

Federal Reserve Notes Not Taxable Income

Title 26 of the US Code is the Internal Revenue Code. Sections 1271-1275 deal with assessing a tax on debt instruments. Section 1275 defines debt instrument:

26USC §1275(a)(1)(A)

Except as provided in subparagraph (B), the term "debt instrument" means a bond, debenture, note, or certificate of other evidence of indebtedness.

The Federal Reserve Notes we all trade as money are, by this definition "debt instruments." Now that we know the status of our money, let's look at section 1274:

26USC §1274(3)(D)

(3) Exceptions

This section shall not apply to -

(D) Debt instruments which are publicly traded or issued for publicly traded property.

Our money is based on debt instruments that are publicly traded and issued for publicly traded property, so it appears to be excluded from taxation according to these rules

http://www.mainemediaresources.com/cr_aprilo4.htm#jurisdiction

Failure to File - Not a Crime

"We'd better not let the word get out...We'll keep it among ourselves." - Chief Justice William Rhenquist

In the oral arguments at the US Supreme Court for *United States vs. Craft* (No. 00-1831) the following dialogue between Chief Justice Rhenquist and US Attorney Kent Jones took place regarding the criminality of failure to file income tax:

RHENQUIST: What about criminal procedures? Are there any criminal procedures for --

MR. JONES: I --

RHENQUIST: -- failure, continued failure to file--

MR. JONES: Of course, if you file a return, then you're not exposing yourself to any criminal obligations, and if you don't file a return, it would be -- I'm not familiar with a statute that makes that a crime by itself... I'm not an expert on criminal tax matters, but it's my impression that that would not by itself be a crime.

RHENQUIST: We'd better not let the word get out. I thought it was a crime, but I'll check.
(Laughter)

MR. JONES: All right, well, I stand --

RHENQUIST: We'll keep it among ourselves.

The complete text of this oral argument can be found at:

www.supremecourtus.gov/oral_arguments/argument_transcripts/00-1831.pdf