

(a) **General Definition.**—Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, fringe benefits, and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

**NEW
1986**

Last amendment.—Sec. 61(u)(1) appears above as amended by Sec. 311(c) of Public Law 98-369, July 18, 1984 (which inserted "fringe benefits," after "commissions,") effective (Sec. 311(i) of P.L. 98-369, amended by Sec. 13207(d) of P.L. 99-272, Apr. 7, 1986) January 1, 1985. Sec. 61(u)(1) as it read before this amendment is in P11 Cumulative Changes.

95-134 (commonly referred to as the Omnibus Territories Act of 1977). This section shall be effective for taxable years beginning after December 31, 1985.

Implied amendments of Sec. 61(u) were made by the following:

Section 61 came under our scrutiny through the activities of our power of attorney department during the normal course of case development.

In a series of correspondence, Agent Ballard from a California office of the IRS contended that the income of one of our members was taxable because this section defined "gross income." It was therefore necessary for us to respond and correct the agents misperception of its applicability.

In order to show this agent the limited nature of this section we compared the language of the 1986 code with that of the 1954 code. Both are reprinted to the right. Note that, although the "form" of the statute (layout on the page) may have changed, the actual text itself remains unchanged.

The only exception would be footnote #1 in the 1954 code which for some inexplicable reason did not seem to make it into the new "layout."

SEC. 61. GROSS INCOME DEFINED.

[Sec. 61(a)]

(a) **GENERAL DEFINITION.**—Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, and similar items;⁽¹⁾
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

**OLD
1954**

Source: Sec. 22(a), 1939 Code, substantially unchanged.

Internal Revenue Code
61-2

Sec. 61(a)

MISSING FOOTNOTE

That footnote reveals the source law in the 1939 code from which this section was derived (see 1939 section 22 reprinted to the right). Note that while the actual construction of the 1954 code has changed from that of the 1939 code, the footnote explains that the law itself is effectively "unchanged."

According to the missing footnote, the source law for section 61 in the 1954 and 1986 codes is section 22(a) of the 1939 code. When we use the Parallel

SEC. 22. GROSS INCOME.

(a) **General Definition.**—"Gross income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service (including personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality thereof, or of whatever kind and in whatever profession, vocation, trades, businesses, commerce, or property, whether real or personal, growing out of the ownership or interest in such property; also from interest, rent, or the transaction of any business carried on for gain or profit and income derived from any source whatever. In the case of residents of the United States and judges of courts of the United States taking office after June 6, 1932, the compensation received as such shall be included

**OLDER
1939**

Table of Cross References in the Code of Federal Regulations to identify the 1939 application of this section we find that it is limited to 26 CFR Part 519.

Part 519 is listed in a former version of the Code of Federal Regulations in Part

APPLICATION

CFR INDEX PARRALLEL TABLE
1991 enabling sections

26 U.S.C. (1939 L.R.C.)	
22	26 Part 519
40	26 Part 1
67	26 Parts 509, 513, 514, 520, 521
143-144	26 Part 521
211	26 Part 521
231	26 Part 521
800-938	26 Part 507
3791	26 Parts 509, 514, 520
26 U.S.C. (1954 L.R.C.)	
1 note	26 Part 13
25	26 Part 1
28	26 Part 1
38	26 Part 1
41	26 Part 1

500 to 599 under subchapter G (reprinted to the far right). Part 500 to 599 gives the "regulations under tax conventions" (tax treaties) for those provisions that currently exist concerning "foreign earned income."

The application of the income tax is imposed upon, and limited to the income of nonresident aliens, certain foreign earned income of U.S. citizens, and income generated from specific activities or occupations only. Other Reasonable Action Newsletters explain these limitations therefore we will not detail them in this issue, other than to show that only certain foreign earned income is taxable if a tax treaty is in effect. The return that would be required of such U.S. citizens would be the Form 2555 "Foreign Earned Income" return. This is confirmed by checking the listing of approved information collection requests at the Office of Management and Budget.

As you can see from the reprint, Part 519 pertains only to the tax treaty with Canada. Therefore at present, taxable "foreign earned income" is limited to Canadian "sources" only that would meet the description listed in section 61 - but surprise - the tax treaty with Canada is no longer in effect and subsequent versions of the Code of Federal Regulations Part 500 to 599 reveal (reprinted to the right) that Part 519 is now vacant and reserved for future use (in the event a new treaty should be established).

INCOME UNDER SECTION 22 PERTAINED ONLY TO FOREIGN EARNED INCOME FROM CANADA AND AS OF 1993 THAT TREATY IS NO LONGER IN EFFECT

CHAPTER 1—INTERNAL REVENUE
DEPARTMENT OF THE TREASURY—

(Parts 500 to 599)

SUBCHAPTER G—REGULATIONS UNDER TAX CON

Part	
500	(Reserved)
501	Australia
502	Greece
503	Germany
504	Belgium
505	Netherlands
506	Japan
507	United Kingdom
509	Switzerland
510	Norway
511	Finland
512	Italy
513	Ireland
514	France
515	Honduras
516	Austria
517	Pakistan
518	New Zealand
519	Canada
520	Swepun

DEPARTMENT OF THE TREASURY
(Continued)

SUBCHAPTER G—REGULATIONS UNDER TAX CONVENTION

Part	
500-501	(Reserved)
502	Greece
503	Germany
504-507	(Reserved)
508	Switzerland
510-512	(Reserved)
513	Ireland
514	France
515	(Reserved)
516	Austria
517	Pakistan
518-519	(Reserved)

SEC. 61. GROSS INCOME DEFINED.

[Sec. 61(a)]

(a) **GENERAL DEFINITION.**—Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, and similar items;⁽¹⁾
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

Source: Sec. 22(a), 1939 Code, substantially unchanged.

The footnote in the new 1954 version of the I.R. Code.

26 USCS § 61

INCOME TAXES

§ 61. Gross income defined.

(a) **General definition.** Except as otherwise provided in this subtitle [26 USCS §§ 1 et seq.], gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, and similar items;
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

(b) **Cross references.** For items specifically included in gross income, see part II (sec. 71 and following) [26 USCS §§ 71 et seq.]. For items specifically excluded from gross income, see part III (sec. 101 and following) [26 USCS §§ 101 et seq.].

(Aug. 16, 1954, ch 736, 68A Stat. 17.)

HISTORY; ANCILLARY LAWS AND DIRECTIVES

Prior law:
IRC 1939, § 22(a).

Another version also shows
Section 22 as the prior law.

SEC. 22. GROSS INCOME.

(a) General Definition.—“Gross income” includes gains, profits, and income derived from salaries, wages, or compensation for personal service (including personal service as an officer or employee of a State, or any political subdivision thereof, or any agency or instrumentality of any one or more of the foregoing), of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses, commerce, or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever. In the case of Presidents of the United States and judges of courts of the United States taking office after June 6, 1932, the compensation received as such shall be included in gross income; and all Acts fixing the compensation of such Presidents and judges are hereby amended accordingly. In the case of judges of courts of the United States who took office on or before June 6, 1932, the compensation received as such shall be included in gross income.

26 U.S.C. (1939 I.R.C.)

22	26 Part 519
40	26 Part 1
62	26 Parts 509, 513, 514, 520, 521
143-144	26 Part 521
211	26 Part 521
231	26 Part 521
800-938	26 Part 507
3791	26 Parts 509, 514, 520

You can see above, that Section 22 is the nearly the same, but note (left) that Section 22 is only implemented under Title 26 Part 519.

Notice that Section 62 is also only implemented under Parts shown in the table below.

(Parts 500 to 599)

SUBCHAPTER G--REGULATIONS UNDER TAX CONVENTIONS

Tax conventions are tax treaties !

Part		Page
500	[Reserved]	
501	Australia	4
502	Greece	13
503	Germany	22
504	Belgium	32
505	Netherlands	69
506	Japan	108
507	United Kingdom	115
509	Switzerland	190
510	Norway	216
511	Finland	244
512	Italy	272
513	Ireland	280
514	France	294
515	Honduras	329
516	Austria	337
517	Pakistan	349
518	New Zealand	358
519	Canada	368
520	Sweden	399
521	Denmark	412
522 — 599	[Reserved]	

And Part 519 is the Canadian Tax Treaty

CFR INDEX

USC/CFR PARALLEL TABLE

(This table indicates the 1991 enabling sections for the promulgation of Regulations.)

25 U.S.C.-Continued	CFR
450b	34 Parts 250, 410
450e	24 Part 905 29 Parts 1, 5 34 Part 221
450f	25 Part 271 34 Part 410
450g-450h	42 Part 36
450h	25 Parts 151, 272, 276
450i	25 Part 275
450k	25 Part 11 42 Part 36
450m	25 Part 11
451	25 Part 151
452-457	34 Part 410
452-456	25 Part 273
454	25 Part 21
458	25 Part 274
458c	25 Part 277
458d	25 Part 274
464-465	25 Part 151
466	25 Parts 163, 166
471	25 Part 40
472	25 Part 5 42 Part 36 43 Part 20
473a	25 Parts 52, 53, 216
474	25 Part 125
476-477	25 Parts 211, 213, 225
476	25 Parts 81, 82, 89, 166
477	25 Parts 52, 53, 151, 162
479	25 Part 5
483	25 Part 152
487-489	25 Part 151
487	25 Part 179
490	7 Part 1823
501-509	25 Part 16
501-502	25 Parts 151, 216
503	25 Parts 52, 53
509	25 Parts 211, 213
573-574	25 Part 151
576	25 Part 151
607	25 Part 179 43 Part 4
608-608a	25 Part 151
610-610a	25 Part 151
622	25 Part 151
624	25 Part 151
635	25 Part 162
640c-1	25 Part 41
640d	25 Part 700
640d-8	25 Part 168
640d-10	25 Part 151
640d-18	25 Part 168
677-677aa	25 Part 217
786-788	25 Part 16

25 U.S.C.-Continued	CFR
880	25 Part 211
1401 et seq.	25 Parts 61, 76
1411-1420	25 Part 45
1452	34 Part 221
1466	25 Part 151
1469	25 Part 101
1495	25 Part 151
1498	25 Part 103
1574	25 Part 286
1612-1613	42 Part 36
1615	42 Part 36
1633	29 Parts 1, 5
1652	42 Part 36
1672	42 Part 36
1674	42 Part 36
1815	25 Part 41
1952	25 Part 13
2001-2003	25 Part 36
2006	25 Part 33
2008	25 Part 39
2010	25 Part 32
2011	25 Part 38
2013	25 Part 32
2015	25 Part 38
2101 et seq.	30 Parts 202, 203, 206, 207, 210, 212, 216, 218, 241 43 Part 3590
2101-2108	25 Parts 211, 225
2201-2211	25 Part 179
2601-2651	34 Part 250
2601-2606	34 Part 252
2601	34 Part 251
2602	34 Part 253
2604	34 Part 253
2621-2622	34 Part 256
2621	34 Part 254
2623	34 Part 263
2624	34 Part 255
2624(c)	34 Part 25
2631	34 Part 257
2651	34 Parts 252, 255, 263
26 U.S.C. (1939 I.R.C.)	
22	26 Part 519
40	26 Part 1
62	26 Parts 509, 513, 514, 520, 521
143-144	26 Part 521
211	26 Part 521
231	26 Part 521
800-938	26 Part 507
3791	26 Parts 509, 514, 520
26 U.S.C. (1954 I.R.C.)	
1 note	26 Part 13
25	26 Part 1
28	26 Part 1
38	26 Part 1
41	26 Part 1

Section 61 is *expired* Legislation

1. IRC Section 61 (“*Gross income*”) is now an *expired statute* because it originated in **now expired** legislation and is therefore currently **without** *force of law* or *legal effect* because the original legislation under which the statute was enacted in 1918, **expired** in 1993.

2. When an original piece of legislation expires, every statute whose enactment originated under that legislation **also expires** unless that statute was later re-enacted or re-legislated (modified) by the Congress to have some further and or additional legal application of the statute’s legal effect that goes beyond that created by the original enacting legislation.

3. IRC Section 61 is now an *expired* statute because the original enacting legislation, enacted in 1918 as a Canadian Tax Treaty, was given a “limited” 75 year life-span by the Act and has **now expired** (as of 1993), and the statute itself was never given any greater legal effect by Congress, in any other legislation, to have any further application at law beyond that application created and imparted by the originating legislation – that *expired* Tax Treaty. Therefore, to legally determine if IRC Section 61 is expired law today, or not, we need only examine its recorded statutory history at any law library in America, - with the history of the United States Code statutes on “fiche” film records.

4. In reviewing the codified history of Section 61, the first thing we find is that there is a footnote that is shown in the 1954 version of the statute in the United States Code Annotated (Exhibit G). That footnote clearly states:

"Source: Sec. 22(a), 1939 Code, substantially unchanged"

5. Below we see the annotated code section as it was printed in the 1954 United States Code Annotated, after the recodification of the law that occurred in 1954.

SEC. 61. GROSS INCOME DEFINED.



[Sec. 61(a)]

(a) **GENERAL DEFINITION.**—Except as otherwise provided in this subtitle, gross income means all income from whatever source derived, including (but not limited to) the following items:

- (1) Compensation for services, including fees, commissions, and similar items;⁽¹⁾
- (2) Gross income derived from business;
- (3) Gains derived from dealings in property;
- (4) Interest;
- (5) Rents;
- (6) Royalties;
- (7) Dividends;
- (8) Alimony and separate maintenance payments;
- (9) Annuities;
- (10) Income from life insurance and endowment contracts;
- (11) Pensions;
- (12) Income from discharge of indebtedness;
- (13) Distributive share of partnership gross income;
- (14) Income in respect of a decedent; and
- (15) Income from an interest in an estate or trust.

Source: Sec. 22(a), 1939 Code, substantially unchanged.

The footnote in the new 1954 version of the I.R. Code.

6. This footnote is not shown in the non-annotated versions of the I.R. code. It is not known why the footnote is removed and not shown, but it is a **very important** footnote because, as all can see, the footnote identifies the pre-existing legislative source of Section 61 as being **Section 22(a)**, “*substantially unchanged*”, in the 1939 “Code”. Clearly Section 22(a) was the codified version of Section 61, previous to the 1954 re-codification of the statute as Section 61. [See attached Exhibits]. With knowledge of that *fact of law*, we can now easily follow, and trace,

the statute's **complete** legislative history as recorded in the historical versions of the United States Code Annotated for Title 26 U.S.C.

7. Title 26 U.S.C. Section 22(a), shown in the 1939 code [Exhibit G2], is faithfully reproduced below, and it is a simple matter to see therein, that the actual language of the statute (then) is very similar to that of the language used in the 1986 version of Section 61, already shown above.

SEC. 22 GROSS INCOME.

(a) General Definition.- "Gross Income" includes gains, profits, and income derived from salaries, wages, or compensation for personal service ... of whatever kind and in whatever form paid, or from professions, vocations, trades, businesses commerce or sales, or dealings in property, whether real or personal, growing out of the ownership or use of or interest in such property; also from interest, rent, dividends, securities, or the transaction of any business carried on for gain or profit, or gains or profits and income derived from any source whatever....

8. Therefore, in order to fully understand how Section 61 should be properly applied and enforced at law today, it is absolutely essential to know, and understand, how Section 22, as the direct predecessor of Section 61, was originally implemented and applied under the law by the original legislation it was enacted under.

9. Of course, it is therefore also very important to know what the original enacting legislation actually was, and to understand the contextual application of law that the original legislation was enacted under, when enacted, - because that pre-existing application of the law was carried forward "*substantially unchanged*", according to the footnote that still exists in the law today in the 1954 Annotated Code, *supra*.

10. Legal research into the origins of the Section 61 statute, plainly and clearly show that Section 61 was **not** originally enacted as Section 61, but as Section 22(a), in 1918, when the law (Section 22(a)) was enacted by Congress as part of a **tax treaty** entered into with the nation of Canada, that was signed into law in 1918. That **tax-treaty** legislation is contained in the IR Code, where it is designated as “26 Part 519” (Title 26, Part 519).

11. The “CFR INDEX PARALLEL Table,” shown here from the Code of Federal Regulations, clearly shows under the “1991 *Enabling sections*”, that the **application** of Section 22 was “*enabled*”, and authorized, **only** under “**26 Part 519**”. This table clearly shows that Section 22 was originally implemented **only** under Title “**26 Part 519**”, and that the code section was **NEVER** implemented, **nor** intended to be implemented, under Title “**26 Part 1**”, as is shown in this Table for Section 40.

CFR INDEX PARALLEL TABLE
1991 *enabling sections*

26 U.S.C. (1939 I.R.C.)

22.....	26 Part 519
40.....	26 Part 1
62.....	26 Parts 509, 513, 521
143—144.....	26 Part 521
211.....	26 Part 521
231.....	26 Part 521
800—938.....	26 Part 507
3791.....	26 Part 509

12. The table above, the 1939 IRC *enabling* table, shows that Section 22 was originally (in 1918) implemented and enabled in law **only** under Title 26, **Part 519**. Section 61 of course, is not listed here because it did not exist in the 1939 Code version (it was Section 22(a) at the time). All parties should carefully note, however, that the table plainly and clearly shows that Section 40 **was** implemented

under Title “**26 Part 1**”, and that Sections 22 (now 61) and Section 62 (Adjusted gross income) **were not**.

13. This published, **limited**, application of these IR code sections, implementing the statutes **only** under certain clearly specified “Part” numbers of the IR Code, showing how, where, and when, a code section was *enabled* and made applicable under law, with *force of law*, by publication of the law together with the designated **Part** numbers that each law applies to (and within), is very important because they provide the proper, limited, context within which **the law may be lawfully applied today** within the enforcement operations and operational practices of the IRS, having been carried forward “*substantially unchanged*” from the Section 22 application of the 1939 Code, according to the statute’s footnote, as provided under the statute previous to the 1954 recodification of it as Section 61.

14. The next table that we need to examine from the Code of Federal Regulations (CFR) reveals what the “Parts” of the Title 26 IR Code are. It shows that the Title 26 “Parts” that are numbered “500” and following, are “*Regulations Under Tax Conventions*”. This means that the IR “Parts,” numbered 500 through 529 (thru 599 potentially), are actually “Parts” of the law that relate to the various **Tax Treaties** that have been signed by the U.S. Presidents (with Senate approval) with the specific nation indicated by the certain “500” series “Part” number listed in the Table.

15. In this CFR Table, “Part 519” (of Title 26) is plainly and clearly shown to be a **Canadian Tax Treaty** that was signed into law in 1918 (Exhibits G2 & G3), and which tax treaty with Canada lasted 75 years, to 1993, **when it expired without re-enactment** by Congress (or the President with the approval of the Senate), and thus

became “*expired legislation*” at that time (1993), because the tax treaty legislation that had existed between the two countries was completely replaced (at that time) with the NAFTA agreement made with Canada by President Bill Clinton, **terminating** the taxation previously authorized by the original 1918 tax treaty legislation of Part 519, - as authorized under Section 22 (previous to 1954) and as Section 61 after 1954 through 1993, **when the treaty expired**.

**CHAPTER 1 - INTERNAL REVENUE SERVICE
DEPARTMENT OF THE TREASURY
(Parts 500 to 529)**

SUBCHAPTER G - Regulations Under Tax Conventions

Part	Part
500 [Reserved]	501 Australia
502 Greece	503 Germany
504 Belgium	505 Netherlands
506 Japan	507 United Kingdom
508 [Reserved]	509 Switzerland
510 Norway	511 Finland
512 Italy	513 Ireland
514 France	515 Honduras
516 Austria	517 Pakistan
518 New Zealand	519 Canada
520 Sweden	521 Denmark

16. From these CFR tables we can clearly see that “**Part 519**” was a **Tax Treaty** that was signed with Canada (in 1918), which lasted for 75 years until 1993, when it **expired**. Part 519 is now shown [Exhibit G2] as being “[*Reserved*]” for future use (in case a new treaty with Canada is ever signed again at some time in the future)

17. Clearly then, this law, Section 22(a) - now Section 61, was originally enacted into law as part of a 75 year-long **tax-treaty** with **Canada**. The statute was then recodified in 1954, with Section 61 being “created” out of the pre-existing Section 22(a) in the 1954 version of the recodified IR Code, which **removed** Section

number 22 from the I.R. Code (Title 26 USC) by the recodification of the laws that was done in 1954 (when Section 22(a) became Section 61). And Section 61 was adopted “*substantially unchanged*”, *i.e.*: with **legal effect** only with regards to “gross income” earned by Americans working **in CANADA**, and it is **NOT** applicable to earnings, profit, or even “income”, made by American citizens living and working at common-law occupations **only within the 50 States** of the union.

18. Therefore, under the published *enabling* regulations of Title 26 U.S.C. for Sections 22(a) and Section 61, those code sections actually only applied under the Canadian tax treaty, **now expired**, to make Canadian *sources* of *gross income* taxable to the U.S. government under that expired tax treaty that existed for 75 years with Canada, that was signed in 1918, and **expired** in 1993. No other *enabled* application of the statute is shown or exists in the published law, neither as Section 22, nor as Section 61. Section 61 therefore is now an *expired* statute because the original tax-treaty legislation that it was originally enacted under (as Section 22(a)) in 1918, has **expired**, and therefore, Section 61’s enabled *application* with *force of law*, under **only** the identified applicable tax-treaty “Parts” of Title 26 (Part 519), has also **expired**.

19. And of course, it is also important to note at this point that the **un**-included “**PART I**”, is the “***Tax on Individuals***,” known today *as* the federal personal **income tax** (that is imposed by Section 1 of “26 U.S. Code PART I – TAX ON INDIVIDUALS”). It is “Part I” that Section 61 does **not** apply to, **nor** pertains to under the law, because the published application of the statute **only pertains to matters under Part 519** - before the Tax Treaty with Canada **expired in 1993** making Section 61 *expired* legislation.



[LII](#) > [U.S. Code](#) > [Title 26](#) > [Subtitle A](#) > [CHAPTER 1](#) > [Subchapter A](#)

Quick search by citation:

Title **Section**

26 U.S. Code Subchapter A - Determination of Tax Liability

[U.S. Code](#) | [Notes](#)

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- [PART I—TAX ON INDIVIDUALS \(§§ 1 - 5\)](#)
- [PART II—TAX ON CORPORATIONS \(§§ 11 - 12\)](#)
- [PART III—CHANGES IN RATES DURING A TAXABLE YEAR \(§ 15\)](#)
- [PART IV—CREDITS AGAINST TAX \(§§ 21 - 54AA\)](#)
- [\[PART V—REPEALED\]](#)
- [PART VI—ALTERNATIVE MINIMUM TAX \(§§ 55 - 59\)](#)
- [PART VII—BASE EROSION AND ANTI-ABUSE TAX \(§ 59A\)](#)
- [\[PART VIII—REPEALED\] \(§ 59B\)](#)

26 U.S. Code Part I - TAX ON INDIVIDUALS

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- [§ 1. Tax imposed](#)
- [§ 2. Definitions and special rules](#)
- [§ 3. Tax tables for individuals](#)
- [\[§ 4. Repealed. Pub. L. 94-455, title V, § 501\(b\)\(1\), Oct. 4, 1976, 90 Stat. 1558\]](#)
- [§ 5. Cross references relating to tax on individuals](#)

20. So, this is all easily verifiable and reproducible legal research that can be done at almost any law library in America, - to research the true origins and *enabled* application of Section 61 (previously Section 22(a)). It clearly and conclusively shows within the Code of Federal Regulations' published *enabling* Tables, in the CFR INDEX Parallel Tables, under the "1991 Enabling sections", that Section 22 was **only** implemented in law **under Part 519** of Title 26 (the expired Canadian tax treaty), **but not Part 1**, - the "*Tax on Individuals*".

21. As stated, these plain and clear distinctions made in the law, of the applicable *Parts* of Title 26 where Section 61 is lawfully *enabled* to have *force of law* and *legal effect* on a particular *class* of individuals, *i.e.*: those individual *persons* who derived earnings from within Canada under the tax treaty – now **expired**), are very important, as, again, "26 Part 519" was the Canadian tax treaty that existed for 75 years, from 1918 to 1993. It no longer exists. Therefore, Section 61 is now an *expired* statute!

22. And, we have now seen that Part 1 is the Title 26 Code "Part" where the federal personal income tax is imposed on the *taxable income* of certain *persons*, and Section 61 has **no** published *applicability* **within** that "Part 1" of the Code. Therefore, Section 61 no longer has any authorized or *enabled* applicability within the current tax laws that can be shown to exist because the Canadian tax treaty has **expired**. Obviously, that **expired** treaty has **no** applicability in law today, **30 years later, after the treaty expired** and was replaced with the NAFTA.

23. This published, *limited*, application of Section 61, that is shown in the C.F.R. tables and regulations, is limited to a published historical implementation under the

expired Canadian tax treaty, and therefore, the code section is now an *expired* statute.

24. This limited *enabled* implementation of Section 61 should have been inherited from the limited application of Section 22(a) shown within the 1939 code, which implementation was carried forward “*substantially unchanged*” according to the footnote added to the statute in 1954.

25. This *limitation* of the original legislation under which Section 61 was enacted in 1918 (as Section 22), has been intentionally overlooked and is ignored by the United States Justice Department attorneys (and federal judges) in order to wrongfully and unlawfully attempt to defraud the federal court, the defendants, and the entirety of the American people too, about the true *constitutional nature* of the federal personal income tax, in order to continue securing unauthorized and improper tax convictions against innocent *persons*, for the payment of an unauthorized and communistic, *direct* tax on all earnings (redefined as *gross income*) without regard for whether or not any *profits* actually exist after expenses are deducted, and without any constitutional *limitations* upon the tax being applied, enforced, or honored within the IRS’ administrative operational enforcement practices, and without regard for the resulting impact and or potential consequences to the American citizen’s constitutional *rights*, including the *right to work* and any *exercise* of that *right*.

26. According to this C.F.R. table, Section 61 does **not** define the domestic sources of taxable *gross income* at all, **and never did**. As far as the American citizen is concerned, Title 26 U.S.C. Section 61 only defined the **Canadian sources** of taxable, *gross income* under the Canadian Tax Treaty of 1918, up until 1993,

when the treaty **expired** and all of the legislation that was enacted under it, that was not later further enacted by the U.S. Congress with a greater application of the *force of law* imparted, became **expired** statutes under the **expired** legislation. That treaty, and **all of** the code sections that were enacted under it **without** further applicability of the statute being enacted by Congress (outside of and beyond the statutes' original implementation as part of a tax-treaty with Canada), are now **expired** statutes, having **expired** over 30 years ago in 1993 when the treaty with Canada, that they were enacted under, **expired**, and the NAFTA was initiated in place of the **expired** treaty.

27. As stated, since the Canadian Tax Treaty **expired** in 1993, "26 Part 519" is now shown within this C.F.R. Table as "[*Reserved*]" for future use, - in case a new treaty with Canada is ever signed with that nation in the future, and Section 61 has been made an **expired** statute

28. Therefore, as an **expired** statute, Section 61 no longer has any **enforceable** application in law at all regarding the specification of "*taxable income*" or "*gross income*" of an American citizen living and working in one of the fifty states of the union, because there is no longer any tax treaty that exists between the two nations because the treaty **expired**, and we now have the NAFTA instead.

29. But for 75 years, from 1918 when it was first signed and enacted, to 1993 when it **expired**, the 75-year tax treaty with Canada is identified in these regulations implementing that statute, as the **limited jurisdiction** under which Section 22 (and Section 61 as its *statutory* successor) were applied and implemented, and these historical publications of the law fully provide the proper,

limited, context and factual circumstances under which the statute carried *legal effect* and *force of law* to American citizens **in Canada, before the treaty expired.**

30. Subsequently after recodification in 1954, Section 61 should have been carried forward, “*substantially unchanged*”, with the same *limitation* in its application as Section 22 was confined to, *i.e.:* with a known applicability that was limited to Canadian *sources of income* under the 75 year-long tax-treaty; because the income tax law itself was not altered or changed in 1954, the statute (§ 22(a)) was just recodified as Section 61, “*substantially unchanged*” from its application as Section 22(a).

31. On a final note in the year 2006, having realized that they had been using, for 13 years, ***expired law*** with **no** *enabled* enforcement left published in the law for Section 61 after 1993, the executive branch changed the CFR implementing tables to show that Section 61 was enabled as of 2006, under Part 1!

32. However, the U.S. Congress did **NOT** write any new law in 2005 or 2006, to base any changes to the published implementation of Section 61 on, *i.e.:* to allow the *enabled* implementation of Section 61 to be expanded or altered to include its use under Part 1 (for the first time, in 2006), rather than only under Part 519 as it was clearly and irrefutably initially legislated by Congress in 1918, and as it was previously clearly listed in the implementing tables of the law as shown.

33. So what we have in this, is nothing more than a blatant example of the Executive Branch (the IRS/DOJ) **violating** the Constitution’s Article I, Section 1, clause 1 provision, that: “*All legislative powers herein granted shall be vested in a Congress of the United States*”, - by the Executive’s **unconstitutional** attempt to ***usurp*** the congressional power to write law, and instead write law (implementing

the statute) **all by itself, without** Congress or any actual change in the law, or to the law being lawfully made, - by altering and expanding the published, congressionally enabled, implementation of the statute, which had legally **expired**, but which now apparently has been allowed by the federal judiciary to be unconstitutionally re-written and altered by the Executive Branch in writing & publishing this CFR change to Section 61 and its **unauthorized** expanded implementation done in 2006 without Congress.