of the Internal Revenue Code are listed in Chapter 75, Subchapter C. The action proceeds in a "United States District Court", which is a territorial court. There is no corresponding provision relating to the Union of several States.
10. [26 U.S.C. § 7327](#), "Customs laws applicable." This is the exit IRS uses from the Internal Revenue Code. IRS has admiralty (shoreline) jurisdiction relating to controlled dangerous substances (drugs) in insular possessions of the United States. This is prescribed by regulation at 26 CFR § 403. Virtually all IRS seizures are predicated on the presumption that a "commercial crime" relating to drugs has been committed.
11. [26 U.S.C. § 7401](#), "Authorization" for civil action by the United States for collection of tax. This section mirrors 5 U.S.C. § 5512, supra, and corresponding sections in Title 31, Money and

12. [26 U.S.C. § 7402](#), "Jurisdiction of district courts." Civil action for collection of tax must issue in an Article III "District Court of the United States." Compare term use with 26 U.S.C. § 7323.
13. [26 U.S.C. § 7601](#), "Canvass of districts for taxable persons and objects." This section authorizes the Secretary to have revenue agents canvass for people and things with tax obligations within revenue districts of the United States. This section should be read in conjunction with 4 U.S.C. § 72, which specifies that departments of government may operate only within the District of Columbia unless otherwise authorized by statute. Consequently, revenue agents may canvass and otherwise investigate Federal tax liability only within properly established revenue districts.
14. [26 U.S.C. § 7621](#), "Internal revenue districts." This section vests authority in the President to establish internal revenue districts. This authority may be delegated only in compliance with 3 U.S.C. § 301. Authority was delegated by the Secretary of the Treasury via E.O. #10289. No internal revenue districts have been established in the Union of several States. Under authority of E.O. #10289, the Secretary authorized the United States Customs Service to establish customs collection offices in the Union of several States, but no internal revenue districts, as such, have been established in the several States.
15. [26 U.S.C. § 7701](#)(a), general definitions applicable to the Internal Revenue Code. Of particular note, § 7701(a)(26) provides the following:

"The term 'trade or business' includes the performance of the functions of a public office." This definition is restrictive, applicable solely to the category identified in the definition. Functions of "public office" are exclusive of nongovernment private enterprise. Those employed as officers and employees of U.S. government, and political subdivisions of the United States, are engaged in "United States trade or business" for purposes of subtitles A & C of the Internal Revenue Code.
16. [26 U.S.C. § 7804](#), "Effect of reorganization plans." Subsection (a) lists the two reorganization plans used as the basis of the Internal Revenue Code of 1954 (Vol. 68A of the Statutes at Large). Subsection (b) preserves all constitutionally secured rights, and stipulates that where revenue officers or agents exceed authority, they are to be sued directly. Also, this section prescribes "venue" as being "existing law," which would suggest the possibility of suit via courts of the several States in the event a revenue officer is operating "under color of authority of the United States." Reorganization Plan No. 26, and the President's transmittal letter, follow the section.
17. [26 U.S.C. § 7806](#), "Construction of Title." This section is significant as it incorporates a general disclaimer, "No inference, implication, or presumption of legislative construction shall be drawn or made by reason of the location or grouping of any particular section or provision or portion of this title..." This is true of all United States Code titles. The U.S.C. is a classification system. Laws of the United States are published annually in the Statutes at Large. This is the reason there can never be a presumption of application for any given section of the U.S.C.
18. [28 U.S.C. § 610](#), "Courts defined." This section specifies which courts are courts of the United States. As first-level courts, it lists the Article III district courts of the United States, and territorial courts, again not naming United States District Courts in the Union of several States.

This definition is used in GAO regulations to identify courts of the United States. The definition is in the chapter for the Administrative Office of United States Courts.

19. Chapter 176, Title 28 U.S.C. Tables of contents for the chapter are included. This is the chapter that governs Federal Debt Collection Procedure, including civil litigation and execution for delinquent taxes.

20. Table of Contents for Chapter 3, Title 31 of the United States Code, "Department of the Treasury." This chapter establishes bureaus of the Department of the Treasury. IRS and BATF are conspicuously absent from the list. They are not bureaus or agencies of the Department of the Treasury of the United States.

21. [31 U.S.C. § 3526](#), "Settlement of accounts." The Comptroller General, now Director of the General Accounting Office, is vested with responsibility for making determinations of liability against or of the United States. Without a GAO determination of liability, the United States does not have standing to sue for collection of debt, regardless of the nature of the debt, except as specifically exempted by the statute. This section and 26 U.S.C. § 7401 work together.

22. [31 U.S.C. § 3545](#), "Civil action to recover money." Section vests authority in the Attorney General to initiate litigation for collection of debt owing the United States. This section and 26 U.S.C. § 7401 work together. A U.S. Attorney does not have authority to initiate civil action for collection of debt owing the United States without a GAO determination of liability and subsequent authorization from the Attorney General.

23. [31 U.S.C. § 3702](#), "Authority of Comptroller General to settle claims." Prior to litigation, any claim submitted to IRS should subsequently be submitted to GAO.

Statutes at Large

24. 12 Stat. 432, the internal revenue act of July 1, 1862. This was the act which created the office of Commissioner of Internal Revenue and first imposed the "normal tax" on officers and employees of United States Government. This so-called income tax never applied to the general population. It has always been a privilege excise tax where the "wage" is the measure and not the object of the tax. In addition to creating the office of Commissioner and authorizing the Commissioner to hire office staff, the act specified that the President, with advice and consent of the Senate, would appoint assessment and collection officers for each district. Congress did not create a Bureau of Internal Revenue with this act, and contrary to illusion in the contemporary Commissioner organization statement, there was no intention to create a bureau. Assessors and collectors had to be freeholders in their respective districts.

25. 40 Stat. 1062, the revenue act of 1918. This act resurrected the "normal tax", which had been repealed following the Civil War. In 1916 and 1917, Congress had attempted to impose "income" tax on everyone, but the Supreme Court frustrated the effort several times by pushing Congress back into a box with the definition of the term "income", which was construed to be an excise tax. In the 1918 act specified, "in lieu of the taxes imposed by subdivision (a) of section 1 of the Revenue Act of 1916 and by section 1 of the Revenue Act of 1917, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a normal tax at the following rates..." In the definition of gross income, at § 213(a), imposition of the tax on officers and employees of United States Government is specified. The definition of "employee"

at the current 26 U.S.C. § 3401(c) roughly corresponds. This tax is now classified in Subtitle A of the Internal Revenue Code.

26. 42 Stat. 23, creation of the General Accounting Office as general agent of the Treasury of the United States. Via this act, Congress for all practical purposes abolished the Treasury, not to be confused with the Department of the Treasury, thus hiding the Treasury from the American people. Treasury officers and employees were moved to the newly created GAO. The Director of GAO, formerly the Comptroller General, is responsible for determining validity of all claims of or against the United States. This authority is currently preserved in Titles 5, 26, 31 and other titles of the United States Code.

27. 42 Stat. 233, as pertains to the "normal tax". This is a portion of the revenue act of November 23, 1921. Via this act, Congress abolished virtually all general application excise taxes, classified as "income" taxes, except the "normal tax" that was resurrected in 1918 (40 Stat. 1062). Application to Federal and territorial government officers and employees is articulated in § 213(a) (42 Stat. 238). Repeal of the other excise/income taxes is in the latter portion of the act, which isn't reproduced in this table. When the various excises were reenacted, they were enacted under Congress' territorial authority, not Article I § 8 authority. No taxing statute in the current Internal Revenue Code has general application in the Union of several States.

28. 47 Stat. 1517, Reorganization of Executive Departments. This act was enacted March 3, 1933, the day before Franklin Roosevelt was inaugurated. It set the stage for Roosevelt's declaration of emergency, proclamation of the bank holiday, and calling the special session of Congress, all of which was done shortly after midnight the morning of Monday, March 6. Geographical application of the authority is revealed in definitions of "United States" and "public use" in Title II § 1(a) & 1(b) (47 Stat. 1520). Authority was, and is, applicable only in the District of Columbia, and in territories and insular possessions of the United States subject to sovereignty of the United States under the territorial clause, at Article IV § 3 ¶ 2 of the Constitution. One of the major Executive Orders under this authority was E.O. #6166, which restricts civil and criminal prosecution under internal revenue laws by vesting exclusive authority in the Attorney General. Until the Attorney General formally authorizes civil or criminal prosecution, a U.S. Attorney does not have authority to prosecute tax-related cases. Only a portion of this lengthy act is reproduced in this table.

29. 58 Stat. 574, the Public Salary Tax Act of 1939, enacted April 12, 1939. This act appears to have been the last major overhaul of the "normal tax" prior to implementation of the Internal Revenue Code of 1954. It is particularly significant that the normal tax was imposed on Federal judges, including Supreme Court justices, who were appointed after June 6, 1932 (§ 209, 58 Stat. 577). Federal judges had challenged, and exempted themselves from the normal tax of 1918 based on the provision in Article III § 1 of the Constitution prohibiting reduction in compensation. There appears to have been no significant challenge from the Federal judiciary since enactment of the Public Salary Tax Act of 1939.

30. 106 Stat. 1779, Department of the Treasury Forfeiture Fund. The Fund was established by Oct. 6, 1992 legislation. The Treasury Forfeiture Fund is something of a "black hole" for Department of Justice and Federal enforcement agencies involved with enforcement of drug-related laws. The "Federal take" can be distributed to state and local enforcement agencies, informers, and the like. As research into the matter continues, we will probably find that revenue from nearly all IRS administrative seizures is deposited into this fund. Research into individual master files demonstrates that people IRS elects to pursue in civil or criminal forum are invariably classified as drug dealers in or around the Virgin Islands, the Cayman Islands, etc. IRS

has "admiralty" jurisdiction for enforcement of commercial crimes under drug-related customs laws, the authority being at 26 CFR § 403. Exit from the Internal Revenue Code is at 26 U.S.C. § 7327.

Code of Federal Regulations

31. Parallel Table of Authorities and Rules, portion relating to Title 26 of the United States Code, and Executive Orders, particularly E.O. #6166 and E.O. #10289. The Parallel Table of Authorities and Rules lists U.S.C. sections, Public Laws, Executive Orders and the like in the left column, then general application implementing regulations in the left. If any U.S.C. section, Executive Order, etc., is not listed, they do not have general application to or in the Union of several States. Notes concerning relevance are made in columns. Numerous regulations are listed in this table that are not listed in the Parallel Table of Authorities and Rules as having general application.

32. List of CFR Titles, Chapters, Subchapters, and Parts for 19 CFR § 101. This finding aid is located in the Index Volume of the Code of Federal Regulations. The only regulation the Secretary of the Treasury has enacted under authority of E.O. #10289, relating to establishment of internal revenue districts (26 U.S.C. § 7621), is 19 CFR § 101, which is under jurisdiction of the United States Customs Service. This regulation establishes customs collection offices in the Union of several States. There are no Federal internal revenue districts, as such, in the Union of several States party to the Constitution.

33. [26 CFR § 1.6001-1](#). This part, at § 1.6001-1(d), states that the district director of an internal revenue district must serve notice on anyone required to keep books and records and file returns. The regulation specifically relates to "normal tax" in subtitle A of the Internal Revenue Code.

34. [26 CFR § 31.3121\(e\)-1](#), definitions of "State", "United States", and "citizen". These definitions specifically relate to the family of Social Security taxes, a/k/a, "employment" taxes. These are among the best definitions in the United States Code or the Code of Federal Regulations that demonstrate geographical limitation of Social Security taxes. This has always been a Federal tax limited to territory and insular possessions of the United States. It has never had lawful application in the Union of several States. When reading definitions of "State" and "United States", note movement of Alaska and Hawaii out of the definitions when they were respectively admitted to the Union, then movement of Guam and American Samoa into geographical application of the Social Security Act. The definition of the term "citizen" clearly demonstrates that where the Social Security Act is concerned, geographical citizenship, not Fourteenth Amendment citizenship, is the object of the tax. In other words, an Oklahoma tax does not apply to citizens of Kansas unless they conduct business in Oklahoma. Likewise, for the Social Security tax to apply, one must be a citizen or resident of the District of Columbia, Puerto Rico, the Virgin Islands, Guam or American Samoa.

35. [26 CFR § 31.3121\(h\)-1](#), definition of "American employer". This definition rests on definitions at § 31.3121(e)-1. Where the family of the Social Security taxes is concerned, employers qualified to participate, whether public or private, must be connected to the District of Columbia or the four named insular possessions of the United States. This family of taxes does not apply to the Union of several States.

36. [26 CFR § 31.3401\(c\)-1](#), definition of "employee". This section identifies those subject to

withholding at the source. § 31.3401(c)-1(a) lists officers and employees of U.S. government and governments of territories and insular possessions of the United States. All are engaged in a "United States trade or business", as defined at 26 U.S.C. § 7701(a)(26), and are subject to normal tax prescribed in Subtitle A of the Internal Revenue Code.

37. [26 CFR § 31.3401\(d\)-1](#), definition of "employer". The employer employs the employee, as defined at § 31.3401(c)-1 above.

38. [26 CFR § 31.3402\(e\)-1](#), "Included and excluded wages." This subpart is included to demonstrate that an "employee" may work in a capacity for an "employer" where he is classified as an "employee" with wages subject to withholding, and may work in a capacity for the employer where his wages are not subject to withholding. This example serves to demonstrate that there are "taxpayers" and "nontaxpayers" - not all earnings are "wages" as defined for purposes of the normal tax imposed by subtitle A of the Internal Revenue Code. The example also demonstrates that for some purposes, "employers" are not employers for purposes of the normal tax imposed by subtitle A.

39. [26 CFR § 3403-1](#), "Liability for tax." The employer is liable for tax imposed by subtitle A of the Internal Revenue Code.

40. [26 CFR § 31.3404-1](#), "Return and payment by governmental employer." The withholding agent is ultimately the person liable for keeping books and records, filing returns, and paying the tax.

41. [26 CFR § 31.6001-1](#), "Records in general." This part is particularly important where it comes to determining what books and records must be kept. Note at § 31.6001-1(d) that an "employee" is not required to keep books and records unless he files for a refund.

42. [26 CFR § 31.6001-6](#), "Notice by district director requiring returns, statements, or the keeping of records." This subpart corresponds with 26 CFR § 1.6001-1(d). The director must serve notice to anyone required to keep books and records and file returns. It follows that unless or until such notice is served, nobody is required to keep books and records and file returns relating to subtitle A & C taxes.

43. [26 CFR § 31.6011\(a\)-4](#), "Returns of income tax withheld." Whoever is responsible for withholding under § 31.3402 (26 U.S.C. § 3402) is required to make the return, as demonstrated supra.

44. [26 CFR § 31.6011\(a\)-6](#), "Final returns." An "employer" or other person who ceases to pay wages, etc., subject to normal tax imposed by subtitle A is required to make a final return. This subpart is significant in that it doesn't suggest that the employer might be going out of business, it merely states that he will make a final return when he ceases paying wages and the like subject to the normal tax. This subpart reinforces the example above: An employer engaged in enterprise defined as a United States trade or business, and other enterprise which is not defined as trade or business where the Internal Revenue Code is concerned, may discontinue whatever subject trade or business he was engaged in and continue whatever he was doing that is not construed as a trade or business. For example, a U.S. Attorney may lose his position, or a congressman may be defeated. If and when they return to private enterprise, they are no longer engaged in a "trade or business" that is subject to normal tax imposed by subtitle A of the Internal Revenue Code. If this individual, in his capacity as a government officer or employee, were liable for withholding from wages and the like, he would be required to make a final return.

45. [26 CFR § 31.6051-1](#), "Statements for employees." The employer is required to furnish his employees with W-2 forms and the like. This is the employee's copy of the employer's tax return reduced to individual accounting. While an employee should keep his copy of the W-2, it isn't required, per § 31.6001-1(d), unless he intends to file for a refund.
46. [26 CFR § 31.6205-1](#), "Adjustments of underpayments." In the event an employer has not withheld a sufficient amount for employee and "income" tax, he is responsible for increasing deductions to compensate. Read § 31.6205-1(c)(4) in particular. Collection of a deficiency is between the employer and the employee, no outside Federal agency is involved. Regardless of whether or not an employer withholds the proper amount from employee wages, the employer is liable for reporting and paying the proper amount of tax.
47. [26 CFR § 31.6361-1](#), "Collection and administration of qualified State individual income taxes." Again, this is applicable only to Federal agencies. The Buck Act (4 U.S.C. §§ 105-111) extends supposed authority for state and local governments to tax Federal employees. However, see definitions at 4 U.S.C. § 111 to find that this authority extends only to territories and insular possessions of the United State, i.e., the District of Columbia, Puerto Rico, etc. It has never applied to the Union of several States even though most state taxes, including sales tax, fuel taxes, income taxes, etc., are predicated on Buck Act authority. Proper implementation of this authority via contractual agreement is reasonably well spelled out in 5 U.S.C. §§ 5512-5520a.
48. [26 CFR § 31.6402\(a\)-2](#), "Credit or refund of tax under Federal Insurance Contributions Act or Railroad Retirement Tax Act." This subpart explains how the "employer" responsible for withholding is to secure credit or a refund for overpayment of these taxes. Note at § 31.6402(a)-2(b)(2) that the "employee" who claims a refund is to make a statement concerning the overcollection, and the employer is to attach the employee's statement to the refund claim. There is no particular form for the employee to make his statement on.
49. [26 CFR § 31.6413\(a\)-1](#), "Repayment by employer of tax erroneously collected from employee." Here again, the employee makes his claim to the employer, then the employer makes the appropriate adjustment on subsequent returns.
50. [26 CFR § 31.6413\(a\)-2](#), "Adjustment of overpayments." This covers both Social Security and income taxes.
51. [26 CFR § 31.6413\(b\)-1](#), "Overpayments of certain employment taxes." Small subpart cites regulations for securing refunds of Social Security and normal taxes.
52. [26 CFR § 31.6413\(c\)-1](#), "Special refunds." At § 31.6413(c)-1(a)(2), the subpart specifies that, "For purposes of special refunds of employee tax, each head of a Federal agency or a wholly owned instrumentality of the United States who makes a return pursuant to section 3122 ... is considered a separate employer. For such purposes, the term 'wage' includes the amount which each such head (or agent) determines to constitute wages paid an employee..." Particulars relating to how to file for a special refund are set out in § 31.6413(c)-1(b). Under this particular authority, the claim must be filed on Form 843.
53. [26 CFR § 31.6414-1](#), "Credit or refund of income taxes withheld from wages." This subpart authorizes recovery by deduction from the standard tax return with a statement relating to the claim attached.
54. [26 CFR § 301.6203-1](#), "Method of assessment." This regulation authorizes district and

regional directors to appoint assessment officers. The assessment officer is then required to make a summary record of assessment, including the seven particulars set out in the regulation. The summary record of assessment must be "verified", the assessment officers signing under penalties of perjury, or the summary record of assessment must issue under department seal. Case discloses that the tax returned form filed by whoever is required to file it is merely an "estimate" of whatever tax is at issue, and that money paid prior to or at the time of filing such return is a deposit against liability. There is no liability to the point the assessment officer completes a procedurally correct summary record of assessment. The director has three years from the date the return is filed to execute the assessment.

55. [26 CFR § 301.6303-1](#), "Notice and demand for tax." A 10-day notice and demand for payment of tax must be issued to a "taxpayer" after a summary record of assessment has been properly executed. There is no authority for notice and demand to issue prior to an assessment being completed, and one must issue after completion for the tax agency to comply with prescribed procedure.

56. [26 CFR § 301.6365-1](#), "Definitions". The definitions of "State" and "Governor" are applicable to the subchapter relating to collection of state qualified tax. Here again, the term "State" is limited to possessions of the United States, and in this case, the District of Columbia: "(a) State. For purposes of subchapter E and the regulations thereunder, the term 'State' shall include the District of Columbia, but shall not include the Commonwealth of Puerto Rico or any possession of the United States."

57. [26 CFR § 301.6365-2](#). "Commencement and cessation of applicability of subchapter E to individual taxpayers." Tells when the "Federal" withholding system goes into effect and is terminated.

58. [26 CFR § 301.6401-1](#) "Amounts treated as overpayments." Section is important to understanding what an "overpayment" is. § 301.6401-1(b) is important for recovery where there was no liability: "(b) An amount paid as tax shall not be considered not to constitute an overpayment solely by reason of the fact that there was no tax liability in respect of which such amount was paid."

59. [26 CFR § 301.6402-2](#) "Claims for credit or refund." Details what should be included in claims.

60. [26 CFR § 301.6402-3](#) "Special rules applicable to income tax." In this subpart, it specifies that claims should be made on Forms 1040X where 1040 or 1040A returns have been filed as individual returns; the 1120X should be filed where a corporation has previously filed an 1120. The regulation is reasonably detailed. Regulations through § 301.6402-7 are included and should be studied for particulars relating to refund claims.

61. [26 CFR § 301.7621-1](#) "Internal revenue districts". The note specifies that Executive Order #10289 is the delegation of authority from the President to the Secretary of the Treasury for establishing revenue districts. By following this up via the Parallel Table of Authorities and Rules, it is found that no Federal internal revenue districts have been established in the Union of several States party to the Constitution. The only regulation for E.O. #10289 is 19 CFR § 101, which authorizes the U.S. Customs Service to establish customs offices in the several States.

62. [26 CFR § 403](#) "Disposition of Seized Personal Property". The Internal Revenue Service administers this regulation; the Bureau of Alcohol, Tobacco and Firearms operates under a

parallel regulation at 27 CFR § 72. Both are for "admiralty" (shoreline) jurisdiction relating to customs laws, the IRS regulation relating to controlled dangerous substances, and the BATF regulation relating to imported guns, alcohol, etc. The exit point in the Internal Revenue Code is 26 U.S.C. § 7327 "Customs laws applicable". Virtually all IRS administrative seizures are based on this regulation and the presumption that a "commercial crime" relating to controlled dangerous substances has been committed. The crimes are listed at § 403.38(d)(1). The regulation also specifies that forfeitures in excess of \$2,500 must be adjudicated.

63. [26 CFR § 601.401](#), in part. Provides information relating to claims. Of significance, § 601.401(d)(4), relating to special refunds of employee social security tax, prescribes the 1040 Form for recovery of overpayment of employment tax where the employee has worked for two or more employers in the course of any given year. This, of course, is voluntary, as people do not have to secure refunds of overpayments. This is the only regulation presently known that prescribes use of the 1040 return form. Use of the 1040X for recovery where a 1040 return has been filed (§ 301.6402-2) does not presume that filing a 1040, 1040EZ, or any variation thereof was required.

64. [27 CFR § 250.11](#) "Definitions." These definitions are particularly important to tying the Internal Revenue Service and the Bureau of Alcohol, Tobacco and Firearms in with the Department of the Treasury, Puerto Rico. IRS is successor of BIR, Puerto Rico via name change in 1953; BATF was split from IRS in 1972. See definitions of "Revenue Agent", "Secretary" and various others. BATF still administers the Federal Alcohol Administration Act of 1935, which was moved under BIR, Puerto Rico administrative jurisdiction via Reorganization Plan No. III of 1940. See definitions at 27 CFR § 1.5.

65. [31 CFR § 0](#), "Department of the Treasury Employee Rules of Conduct". These regulations are important as they establish rules for compliance, disclosure, etc., for IRS, BATF, and other personnel of agencies construed to be subject to jurisdiction of or part of the Department of the Treasury. These compliance mandates should be incorporated in all administrative interchange with officers and agents of Department of the Treasury agencies.

Federal Register

66. Federal Register for 1956, page 5852 (Volume number isn't on the photocopy presently in hand), Treasury Dept. Order 150-42. This order was executed July 27, 1956, by Acting Secretary of the Treasury, David W. Kendall, filed as F.R. Doc. 56-6280, on Aug. 3, 1956. This order delegates authority for the Commissioner of Internal Revenue to administer internal revenue laws of the United States in the Panama Canal Zone, Puerto Rico, and the Virgin Islands. It simultaneously terminated administration via customs district and regional offices in Florida, Georgia and New York. The order was revised slightly in 1986 to extend the Commissioner's authority to "other areas of the world" subject to jurisdiction of the United States. To the best of my knowledge, this is the only delegation of authority from the Secretary of the Treasury to the Commissioner of Internal Revenue which specifies Commissioner of Internal Revenue and IRS territorial jurisdiction.

67. 51 F.R. 27109, July 29, 1986. Treasury delegation order stipulation what officers may make jeopardy and termination assessments.

68. 51 F.R. 36505, Treasury Order No. 77 (Rev. 20), Oct. 10, 1986. Order specifies what officers may issue notices of deficiency.

Congressional Record

69. Congressional Record - House, for March 27, 1943, pp. 2578, et seq. Report to Congress on the nature of the income tax. On p. 2580, the report stipulates that, "The income tax is, therefore, not a tax on income as such. It is an excise tax with respect to certain activities and privileges which is measured by reference to the income which they produce. The income is not the subject of the tax: it is the basis for determining the amount of tax."

Miscellaneous Documents

70. Model Indictment from the Department of Justice Tax Prosecution Manual. The importance of this model indictment, downloaded via Internet from the Department of Justice web site, is that the indictment issues in the "District Court of the United States" rather than the "United States District Court". There are two categories of lawful first-level courts of the United States: The Article III court of the United States in each of the several States is a "District Court of the United States", and territorial courts located in the District of Columbia and insular possessions of the United States, are "United States District Courts". "United States District Courts" in the several States are invisible where the law is concerned. They are "private" courts which are not vested with Article III or any other authority of United States government. Courts of the United States are "defined" (listed) at 28 U.S.C. § 610. As is the case for most resource material, the model indictment is accurate in that it specifies which court indictments must be filed in.

71. July 4, 1999 introductory letter from Texas Representative Ron Paul inviting people to join the "Liberty Study Group" which includes 14 people from the House of Representatives dedicated to restoring Constitutional government.

72. "Taxes For Revenue Are Obsolete", by Beardsley Ruml, former chairman of the Federal Reserve Bank of New York. Ruml gave the address in 1945, and it was subsequently published in the January 1946 edition of American Affairs. This reproduction was downloaded from www.Taxgate.com, the material collected by Thurston Bell of California.

73. "IRS Showdown A Success", by Devvy Kidd, July 5, 1999. Various people participated in forum billed as the great "IRS Showdown" on July 1 & 2, 1999. The event was hosted by the National Press Club and broadcast via C-Span. Participants included former IRS CID agent Joe Banister, Kidd, attorney Larry Becraft, author Bill Benson and various others. While particulars addressed in the forum, which Federal government officers did not participate in, the "IRS Showdown" constitutes a significant event simply from the standpoint of national television exposure, and participation of the National Press Club. The event very probably marks the beginning of the end of Federal tax fraud and IRS tyranny.