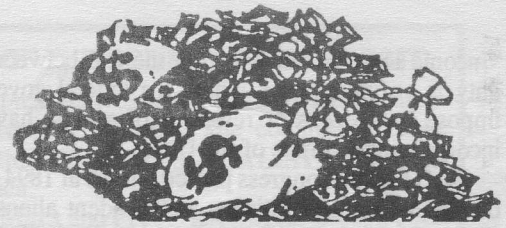


# WE WILL PAY \$10,000

IF YOU CAN PROVE THE FOLLOWING  
STATEMENTS OF FACT TO BE FALSE!!!



We have conclusive proof that the following FACTS are correct. That is why we can say -- American citizens and permanent resident aliens, living and working within the States of the Union ARE NOT SUBJECT to the filing of an IRS Form 1040 and ARE NOT LIABLE for the payment of a tax on "income"!!!

FOR YEARS, the Internal Revenue Service has RULED the American people in a manner equal only to the Soviet KGB. FEAR and BLUFF and deception have been the IRS's major weapons. Americans have been led to believe that they "owe" an income tax on their earnings; that it is their "patriotic duty" to pay it, and there is no alternative to the IRS's abuse. Nothing could be further from the truth!

Samuel Adams, the Father of the American Revolution, cultivated and nurtured the theory of the English philosopher John Locke, that mankind needed no godlike mortal rulers to care for his every need. Locke and Adams believed that the common man was perfectly capable of ruling himself, was entitled to his property, and that property could only be taxed by government to pay for the legitimate cost of government functions -- the protection of life and property.

Sam contended: *If men, through fear, fraud, or mistake, should in terms renounce or give up any natural right, the eternal law of reason and the grand end of society would absolutely vacate such renunciation. The right to freedom being the gift of Almighty God, it is not in the power of man to alienate this gift and voluntarily become a slave.*

FEAR can only prevail when victims are ignorant of the FACTS. The Bible teaches that Gods people perish for lack of knowledge. Therefore, consider the following:

**FACT #1:** Our Founding Fathers created a constitutional REPUBLIC as our form of government. The Constitution gives the federal/national government limited powers. All powers not delegated to the United States, are reserved to the States respectively or to the People. The Union was created to be the servant of the people! The United States Constitution is the SUPREME LAW of the land. (Article VI, Clause 2.)

**FACT #2:** The Constitution gives the Congress the power to lay and collect taxes to pay the debts of the gov-

ernment, provide for the common defense and general welfare of the United States subject to the following rules pertaining only to the two classes of taxation permitted: DIRECT TAXES which are subject to the rule of apportionment among the states of the Union; and INDIRECT TAXES -- imposts, duties and excises, subject to the rule of uniformity.

**FACT #3:** The government is not allowed by either one of the two classifications to tax CITIZENS or PERMANENT RESIDENT ALIENS of the United States of America, DIRECTLY. The intent of the Founders was to keep the government the servant and to prevent it from becoming the master. (See Article 1, section 2, clause 3 of the U. S. Constitution.)

**FACT #4:** The CENSUS is taken every ten (10) years to determine the number of representatives to be allotted to each State and the amount of a direct tax that may be apportioned to each State determined by the percentage its number of representatives bears to the total membership in the House of Representatives. (Article 1, section 2, clause 3; Article 1, section 9, clause 4.)

**FACT #5:** It was established in the Constitutional Convention of 1787 that the Supreme Court of the United States would have the power of "judicial review"; i.e. the power to declare laws passed by the U.S. Congress to be null and void if such a law or laws was/were in violation of the Constitution, to be determined from the original intent as found in Madison's Notes recorded during the Convention, the Federalist Papers, and the ratifying conventions found in Elliott's Debates.

**FACT #6:** Due to the characteristics of the SECOND CLASSIFICATION of taxation, the supreme Court called it an indirect tax, and it is divided into three distinct taxes: IMPOSTS, DUTIES, and EXCISES. These taxes were intended to provide for the operating expenses of the government of the United States. (See Article 1, section 8, clause 1.)

**FACT #7:** Duties and imposts are taxes laid by government on things imported into the country from abroad, and are paid at the ports of entry.

**FACT #8:** The supreme Court says that excises are: ...taxes laid upon the manufacture, sale or consumption of commodities within the country, upon licenses to pursue certain occupations and upon corporate privileges. (See Flint v. Stone Tracy Co., 220 US 107 [1911].)

**FACT #9:** In 1862, Congress passed an Act (law) to create an

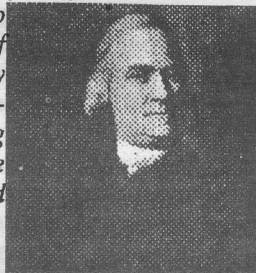
*"Representatives and direct taxes shall be apportioned among the several states ..."  
Art. 1, Sec. 2, Cl. 3*

*"No capitation or other direct tax shall be laid, unless in proportion to the census or enumeration herein before directed to be taken."  
Art. 1, Sec. 9, Cl. 4*

*"The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States."  
Art. 1, Sec. 8, Cl. 1*

## PREAMBLE

*"We, the people of the United States, in order to form a more perfect Union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."*





"Income Duty" to help pay for the war between the States. A duty is an indirect tax which the federal government cannot impose on citizens or residents of a State having sources of income within a State of the Union.

**FACT #10:** Congress passed an Act in 1894 to impose a tax on the incomes of citizens and resident aliens of the United States. The constitutionality of the Act was challenged in 1895 and the supreme Court said the law was UNCONSTITUTIONAL because it was a DIRECT TAX that was not apportioned as the Constitution required. (See Pollock v. Farmer's Loan & Trust Co., 157 US 429 [1895].)

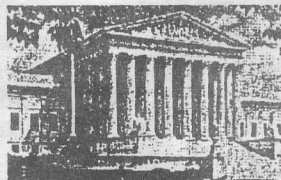
**FACT #11:** In 1909 Congress passed the 16th Amendment to the Constitution that was allegedly ratified by 3/4 of the States; it is known as "The Income Tax Amendment."

**FACT #12:** Some officials within the Internal Revenue "Service," along with professors, teachers, politicians and some judges, have said and are saying, that the 16th Amendment changed the United States Constitution to allow a DIRECT tax without apportionment.

*"The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several states, and without regard to any census or enumeration."*  
Amendment 16

**FACT #13:** The above persons are not empowered to interpret the meaning of the United States Constitution! As stated above (Fact #5), this power is granted by the Constitution to the supreme Court, but limited to the original intent. The supreme Court has no power to function as a "social engineer" to amend or alter the Constitution as they have been doing. A change or "amendment" can only be lawfully done according to the provisions of Article 5 of that document.

**FACT #14:** The U.S. Supreme Court said in 1916 that the 16th Amendment did not change the U.S. Constitution because of the fact that Article 1, section 2, clause 3, and Article 1, section 9, clause 4, were not repealed or altered; the U.S. Constitution cannot conflict with itself. The Court also said that the 16th Amendment merely prevented the "income duty" from being taken out of the category of INDIRECT taxation. (See Brushaber v. Union Pacific R.R. Co., 240 US, page 16.)



**FACT #15:** After the supreme Court decision, the office of the Commissioner of Internal Revenue issued Treasury Decision [Order] 2313 (dated March 21, 1916; Vol. 18, January-December, 1916, page 53.) It states in part: *...it is hereby held that income accruing to nonresident aliens in the form of interest from the bonds and dividends on the stock of domestic corporations is subject to the income tax imposed by the act of October 3, 1913.*

**FACT #16:** In another supreme Court decision in 1916, the Court, in clear language settled the application of the 16th Amendment: by the previous ruling [Brushaber] it was settled that the provisions of the Sixteenth Amendment conferred no new power of taxation but simply prohibited the previous complete and plenary [full] power of income taxation possessed by Congress from the beginning from being taken out of the category of indirect taxation to which it inherently belonged... (underlines added.) (See Stanton v. Baltic Mining Co., 240 US, 112.)

**FACT #17:** The United States Constitution gives the national government the exclusive authority to handle foreign affairs. Congress has the power to pass laws concerning the direct or indirect taxation of foreigners doing business in the U.S. of A. It has possessed this power from the beginning, needing no "amendment" (change) to the U.S. Constitution to authorize the exercise of it.

**FACT #18:** The DIRECT classification of taxation was intended for use when unforeseen expenses or emergencies arise. Congress, needing funds to meet the emergency, can borrow money on the credit of the United States (Article 1, section 8, clause 2). The Founding Fathers intended that the budget of the United States be balanced and a deficit be paid off quickly and in an orderly fashion. Through a DIRECT tax, the tax bill is given to the States of the Union. The bill is "apportioned" by the number of Representatives of each State in Congress; therefore, each State is billed its apportioned share of the DIRECT tax equal to the number of votes its Representatives could employ to pass the tax. How the States raise the money to pay the bill is not a federal concern. (Article 1, section 2, clause 3.)

**FACT #19:** In the Brushaber and Stanton cases, the Supreme Court said the 16th Amendment did not change income taxes to another classification. So, if the INCOME TAX is an indirect EXCISE tax, then how is it applied and collected? According to the Supreme Court, "*Excises are taxes laid upon the manufacture, sale or consumption of commodities within the country, upon licenses to pursue certain occupations and upon corporate privileges; the requirement to pay such taxes involves the exercise of the privilege and if business is not done in the manner described no tax is payable...it is the privilege which is the subject of the tax and not the mere buying, selling or handling of goods.*" (Flint v. Stone Tracy Co., 220 US, 110.)

**QUESTION:** If all RIGHTS come from GOD (citizens of the States retained all RIGHTS except those surrendered as enumerated in the United States Constitution), and PRIVILEGES are granted by government after application; THEN what is the PRIVILEGE that the "income tax" is applied against?

**ANSWER:** As established in the U.S. Constitution, the federal government cannot directly tax a citizen living within the States of the Union. Citizens possess RIGHTS; these rights cannot be converted to PRIVILEGES by government. The only individuals who would not have these RIGHTS and liable to regulation by government are NONRESIDENT ALIENS doing business and working within the United States or receiving domestic source profits from investments, and United States citizens working in a foreign country and taxable under TREATIES between the two governments.

**FACT #20:** WITHHOLDING AGENTS withhold income taxes. The only section in the Internal Revenue Code that defines this authority is section 7701(a)(16).

**FACT #21:** Withholding of money for income tax purposes, according to section 7701(a)(16), is only authorized for sections: 1441 - NONRESIDENT ALIENS, 1442 - FOREIGN CORPORATIONS, 1443 - FOREIGN TAX-EXEMPT ORGANIZATIONS, 1461 - WITHHOLDING AGENT LIABLE FOR WITHHELD TAX.





**FACT #22:** Internal Revenue Manual Chapter 1100 Organization and Staffing, section 1132.75 states: *The Criminal Investigation Division enforces the criminal statutes applicable to income, estate, gift, employment, and excise tax laws involving United States citizens residing in foreign countries and nonresident aliens subject to Federal income tax filing requirements...*

**FACT #23:** The implementation of IRS Treasury Regulation 1.1441-5 is explained in Publication 515 on page 2: *If an individual gives you [the domestic employer or withholding agent] a written statement, in duplicate, stating that he or she is a citizen or resident of the United States, and you do not know otherwise, you may accept this statement and are relieved from the duty of withholding the tax.*

**FACT #24:** The ONLY way a United States citizen or permanent resident alien, living and working within a State of the Union can have taxes deducted from his/her pay, is by voluntarily making an application (Form SS-5) to obtain a Social Security Number, and then entering that number on an IRS Form W-4 and signing it to permit withholding of "Employment Taxes" -- "Form W-4 Employee's Withholding Allowance Certificate" (Emphasis added). That is why the IRS pressures children to apply for a Social Security Numbers, and for employers to obtain the voluntary execution of Form W-4 immediately from all those being hired. However, no federal law or regulation requires workers to have a Social Security Number or sign a Form W-4 to qualify for a job.

**FACT #25:** Karl Marx wrote in his COMMUNIST MANIFESTO, ten planks needed to create a COMMUNIST state. The SECOND PLANK is: A HEAVY OR PROGRESSIVE INCOME TAX, second only to the ABOLITION OF PRIVATE PROPERTY.

**FACT #26:** The attorney who successfully challenged the Income Tax Act of 1894, Joseph H. Choate, recognized the communist hand in the shadows. He told the United States Supreme Court: *The act of Congress which we are impugning [challenging as false] before you is communistic in its purposes and tendencies, and is defended here upon principles as communistic, socialistic -- what shall I call them -- populist as ever have been addressed to any political assembly in the world.*

**FACT #27:** The Supreme Court agreed; and Mr. Justice Field wrote the Court's opinion, concluding with these prophetic words: *Here I close my opinion. I could not say less in view of questions of such gravity that go down to the very foundations of the government. If the provisions of the Constitution can be set aside by an act of Congress, where is the course of usurpation to end? The present assault upon capital is but the beginning. It will be but the stepping-stone to others, larger and more sweeping, till our political contests will become a war of the poor against the rich; a war growing in intensity and bitterness.*

#### NEED WE SAY MORE?

**FACT #28:** Internal Revenue Code Section 6654(e)(2)(c) (reproduced next Page) states: ...no tax liability ...if ...the individual was a citizen or resident of the United States throughout the preceding taxable year. IRS contends the success of the SELF-ASSESSMENT system depends on VOLUNTARY COMPLIANCE -- EVIDENTLY SO!

#### TEN PLANKS OF THE COMMUNIST MANIFESTO

Our elected representatives have passed laws implementing these anti-freedom concepts. The communists have achieved a de facto **FEDERAL SOCIALIST GOVERNMENT** in America.

In 1848 **Karl Marx** and **Frederick Engels** wrote a book outlining a political ideology, titled "**The Communist Manifesto.**" Marxism's basic theme is that the proletariat (the "exploited" working class of a capitalistic society) will suffer from alienation and will rise up against the "bourgeoisie" (the middle class) and overthrow the system of "capitalism." After a brief period of rule by "the dictatorship of the proletariat" the classless society of communism would emerge. In his **Manifesto** Marx described the following ten steps as necessary steps to be taken to destroy a free enterprise society. Notice how many of these conditions, foreign to the principles that our country was founded upon, have now, in 1992, been realized by the concerted efforts of socialist activists? Remember, government interference in your daily life and business is intrusion and deprivation of our liberties!

**First Plank:** *Abolition of property in land and the application of all rents of land to public purposes.* (Zoning - Model ordinances proposed by Secretary of Commerce Herbert Hoover widely adopted. Supreme Court ruled "zoning" to be constitutional in 1921. Private owners of property required to get permission from government relative to the use of their property. Federally owned lands are leased for grazing, mining, timber usages, the fees being paid into the U.S. Treasury.)

**Second Plank:** *A heavy progressive or graduated income tax.* (Corporate Tax Act of 1909. The 16th Amendment, allegedly ratified in 1913. The Revenue Act of 1913, section 2, Income Tax. These laws have been purposely misapplied against American citizens to this day.)

**Third Plank:** *Abolition of all rights of inheritance.* (Partially accomplished by enactment of various state and federal "estate tax" laws taxing the "privilege" of transferring property after death and gift before death.)

**Fourth Plank:** *Confiscation of the property of all emigrants and rebels.* (The confiscation of property and persecution of those critical - "rebels" - of governmental policies and actions, frequently accomplished by prosecuting them in a courtroom drama on charges of violations of non-existing administrative or regulatory laws.)

**Fifth Plank:** *Centralization of credit in the hands of the State, by means of a national bank with State capital and an exclusive monopoly.* (The Federal Reserve Bank, 1913--the system of privately-owned Federal Reserve banks which maintain a monopoly on the valueless debt "money" in circulation.)

**Sixth Plank:** *Centralization of the means of communications and transportation in the hands of the State.* (Federal Radio Commission, 1927; Federal Communications Commission, 1934; Air Commerce Act of 1926; Civil Aeronautics Act of 1938; Federal Aviation Agency, 1958; becoming part of the Department of Transportation in 1966; Federal Highway Act of 1916 (federal funds made available to States for highway construction); Interstate Highway System, 1944 (funding began 1956); Interstate Commerce Commis-

See MANIFESTO next Page.



## MANIFESTO from Page 3.

sion given authority by Congress to regulate trucking and carriers on inland waterways, 1935-40; Department of Transportation, 1966.)

**Seventh Plank:** *Extension of factories and instruments of production owned by the State, the bringing into cultivation of waste lands, and the improvement of the soil generally in accordance with a common plan.* (Department of Agriculture, 1862; Agriculture Adjustment Act of 1933 -- farmers will receive government aid if and only if they relinquish control of farming activities; Tennessee Valley Authority, 1933 with the Hoover Dam completed in 1936.)

**Eighth Plank:** *Equal liability of all to labor. Establishment of industrial armies especially for agriculture.* (First labor unions, known as federations, appeared in 1820. National Labor Union established 1866. American Federation of Labor established 1886. Interstate Commerce Act of 1887 placed railways under federal regulation. Department of Labor, 1913. Labor-management negotiations sanctioned under Railway Labor Act of 1926. Civil Works Administration, 1933. National Labor Relations Act of 1935, stated purpose to free interstate commerce from disruptive strikes by eliminating the cause of the strike. Works Progress Administration 1935. Fair Labor Standards Act of 1938, mandated 40-hour work week and time-and-a-half for overtime, set "minimum wage" scale. Civil Rights Act of 1964, effectively the equal liability of all to labor.)

**Ninth Plank:** *Combination of agriculture with manufacturing industries, gradual abolition of the distinction between town and country, by a more equitable distribution of population over the country.* (Food processing companies, with the co-operation of the Farmers Home Administration foreclosures, are buying up farms and creating "conglomerates.")

**Tenth Plank:** *Free education for all children in public schools. Abolition of children's factory labor in its present form. Combination of education with industrial production.* (Gradual shift from private education to publicly funded began in the Northern States, early 1800's. 1887: federal money (unconstitutionally) began funding specialized education. Smith-Lever Act of 1914, vocational education; Smith-Hughes Act of 1917 and other relief acts of the 1930's. Federal school lunch program of 1935; National School Lunch Act of 1946. National Defense Education Act of 1958, a reaction to Russia's Sputnik satellite demonstration, provided grants to education specialties. Federal school aid law passed, 1965, greatly enlarged federal role in education, "head-start" programs, textbooks, library books.

(Research source: Encyclopedia Britannica.)



## CONCLUSION OF FACTS:

All RIGHTS come from GOD; the United States Government can only exercise powers given to it by We The People through the U.S. Constitution; the "income tax" is an INDIRECT TAX; there is NO section of law in the Internal Revenue Code (Title 26 USC) making a CITIZEN or a RESIDENT working and living WITHIN A STATE OF THE UNION, LIABLE to pay the INCOME (indirect/excise/duty) TAX.

**TIRED OF BEING CONNED & RAILROADED INTO PAYING TAXES WHICH YOU DO NOT OWE,**

**TO BE SQUANDERED BY:**

## ARROGANT BUREAUCRATS?

You are invited to join in a national Fellowship with other Patriotic Americans whose only goal is to LEARN, REVIVE and PRESERVE our UNITED STATES CONSTITUTION.



The SAVE-A-PATRIOT FELLOWSHIP was founded to disarm the IRS of its only actual weapon: FEAR. By standing together we can force these bureaucrats back within the confines of THE LAW...and arrest the wild rush toward PERPETUAL DEBT and a TOTALITARIAN SOCIALIST GOVERNMENT IN AMERICA.

You can serve your country and NOT FEAR reprisals from bureaucratic THUGS. The EDUCATION and INSURANCE-LIKE PROTECTION provided by the SAVE-A-PATRIOT FELLOWSHIP has been a constant thorn in the side of the IRS since 1984. Come join with others, who have learned how to combat the true TAX CRIMINALS!

Write or call us for a free copy of our membership newsletter Reasonable Action and application, TODAY!



**Save-A- Patriot Fellowship**

**P.O. Box 91**

**Westminster, MD 21158**

**Tel: (412) 857-4441**

**Fax: (410) 857-5249**

**BBS (410) 857-4455**

We encourage you to distribute this flyer to your family, friends, legislators and the PUBLIC AT LARGE. You may purchase quantities inexpensively from us.

## SEC. 6654. FAILURE BY INDIVIDUALS TO PAY ESTIMATED INCOME TAX.

### (e) Exceptions.—

(1) *Where tax is small amount.*—No addition to tax shall be imposed under subsection (a) for any taxable year if the tax shown on the return for such taxable year (or, if no return is filed, the tax), reduced by the credit allowable under section 31, is less than \$500.

(2) *Where no tax liability for preceding taxable year.*—No addition to tax shall be imposed under subsection (a) for any taxable year if—

(A) the preceding taxable year was a taxable year of 12 months,

(B) the individual did not have any liability for tax for the preceding taxable year, and

(C) the individual was a citizen or resident of the United States throughout the preceding taxable year.



# Liability Is Established by Voluntary Self-Assessment

The above statement makes many people skeptical when they read it. However, the basic reason for the truth of the statement is really very simple.

**INDIVIDUALS VOLUNTARILY IMPOSE AN INCOME TAX UPON THEMSELVES WHEN THEY FILE AN INCOME TAX RETURN.**

Read on and learn why. You will be glad you spent a few minutes to learn about these important facts.

## ARE AMERICANS CONFUSED?

Before World War II, payments (property) received by individuals in even exchange for their labor (property) were not considered to be subject to income taxes. During the war a "Victory Tax" was imposed on wages as an emergency measure to help pay for the war. When the emergency was past, the reason for the war tax no longer existed, but the withholding process continued, in spite of apparent contradictions with taxing powers as enumerated in the Constitution.

It would appear that this misunderstanding has been intentionally promoted through carefully worded publications and news releases. Consequently, Americans have been led to believe that they are required to pay an income tax on everything they earn. However, when the IRS's publications, U.S. Supreme Court decisions and the Internal Revenue Code (income tax law) are studied carefully, they show that for individuals, paying income tax is voluntary and that the filing of tax forms is also a voluntary action required only of those made liable.

## CONSTITUTIONAL LIMITATIONS ON TAXING POWER

In order to understand why paying income tax and filing tax forms are voluntary actions for individuals, it is essential to understand the limitations on federal taxation embodied in the United States Constitution. The statesmen who wrote the Constitution were fully aware of the dangers to liberty in allowing a central government to impose taxes directly upon individuals or upon property.

Tyranny resulting from direct taxation of individuals had led to the American Revolution only 12 years earlier when all the taxes collected amounted to less than 5% of the colonists' earnings. This tyranny was referred to in the Declaration of Independence where in describing the reasons for the revolution, the founding fathers stated: "He (King George III) has erected a multitude of New Offices, and sent hither swarms of Officers to harass our people, and eat out their substance."

Because of the knowledge of these facts, the

framers of the Constitution included not one, but two limitations in the Constitution that forbid the federal government to impose any direct taxes upon individuals or upon property. All direct taxes are required to be "apportioned," which means that they must be laid upon the state governments in proportion to each state's population.

The limitations forbidding direct taxation of individuals are found first in Article 1, Section 2, Clause 3, which states: "Representatives and direct Taxes shall be apportioned among the several States which may be included within this Union, according to their respective Numbers..." and again in Article 1, Section 9, Clause 4, which states: "No Capitation, or other direct Tax shall be laid, unless in Proportion to the Census or Enumeration hereinafter directed to be taken." These basic sections of the Constitution have never been repealed or amended. The Constitution still forbids direct taxation of individuals and property.

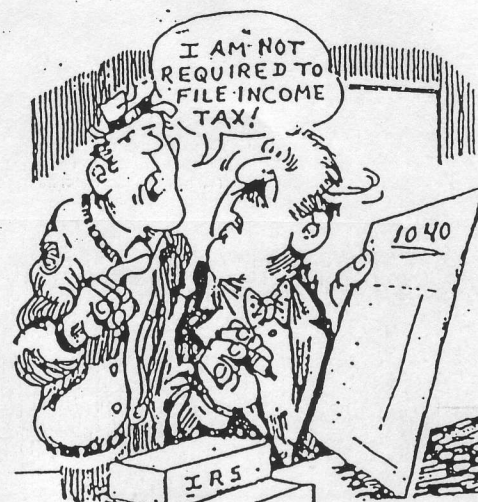
## 16th AMENDMENT MISINTERPRETED (DELIBERATELY?)

Deceptive statements by IRS spokesmen and other propagandists have created great confusion as to whether these limitations on direct taxes are still in effect. Some incorrectly claim that the 16th Amendment (the income tax amendment) changed the constitutional limitations on direct taxes and authorized an income tax as a direct tax without apportionment. The U.S. Supreme Court rejected these claims in the case of *Brushaber v. Union Pacific R.R. Co.*, 240 US 1, (1916), when they ruled that the 16th Amendment created no new power of taxation and that it did not change the constitutional limitations which forbid any direct taxation of individuals.

The Court stated that the nature of income tax is identified by the wording of the Amendment itself, which says: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." The Court explained that since it is a tax "without apportionment," the income tax cannot be a direct tax (a tax on individuals or on property), because the Constitution still requires that all direct taxes must be "apportioned."

## INCOME TAX IS AN EXCISE TAX

If the income tax is not a direct tax, what kind of tax is it? The *Brushaber* decision, which has never been overruled, cleared up the misunderstanding by stating "...taxation on income was in its nature an excise..." and it further stated "...that taxes on such income had been sustained as excises in the past." The ruling established that income tax is constitutional as an excise tax, but not as a direct tax. According to the Court, the income tax is still an excise tax.



The IRS relies on the *Brushaber* decision to prove the constitutionality of the income tax, but ignores the Court's ruling that income tax is an excise tax.

Who or what then is subject to an excise tax? The U.S. Supreme Court in *Flint v. Stone Tracy Co.*, 220 US 107, defined excises as "...taxes laid upon the manufacture, sale, or consumption of commodities within the country, upon licenses to pursue certain occupations, and upon corporate privileges."

Individuals are not commodities or corporations, so the only way an individual could be even indirectly subject to an excise tax is if he were granted a license to engage in an occupation of special privilege, such as a manufacturer of alcoholic beverages or firearms. The Court has ruled that such manufacturers are granted a license of special privilege by government and that money earned in the exercise of that privilege is subject to an income (excise) tax. All occupations that one could lawfully pursue without the existence of government, are occupations of common right and should not be subject to an income (excise) tax, for example: laborer, factory worker, salesman, plumber, electrician, doctor, merchant, nurse, secretary, truck driver, waitress, etc.

## INDIVIDUALS ARE NOT "REQUIRED"

Section 6012 of the Internal Revenue Code tells us who "shall" file income tax returns. Without careful analysis, the wording of the section appears to require all individuals earning \$1,000 or more to file returns. The section states: "Returns with respect to income taxes under subtitle A shall be made by the following: (1) (A) Every individual having for the taxable year a gross income of \$1,000 or more..." Everything that comes in to an individual is not legally defined as "income." To be "income," money must be a gain or profit and be made in the



exercise of a government-granted privilege.

Further, the section states that returns "shall" be made by every individual having a certain amount of "income." It does not say that returns are "required" to be made by them. Courts have repeatedly ruled that "shall" means "may" when used in statutes (laws).

For example, in the decision of *Calro & Fulton R.R. Co. v. Hecht*, 95 US 170, the U.S. Supreme Court stated: "As against the government, the word 'shall' when used in statutes, is to be construed as 'may,' unless contrary intention is manifest." Also, in the decision of *Gow v. Consolidated Cop-permines Corp.*, 165 Atlantic 136, the court stated: "If necessary, to avoid unconstitutionality of a statute, 'shall' will be deemed equivalent to 'may.'"

If you, as an individual, were required to file a return and supply information under oath, all of which could be used as evidence against you in any criminal case, the requirement would be unconstitutional because it would violate your 5th Amendment protected right not to be compelled to be a witness against yourself. For that reason it is also apparent that individuals cannot be required to file returns, even if they have "income" of \$1,000 or more.

### IT'S VOLUNTARY, SAYS IRS

Here are a few examples of the wording used by the IRS in their own publications that nonetheless confirm the voluntary nature of income (excise) tax. IRS publication #21 that is widely distributed to high schools acknowledges that compliance with the law requiring the filing of a return is voluntary and at the same time suggests that the filing of a return is mandatory when it states: "Two aspects of the Federal income tax system — voluntary compliance with the law and self-assessment of tax — make it important for you to understand your rights and responsibilities as a taxpayer. 'Voluntary compliance' places on the taxpayer the responsibility for filing an income tax return. You must decide whether the law requires you to file a return. If it does, you must file your return by the date it is due."

A former IRS commissioner stated in a 1040 instruction booklet: "Each year American taxpayers voluntarily file their tax returns..." The U.S. Supreme Court also confirmed the voluntary nature of income tax in the case of *U.S. v. Flora*, 362 US 145, when it stated: "Our system of taxation is based upon voluntary assessment and payment, not upon distraint (force)."

The term "voluntary compliance" appears to be contradictory, but careful analysis shows the words to be accurate and appropriate. An act is voluntary when one does it of his own free will, not because he is forced by law to do it. If a law applies to an individual, his compliance with the law is mandatory, not voluntary. However, individuals engaged in occupations of common right are not subject to the income (excise) tax. For them, compliance with the law is voluntary, not mandatory, because the law does not apply to them.

### NQ CRIMES FOR INDIVIDUALS

Since certain individuals are not subject to an income (excise) tax, they cannot lawfully be subjected to tax-related criminal penalties. All the criminal penalties in the Internal Revenue Code are contained in Chapter 75. Section #7343 of that chapter defines a "person" who is subject to criminal penalties. An individual is not listed as being a "person" subject

to criminal penalties for failure to file a return, failure to pay income tax, or any other tax law violation.

Section #7343 states: "The term 'person' as used in this chapter includes an officer or employee of a corporation, or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs." Only those people who are required to act on behalf of a corporation or partnership, are listed as being a "person" subject to criminal penalties. If an individual is not in that capacity, he is not required to act and he cannot lawfully be subjected to any criminal penalties under the Code.

### HOW CITIZENS ARE TRAPPED

Now you might ask, if these statements are true, how are individuals sent to jail for Internal Revenue Code violations? Sadly, most are convicted by their peers, fellow individuals who do not understand the law. Prosecutors and judges do not discuss long-standing Supreme Court decisions, and jurors generally are not cognizant of the constitutional limitations relating to taxation. So they frequently vote "guilty" in tax cases when no crime has actually been committed. If one is not subject to the income (excise) tax, he or she is not committing a crime by not filing a return or by not paying the tax.

People should remember the following important facts. When an individual files an income tax return, he establishes liability to the tax by his own action of filing a return and voluntarily assesses himself. The voluntary action of filing is considered to be acknowledgement that he is required to file as a "taxpayer" and that he is therefore subject to the tax. Anyone who admits to being a "taxpayer" is caught in the trap-like definition of the word in Code Section #1701(a)(14): The term 'taxpayer' means any person subject to any internal revenue tax."

### DAMAGING EFFECTS OF INCOME TAX

In the past, America prospered and became the greatest and richest country in the world when individuals paid no income tax and government's revenues were raised by constitutionally authorized taxes on certain goods and services and on corporations. But now, money is taken from the productive sector of society by the income tax to support the non-productive sector, foreign aid, give-aways and a bloated, needless bureaucracy. The income tax paid by citizens sharply reduces their earnings; they then buy less, causing business to decline, leading to unemployment and depression, thus lowering the standard of living for all Americans. The income tax has created havoc in America's economy, in addition to the loss of liberty and the harassment of our people by the IRS's oppressive collection tactics.

The collection of the income tax enforced by fear and intimidation, is as un-American as the origin of the income tax itself. A graduated income tax is the second plank of Karl Marx's Communist Manifesto.

Deceiving citizens into voluntarily subjecting themselves to a tax they do not owe is a fraud. Worse yet, when individuals who do not voluntarily subject themselves to the income (excise) tax by filing returns, have assessments of tax laid on them directly by the IRS, it is a blatant violation of the constitutional limitation forbidding the direct

taxation of individuals. If the IRS then confiscates the individuals' wages or property by levy and seizure to settle the unconstitutionally laid tax claims, the action is pure theft under color of law.

### JURORS CAN CHECK IRS ABUSES

Abuses of the rights of American citizens by bureaucrats administering the income tax law is a disgrace to our country. History has proven that governmental abuses of citizens' rights, if unchecked, always lead to tyranny. The IRS acts unlawfully when it initiates criminal charges against individuals who are not liable and do not subject themselves to the income (excise) tax by voluntarily filing tax returns. IRS's policy is additionally unlawful when they selectively target outspoken leaders who expose IRS's abuses of citizens' rights. Convictions of these spokesmen intimidate other citizens, effectively discouraging them from speaking out publicly on this subject. However, if one juror votes "not guilty" in a "tax crime" trial, his vote stops a conviction and helps break IRS's stranglehold of fear on the American people.

The right to trial by jury originated for the specific purpose of preventing government oppression of the people. And the Supreme Court has held that to prevent injustice, a juror has the right to nullify a "bad" law by voting "not guilty" when such a law is invoked. It is a solemn responsibility for a nation of individuals who are self-governing.

### WHAT YOU CAN DO

The U.S. Constitution is the supreme law of the land. It was written to create a government of limited powers for the primary purpose of securing citizens' rights to life, liberty and property. The Declaration of Independence states that it is the duty of citizens to oppose and resist abuses of their rights. These violations of citizens' rights can be stopped if enough people become informed of these facts. SHOW THIS INFORMATION TO YOUR FRIENDS! Copy this article. Show it to citizens' groups and organizations. Inform the news media. Call radio talk shows. The American people must be informed of these facts so they can take action to restore and preserve their rights.

The Constitution is a precious document of our heritage of freedom. Its guarantees of liberty are only as effective as the will of the people to enforce them.

Your labor is your property. Knowledge will give you the power to protect and enjoy all the fruits of your labors.

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